

**Company No. 753964**

**The Companies Act 1985**

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**COMPANY LIMITED BY SHARES**

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**SPECIAL RESOLUTION**

**OF**

**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

I HEREBY CERTIFY THAT the following is a true and fair copy of a special resolution passed at a General Meeting of the Company duly convened and held at 6 Carlton Gardens, London, SW1Y 5AD on 3rd July 2008

THAT the regulations contained in the printed document (marked 'B') submitted to this meeting and, for the purpose of identification signed by the Chairman hereof be approved and adopted as the articles of association of the company, in substitution for, and to the exclusion of all existing articles thereof



A-L Holding  
Secretary



A44 \*AF1SX14K\* 245  
04/07/2008  
COMPANIES HOUSE

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

***New Articles of Association<sup>1</sup>***

of

***BAE SYSTEMS  
Pension Funds Trustees Limited***

TABLE A

1 The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 2007, the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007) and the Companies (Tables A to F) (Amendment) Regulations 2008) shall not apply to the Company except so far as the same are repeated or contained in these Articles

Table A

INTERPRETATION

2 In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context

Interpretation

WORDS	MEANINGS
The Act	The Companies Act 1985, as amended, modified, consolidated, re-enacted or replaced from time to time
The Statutes	The Companies Act 1985, the Companies Act 2006, and every other Act for the time being in force concerning companies and affecting the Company
These Articles	These Articles of Association and the regulations of the Company for the time being in force
Directors	The Directors for the time being of the Company

<sup>1</sup> These Articles of Association were adopted on 3<sup>rd</sup> July 2008

WORDS	MEANINGS
The Board	The Board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present
The Register	The Register of Members required to be kept by Section 352 of the Act
The Office	The registered office for the time being of the Company
Seal	The Common Seal of the Company
Month	Calendar Month
Financial year	Includes financial period
Paid up	Includes credited as paid up
Debenture	Includes Debenture Stock
Dividend	Includes bonus
In writing	Written, printed or lithographed, or visibly expressed in all or any of these or any other modes of representing or reproducing words

Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender, and

Words importing persons shall include corporations

Subject as aforesaid, any words or expressions defined in the Statutes shall except when the subject or context forbids bear the same meanings in these Articles

Private Company

3 The Company is a Private Company, and accordingly:

(A) The number of Members, for the time being, of the Company (exclusive of persons who are in the employment of the Company, and of persons who, having been formerly in the employment of the Company, were, while in such employment and have continued after such employment to be, Members of the Company) is not to exceed fifty, but where two or more persons hold one or more shares in the Company jointly, they shall, for the purposes of this paragraph, be treated as a single Member

(B) Any invitation to the public to subscribe for any shares or Debentures is hereby prohibited.

(C) The right to transfer shares shall be restricted as hereinafter provided

## BUSINESS

4 Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as it shall think fit, and further, may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same

Business

## OFFICE

5 The Office shall be at such place as the Board shall from time to time appoint.

Office

## CAPITAL

6 The share capital of the Company at the time of adoption of these Articles is £1,000 divided into 1,000 Ordinary Shares of £1 each

Capital

## SHARES

7 The shares shall be at the disposal of the Board, which may allot, grant options over, or otherwise deal with or dispose of them to such persons, at such times and generally on such terms and conditions as it thinks proper. Subject to the provisions of the Act, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the Company, before the issue of the shares, by special resolution shall determine

Shares at disposal  
of Board

8. If two or more persons are registered as joint holders of any share, any of such persons may give effectual receipts for any dividend or other moneys payable in respect of such share.

Joint holders

9 No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles otherwise expressly provided or as by Statute required or under an order of Court) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder

Equitable interests  
in shares

10 Every Member shall without payment be entitled to receive within two Months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) a certificate under the Seal for all shares of each class registered in his name specifying the shares to which it relates and the amount paid up thereon. Provided that in the case of joint holders the Company shall not be bound to issue more than one certificate in respect of each class of shares to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all

Issue of Share  
Certificates

Additional  
Certificates

11 A Member may require additional certificates on the payment of such sum for each additional certificate not exceeding twenty five pence as the Directors shall determine

Renewal of  
Certificates

12 If any such certificate shall be worn out, defaced, destroyed or lost, it may be renewed upon such evidence being produced as the Board shall require, and in case of wearing out or defacement on delivery up of the old certificate, or in case of destruction or loss on execution of such indemnity (if any) and in either case on payment of such sum, not exceeding twenty five pence, as the Board may from time to time require. In case of destruction or loss the Member to whom such renewed certificate is given shall also bear and pay to the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.

### CALLS ON SHARES

Calls

13 The Board may, subject to the provisions of these Articles and any condition of issue, from time to time make such calls upon the Members in respect of all moneys unpaid on their shares as it thinks fit, provided that at least fourteen days' notice of each call is given, and each Member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments

Time when  
made

14 A call shall be deemed to have been made when the resolution of the Board authorising such call is passed. A call may be revoked or postponed as the Board shall determine.

Liability of  
joint holders

15 The joint holders of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.

Interest on  
calls

16 If a call or instalment payable in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the call or instalment is due shall pay interest thereon at a rate not exceeding 5 per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Board shall have power to waive payment of or remit such interest or any part thereof

Sums due on  
allotment to be  
treated as calls

17 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other the relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided

Power to  
differentiate

18 The Board may make arrangements upon the issue of shares for a difference between the holders of such shares in the amount of calls or instalments to be paid and in the time of payment thereof

19 The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys due upon his shares

Payment in  
advance of  
calls

beyond the sums actually called up thereon, and upon all or any of the moneys so advanced the Board may (until the same would, but for such advance, become presently payable) pay or allow such interest (not exceeding without the consent of a General Meeting 5 per cent per annum) as may be agreed upon between it and such Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable

## TRANSFER OF SHARES

20 Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing, and in the usual common form or in such other form as the Board may approve, and must be lodged at the Office, accompanied by the certificate of the shares to be transferred, and such other evidence as the Board may require to prove the title of the intending transferor. Shares of different classes may not be transferred on the same instrument of transfer unless otherwise directed by the Board

Form of  
transfer

21. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register in respect thereof

Execution

22 The Board may, in its discretion and without assigning any reason therefor, refuse to register the transfer of any share to any person whom it shall not approve as transferee and the right to transfer shall be restricted accordingly. The Board shall refuse to register the transfer of any shares the registration of which would cause a contravention of the restrictions applicable to the Company as a Private Company. The Board may also refuse to register the transfer of any shares on which the Company has a lien.

Board's power  
to refuse  
registration

23 No transfer of any shares shall be made to an infant, bankrupt or person of unsound mind

Incapacitated  
persons

24 The registration of transfers may be suspended and the Register closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times and for such periods as the Board may from time to time determine, provided always that the Register shall not be closed for more than thirty days in any year.

Suspension of  
registration

25 Such fee, not exceeding twenty five pence for each registration, as the Board may from time to time determine, may be charged for registration of a transfer, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or for making any entry in the Register affecting the title to any share

Fee for  
registration of  
probate

Renunciation  
of allotment

26. Nothing herein contained shall preclude the allotment of any share to be renounced by the allottee in favour of some other person with the approval of the Board.

## TRANSMISSION OF SHARES

Transmission  
on death

27 In the case of the death of a Member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him

Registration of  
executors and  
trustees in  
bankruptcy

28 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may upon producing such evidence of title as the Board shall require, and subject as hereinafter provided, elect either to be registered himself as holder of the share, or to have some person nominated by him registered as holder thereof

29 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For all purposes of these Articles relating to the registration of transfers of shares, such notice shall be deemed to be a transfer, and the Board shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived

Registration of  
nominee of  
executor or  
trustee

30 If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. The Board shall have, in respect of transfers so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred and the transfer were a transfer executed by the person from whom the title by transmission is derived

Rights of  
unregistered  
executors and  
trustees

31. A person entitled to a share by transmission shall be entitled to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member unless and until he shall have become a Member in respect of the share

## INCREASE OF CAPITAL

Power to  
increase  
capital

32. Subject as hereinafter provided the Company may from time to time, by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully called up, or not, increase its capital by the creation of new shares, such increase to be of such amount and to be divided into shares of such respective amounts as the Resolution shall direct

33 Any shares of the original capital for the time being unissued and any new shares may be issued upon such terms and conditions as the Board may determine, with any preferences, priorities or special, qualified or restricted rights as compared with any other shares of the Company whether issued or not

Conditions  
attached to  
issue of shares

34. Except as otherwise provided by these Articles or by the conditions of issue, any new share capital shall be considered as part of the original share capital and shall be subject to the same provisions with reference to the payments of calls, transfer, transmission, forfeiture, lien and otherwise as the original capital

Rights and  
liabilities  
attaching to  
new shares

## ALTERATIONS OF CAPITAL

35 The Company may from time to time by Ordinary Resolution:

(A) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

Power to  
delegate

(B) Cancel any shares which at the date of the passing of the Resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Power to  
cancel shares

(C) Subdivide its shares, or any of them, into shares of smaller amount than is fixed by its Memorandum of Association, and so that as between the holders of the resulting shares one or more of such shares may, by the Resolution by which the sub-division is effected, be given any preference or advantage as regards dividend, capital, voting or otherwise over the other shares

Power to sub-  
divide shares

36 Subject to confirmation by the Court, the Company may by Special Resolution reduce its share capital or any capital redemption reserve fund or share premium account in any manner

Power to  
reduce capital

37. Upon any consolidation of shares into shares of larger amount the Board may settle any difficulty which may arise with regard thereto and in particular may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidation share, and in the case of any shares registered in the name of one Member being consolidated with shares registered in the name of another Member of the Board may make such arrangements for the allotment, acceptance and or sale of fractional shares or for the sale of the consolidated share and may sell the consolidated share or the fractions to such person (including a Director) at such time and price as it thinks fit and shall distribute the net proceeds of sale among such Members rateably in accordance with their rights and interests in the consolidated share or the fractions and for the purposes of giving effect to any such sale the Board may appoint some person to transfer the shares or fractions sold to the purchaser thereof and such appointment and any transfer executed in pursuance thereof shall be effective

Adjustments  
on  
consolidation



38 Anything done in pursuance of the last three preceding Articles shall be done in manner provided and subject to any conditions imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the Resolution authorising the same, and, so far as such Resolution shall not be applicable, in such manner as the Board shall determine.

## MODIFICATION OF RIGHTS

Variation of  
class rights

39. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least, holding or representing by proxy one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll.

## GENERAL MEETINGS

Annual  
General  
Meetings

40 An Annual General Meeting of the Company shall be held in each year in addition to any other Meetings which may be held in that year, and such meeting shall be specified as the Annual General Meeting in the notices calling it. Not more than 15 Months shall elapse between the date of one Annual General Meeting and the date of the next. The Annual General Meeting shall be held at such time and place as the Board shall appoint.

41 [Intentionally omitted]

Convening  
General  
Meetings

42. The Board may call a General Meeting whenever it thinks fit General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes

Notice

43 Fourteen clear days' notice of every Annual General Meeting and of every other General Meeting shall be given in manner hereinafter mentioned to such Members as are under the provisions of these Articles entitled to receive such notices from the Company and to the Auditor to the Company Every notice of meeting shall specify the place, day and hour of meeting, and in case of special business the general nature of such business and shall also state with reasonable prominence that a Member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of his rights to attend, speak and vote instead of him and that a proxy need not also be a Member In the case of a meeting convened for passing a Special Resolution the notice shall specify the intention to propose the Resolution as a Special Resolution

A meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article be deemed to have been duly called if it be so agreed by such Members as are prescribed in that behalf by the Statutes. The Company shall comply with

Short notice

the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of Members

44 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

Omission of  
non-receipt of  
notice

## PROCEEDINGS AT GENERAL MEETINGS

45 All business shall be deemed special that is transacted at a General Meeting All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors and any other documents annexed to the balance sheet, the appointment of Directors and Auditors and other Officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors, and any other business which under these Articles or the Statutes ought to be transacted at an Annual General Meeting.

Business of  
meetings

46 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Two Members present in person or by proxy shall be a quorum

Quorum

47 The Chairman of the Board shall preside as Chairman at every General Meeting but if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the Vice-Chairman of the Board shall preside, or if there be no such Vice-Chairman or if he be not present within such period or shall be unwilling to act, the Directors present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, the persons present shall choose one of themselves to be Chairman of the meeting.

Chairman

48 If within fifteen minutes from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members shall be dissolved In any other case it shall stand adjourned to such time and place as the Chairman of the meeting shall decide, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the persons present shall be a quorum

Dissolution  
and  
adjournments

49 The Chairman of any meeting may, with its consent, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, as the meeting shall determine Whenever a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given in the same manner as of an original meeting Save as aforesaid, the Members shall not be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place

Adjournment

Notice of  
adjournment

Method of  
voting

50 At any General Meeting a Resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or in writing by a person or persons holding or representing by proxy or entitled to vote in respect of one-tenth of the total voting rights of all the Members having the right to vote at the meeting or by a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution

How poll to be taken

51 If a poll be demanded in manner aforesaid, it shall be taken at such time and place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the Resolution of the meeting at which the poll was demanded The demand of a poll may be withdrawn

No poll for election of Chairman or adjournment

52 No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment

Chairman's casting vote

53 In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a Member.

Continuance of business after demand for poll

54 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded

Resolutions in writing

55. A Resolution in writing signed by all the Members shall be as valid and effectual as a Resolution of a General Meeting

## VOTES OF MEMBERS

Voting rights of members

56. Subject to any special rights or restrictions for the time being attached to any class of shares in the capital of the Company, on a show of hands every Member personally present or by proxy shall have one vote only, and in the case of a poll every Member present personally or by proxy shall have one vote for every share held by him in the Company

57 If any Member be a lunatic, idiot or non compos mentis, he may vote, whether on a show of hands or at a poll, by his committee, curator bonis, or other legal curator, and such last-mentioned persons may give their votes either personally or by proxy

Voting rights of lunatic members

58 If two or more persons are jointly entitled to a share, the vote of a senior who tenders a vote, whether in person or by proxy, shall be

Voting rights of joint holders

accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register

59 Save as herein expressly provided, no person other than a Member duly registered, and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote, either personally or by proxy, or to be reckoned in a quorum, at any General Meeting

Voting rights  
when calls  
paid

60 Votes may be given either personally or by attorney or proxy. A proxy need not be a Member of the Company. A Member may appoint one or more than one person to act as his proxy

Votes on a  
poll

61. The instrument appointing a proxy shall be in writing under the hand of the appointor, or his attorney duly authorised in writing, or if such appointor is a corporation under its common seal, if any, and if none, then under the hand of some officer or attorney duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

Form of  
proxies

62 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office (or, to the extent permitted by the Statutes, sent using electronic communications to the Company at the address specified (or deemed to have been specified) by the Company for that purpose so as to be received by the Company) at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote or in the case of a poll taken more than forty-eight hours after the meeting, not less than twenty-four hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof. No instrument appointing a proxy shall be valid after the expiration of twelve Months from the date of its signature

Deposit of  
proxies

63 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which it was executed, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting

Intervening  
death or  
insanity of  
principal

#### CORPORATION ACTING BY REPRESENTATIVES

Representation  
of member  
companies

64 Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these presents be deemed to

be present in person at any such meeting if a person so authorised is present thereat.

## DIRECTORS

Number of  
directors

65 Until otherwise determined by Ordinary Resolution the number of Directors shall not be less than two

Validity of  
Directors' acts  
despite  
vacancy

66 The continuing Directors at any time may act, notwithstanding any vacancy in their body, provided always that if the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies or calling a General Meeting of the Company, but not for any other purpose

Share  
qualification

67 No share qualification shall be required by a Director.

Expenses

68 The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in and about the business of the Company, including their expenses travelling to and from Board or Committee or General Meetings and all other expenses reasonably and properly incurred by them in the interests of the Company

Special  
remuneration

69. If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Board may pay him special remuneration and such special remuneration may be by way of salary, commission or otherwise as may be arranged

## POWERS OF THE BOARD

General power  
of Board to  
manage  
Company's  
business

70. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be expressed and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meetings, subject, nevertheless, to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made

71 The Board may make such arrangements as may be thought fit for the management of the Company's affairs in any specified locality whether at home or abroad, and may for this purpose (without prejudice to the generality of its powers) appoint local boards, attorneys and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient.

Power to  
delegate

72. The Board may borrow or raise from time to time for the purposes of the Company or secure the payment of such sums as it thinks fit, and may secure the repayment or payment of any such sums by

Power to  
borrow money  
and give  
security

mortgage or charge upon all or any of the property or assets of the Company, including its uncalled or unpaid capital, or by the issue of Debentures (whether at par or at a discount or premium) or otherwise upon such terms and conditions as it thinks fit.

73. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time determine

Signature of  
cheques and  
bills

74 A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Board shall approve and may act either personally or as a member of a firm as Solicitor, Accountant, Banker, Broker or Surveyor to the Company or render any other services to the Company and may receive such remuneration from the Company for holding such office or employment or for so acting or for rendering any such service (in addition to any remuneration payable to him as a Director) as the Board shall determine, and shall not be accountable to the Company for any such remuneration.

Power of  
Directors to  
hold offices of  
profit with the  
Company

75 Without restricting the generality of the foregoing powers the Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a Director in respect of the exercise of any of the powers by this Article conferred upon the Directors, notwithstanding that he is or may be or become interested therein

Pensions for  
Directors

76. No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director may as a Director vote in respect of any contract or arrangements in which he is so interested as aforesaid provided that the nature of his interest is declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Board held after he became so interested, and in a

Power of  
Directors to  
contract with  
the Company

case where the Director becomes interested in a contract or arrangement after it is made such declaration shall be made at the first meeting of the Board held after he becomes so interested. A general notice to the Board by a Director that he is a member of any specified firm or company and is to be regarded as interested in any contract or transaction which may after the date of the notice be made with such firm or company shall be a sufficient declaration of interest in relation to such contract or transaction under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular contract or transaction with such firm or company. Provided that any such general notice shall be of no effect unless either it is given at a meeting of the Board or the Director giving the notice takes reasonable steps to see that it is brought up and read at the next meeting of the Board after it is given. A Director may hold office as a director or manager of any other company in which the Company is a Member or is otherwise interested, and shall not be liable to account to the Company for any remuneration or other benefits receivable by him from such other company.

Power to act as  
shareholder

77 Without prejudice to the scope of the general powers conferred on the Board it may in the event of all or any part of the property of the Company being invested in or consisting of shares, stock or other interests in any corporation, whether foreign or otherwise, exercise all or any of the rights, powers and discretions which may for the time being be vested in the Company or any person on trust for it as a shareholder or stockholder, of or as being otherwise interested in such corporation, including the exercise of any voting power attached thereto on a resolution fixing or assigning the remuneration of any directors, managing directors or officers of such corporation who may also be Directors of the Company in such manner in all respects as the Board may think fit and the Directors may act as directors, managing directors or officers of any such corporation or of any corporation promoted by the Company and retain for their own benefit any remuneration or other benefits received by them in such capacities and shall not be liable to account therefor to the Company.

#### DISQUALIFICATION OF DIRECTORS

Vacation of the  
office

78 Subject as herein otherwise provided the office of a Director shall be vacated

- (A) If a receiving order is made against him, or he makes any arrangement or composition with his creditors
- (B) If he is found lunatic or becomes of unsound mind
- (C) If he absents himself from the meetings of the Board during a continuous period of six Months without special leave of absence from the Board and it passes a Resolution that he had by reason of absence vacated office
- (D) If he is prohibited from being a Director by an Order made under any provision of the Statutes

- (E) If by notice in writing to the Company he resigns his office.
- (F) If he be requested to resign by a notice in writing signed by all the other Directors.

#### APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

79 (A) The number of directors shall be not more than 14 of whom

Number of  
Directors

- (i) not more than six may be nominated by and from members of the BAE Systems Central Pensions Consultative Committee,
- (ii) not more than one may be nominated by and from members of the Joint Pensioners Committee, and
- (iii) not more than seven may be nominated by BAE Systems, of whom at least four (subject to temporary vacancies) must be members of the BAE Systems Pension Scheme.

(B) Each Director shall hold office for a term starting on 1 January and ending on 31 December three years later except that

Term of office

- (i) if a Director ceases to hold office for any reason before his or her term has expired, a Director appointed to fill that vacancy shall hold office only for the remainder of that term (subject to paragraph (C) below)

Eligibility for  
re-appointment

(C) A Director holding office when his or her term expires may be re-appointed in accordance with paragraph (A),

Disqualification  
of Directors

(D) A Director who was appointed or re-appointed under paragraph (A)(i) or (ii) of this Article shall vacate the office of a Director forthwith upon his ceasing for any reason to be a member of the BAE Systems Pension Scheme A Director who was appointed or re-appointed under paragraph (A)(iii) of this Article and was then a member of the BAE Systems Pension Scheme shall vacate the office of a Director forthwith upon ceasing for any reason to be a member of that Scheme if at that time fewer than four other Directors appointed under that paragraph continue to hold office and are members of that Scheme.

Age limit

80. No Director shall be required to vacate his office or be ineligible for appointment or re-appointment by reason of his age.

Removal of  
Directors

81. Without prejudice to the power of the Company under Section 168 of the Companies Act 2006 to remove a Director before the expiration



of his period of office by Ordinary Resolution, the Company may by Special Resolution remove any Director before the expiration of his period of office.

82 [Intentionally omitted]

## PROCEEDINGS OF THE BOARD

83 The Board or any committee of the Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, and determine the quorum necessary for the transaction of business. Until otherwise determined four shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

83A Notwithstanding any of the provisions elsewhere in these Articles of Association if a proposal is considered by the Board concerning any of the matters designated as 'Special Business' as detailed in paragraphs (A) and (B) below the quorum of the meeting shall be 12. In addition, where the Directors are called upon to pass a Resolution on any of the matters designated as 'Special Business' nine or more Directors shall be required to vote in favour of such Resolution. Should such a Resolution fail to be put to a meeting of the Board by reason of the necessary quorum not being achieved the Chairman or individual elected to chair the meeting shall adjourn the meeting and reconvene giving such period of notice as may be agreed by the meeting provided that this be not less than seven days. The quorum for such a reconvened meeting shall be eight of whom two-thirds or more shall be required to vote in favour of the Resolution for it to be carried. References in this Article to the "Scheme" are references to the BAE Systems Pension Scheme

(A) The following matters are designated as 'Special Business'

- amendment of the Scheme's Trust Deed and Rules,
- appointment of Chairman,
- appointment of Vice Chairman,
- appointment of standing committees,
- creation or amendment of terms of reference for senior officers of the Scheme,
- approving the transfer or distribution of the Scheme's assets other than in the normal course of business,
- calculation and approval of a transfer value where a group of members joins or withdraws from the Scheme on the acquisition or sale of a company or business.

(B) Should four or more Directors request that it be treated as such any of the following matters shall be designated 'Special Business'

- appointment of Board committees (other than standing committees),

- amendment to accrued benefits and/or rights of Scheme members,
- amendment to prospective benefits and/or rights of Scheme membership,
- alteration of commutation or early or late retirement factors used for the Scheme,
- recommendation of contribution rates under the Scheme,
- recommendation of utilisation of an actuarial surplus under the Scheme,
- changes in contribution rate in order to utilise an actuarial surplus or reduce a deficit in the Scheme either by the employers or by the employers and employees,
- exercise of Trustee's power of augmentation under the Scheme when actuarial costs are not paid in full into the Scheme, including pension increases,
- exercise of Trustee powers following termination of the Scheme

84 A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board Subject to paragraphs (A) to (D) below, not less than five days' written notice (exclusive of the day of service and the day fixed for the meeting) of every meeting of the Board shall be given to every Director, either personally or by sending the same through the post in a prepaid letter addressed to the Director at his usual residential address as appearing in the Register of Directors and Secretaries kept by the Company pursuant to Sections 288 to 290 inclusive of the Act or, if the Director shall have notified to the Company some other address for the purpose of this Article, at that other address Such notice if served by post shall be deemed to have been served on the day following the day on which the letter containing the same is put into the post The notice shall specify the date and time and the place of the meeting which shall be a place in Greater London, Farnborough or such other place in the United Kingdom as the Board may from time to time decide

- (A) Instead of written notice of a Board meeting as described above, oral notice may be given to a Director by speaking to the Director personally (either in the Director's presence or by telephone), in which case the notice shall be deemed to be given at that time but must be confirmed by written notice served before the meeting starts
- (B) If a Director has provided the Company with an address for this purpose, written notice of a Board meeting may be given to that Director by sending an electronic communication (including email or fax) to that address, in which case the notice shall be deemed to have been served one hour after it was sent
- (C) A Board meeting may be summoned with less than five days' notice if the Chairman and the Vice Chairman so decide

- (D) The requirement for five days' notice may be waived by the Board at the meeting in question if notice of the meeting had been given to every Director in the United Kingdom before the meeting started and those present at the meeting include at least one-half of the Directors appointed under Article 79(A)(i) or (ii) and at least one-half of the Directors appointed under Article 79(A)(iii).

Chairman

85. The Board or (subject to Article 86) any committee of the Board may from time to time elect a Chairman or Vice-Chairman and may determine the period for which they are respectively to hold office as such, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, or if he be unwilling to act then the Vice-Chairman shall take the chair at such meeting. If there be no Vice-Chairman or if he be not present within such period or if he be unwilling to act the Board or committee shall choose another Director to be Chairman of the meeting.

Power to  
appoint  
committees

86 The Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit. The Board may appoint a Chairman or Vice Chairman of a committee. Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon it by the Board.

86A With the consent of the Chairman of the Board or committee (as the case may be) or of the chairman of the meeting, any Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled. Unless the Board agrees otherwise, no more than two Directors who are not physically present when the meeting takes place may participate in that meeting by virtue of this Article 86A. The Board may approve non-binding guidelines as to the circumstances in which consent to such participation should normally be given or refused.

Attendance by  
telephone

87 All acts bona fide done by any meeting of the Board, or by a committee of the Board, or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that any person was disqualified as a Director, be as valid as if every such person had been duly appointed, was qualified and had continued to be a Director.

Validity of acts  
of Board  
despite some  
formal defect

88. The Board shall cause proper minutes to be made of all appointments of officers made by the Board, of the proceedings of all meetings of the Board, and committees of the Board, and of the attendances thereat, and of the proceedings of all meetings of the Company and all business transacted, Resolutions passed and orders made at such meetings, and any such minutes of any meeting, if purporting to be signed by the

Minutes of  
Board  
Meetings

Chairman thereof, or by the Chairman of the next succeeding meeting of the Company or Board or committee as the case may be, shall be sufficient evidence without further proof of the fact therein stated

89 A Resolution in writing shall be as effective for all purposes as a Resolution passed at a meeting of the Board if it is signed by all of the Directors in the United Kingdom or by at least five Directors appointed under Article 79(A)(i) or(ii) and at least five Directors appointed under Article 79(A)(iii) The Resolution may consist of one document or several documents in like form each signed by one or more Directors and such documents may be facsimile copies of the signed Resolution

Resolutions in writing

## SECRETARY

90 The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

Appointment

## THE SEAL

Formalities for affixing Seal

91 The Seal shall not be affixed to any instrument except by the authority of the Board or a Committee of the Board and every instrument to which the Seal shall be affixed shall be signed by two Authorised Sealing Officers, for which purpose Authorised Sealing Officer means a Director or the Secretary or any other person appointed by the Board or a Committee of the Board to act as an Authorised Sealing Officer.

## ACCOUNTS

Keeping of books

92 The Board shall cause proper accounts to be kept and the provisions of the Statutes in this regard shall be complied with The books of account shall be kept at the Office, or such other place or places as the Board shall think fit, and shall always be open to inspection of the Company's officers

Inspection of books

93 The Board shall from time to time determine whether in any particular case or class of cases or generally and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of Members, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Board or by an Ordinary Resolution of the Company

Presentation of accounts

94 The Board shall from time to time in accordance with Sections 402, 405, 431-432, 454, 472, 475 and 495-497 of the Act cause to be prepared and to be laid before the Company in Annual General Meeting such profit and loss accounts, Balance Sheets, Group Accounts (if any) and reports as are referred to in those Sections

## AUDITORS

Validity of acts  
of Auditors  
despite some  
formal defect

95 (A) Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment

Auditor's right  
to receive  
notices of and  
attend General  
Meetings

(B) The Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor

## NOTICES

Service of  
notices

96 A notice or other document may be served by the Company upon any Member personally, or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register, or by electronic communication to an address (including any number or address used for the purpose of such communications) for the time being notified to the Company by the Member.

97. All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled to be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such share

Joint holdings

98. Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any Officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid registered letter addressed to the Company, or to such Officer, at the Office.

Service upon  
the Company

99 Any notice or other document if served by post shall be deemed to have been served at the time when the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter or prepaid registered letter as the case may be Any notice, document or information given by electronic means to an address specified for the purpose is deemed to have been given 24 hours after it was sent

Effective date  
of service

100. Any notice or other document served upon or sent to any Member in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt, and whether the Company have notice of his death or bankruptcy or not, be deemed to be duly served or sent in respect of any shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such shares, and such service or sending shall be a sufficient service or sending on or to his executors, administrators or assigns and all other persons (if any) interested in such shares

Service of  
notices after  
death or  
bankruptcy  
or a member

## WINDING UP

101. If the Company shall be wound up either voluntarily or otherwise the Liquidator may, with the sanction of a Special Resolution, divide among the Members *in specie* any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members or any of them as the Liquidator with the like sanction shall think fit Any such Resolution may provide for and sanction a distribution of any specific assets amongst different classes of Members otherwise than in accordance with their existing rights, but each Member shall in that event have a right of dissent

Distribution of  
assets *in  
specie*

## INDEMNITY

102. Every Director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto and no Director or other Officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto But this Article shall only have effect in so far as its provisions are not avoided by Section 232 of the Companies Act 2006.

Indemnity of  
Directors and  
Officers

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## NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

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MARION SIMMONS,  
59-67 Gresham Street,  
London EC2  
*Secretary*

J BENNINGTON,  
59-67 Gresham Street,  
London EC2.  
*Secretary*

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DATED the 12th day of March, 1963  
WITNESS to the above Signatures:

J. A. WILES,  
59-67 Gresham Street,  
London EC2  
*Secretary*