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CHFP025

COMPANIES FORM No. 155(6)a

Declaration in relation to  
assistance for the acquisition  
of shares

155(6)a

Please do not  
write in this  
margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies  
(Address overleaf - Note 5)

For official use

Company number

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

4333003

Name of company

\* BAE SYSTEMS (FUNDING TWO) LIMITED

Note  
Please read the notes  
on page 3 before  
completing this form.

\* insert full name  
of company

Ø insert name(s) and  
address(es) of all  
the directors

X We Ø MICHAEL LESTER, C/O 6 CARLTON GARDENS, LONDON SW1Y 5AD  
DAVID PARKES, C/O 6 CARLTON GARDENS, LONDON SW1Y 5AD  
CHRIS GLASSON, C/O 6 CARLTON GARDENS, LONDON SW1Y 5AD

† delete as  
appropriate

§ delete whichever  
is inappropriate

~~XXXXXXXXXXXX~~ all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

~~(a) that of a recognised bank, (licensed institution) within the meaning of the Banking Act 1979~~

~~(b) that of a person authorised under section 57A of the Insurance Companies Act 1982 to carry~~

~~insurance business in the United Kingdom~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ BAE SYSTEMS (FUNDING TWO) LIMITED

The assistance is for the purpose of ~~that acquisition~~ reducing or discharging a liability incurred for the  
purpose of that acquisition.†

The number and class of the shares acquired or to be acquired is: 1,001,000,000 OF US\$1 EACH

Presentor's name address and  
reference (if any) :

Slaughter and May (Ref: / / )  
One Bunhill Row  
London  
EC1Y 8YY

Ref: NPB/SEZD

For official Use  
General Section

Post room



LD2  
COMPANIES HOUSE

0071  
03/10/03

The assistance is to be given to: (note 2) BAE SYSTEMS PLC, 6 CARLTON GARDENS.

LONDON SW1Y 5AD

Please do not  
write in this  
margin

Please complete  
legibly, preferably  
in black type, or  
bold block  
lettering

The assistance will take the form of:

THE ENTRY INTO BY THE COMPANY OF AN INTER-COMPANY LOAN AGREEMENT WITH BAE  
SYSTEMS PLC IN THE PRINCIPAL AMOUNT OF US\$1,274,269,169 AND THE INITIAL  
DRAWDOWN UNDER SUCH LOAN AGREEMENT

The person who ~~has acquired~~ ~~will acquire~~ the shares is:

† delete as  
appropriate

BAE SYSTEMS PLC, 6 CARLTON GARDENS, LONDON SW1Y 5AD

The principal terms on which the assistance will be given are:

UNDER THE TERMS OF THE INTER-COMPANY LOAN AGREEMENT, THE COMPANY WILL  
MAKE AVAILABLE 6 PRE-DETERMINED DRAWDOWN AMOUNTS TO BAE SYSTEMS PLC ON 6  
PRE-DETERMINED ANNUAL DATES. THE LOAN, CONSTITUTING UNSECURED OBLIGATIONS  
OF BAE SYSTEMS PLC, IS REPAYABLE ON DEMAND AND RANKS PARI PASSU WITH BAE  
SYSTEMS PLC'S OTHER OBLIGATIONS

The amount of cash to be transferred to the person assisted is £ US\$1,274,269,169

The value of any asset to be transferred to the person assisted is £ NIL

The date on which the assistance is to be given is WITHIN 3 WEEKS OF THE DATE HEREOF

Please do not write in this margin

**Please complete legibly, preferably in black type, or bold block lettering**

\* delete either (a) or (b) as appropriate

**X**We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) **X**We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date\* (note 3)

(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.~~\* (note 3)

M

And **X**we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at G Carleton Gardens  
Wilt

Declarants to sign below

*[Handwritten signatures]*

on 

Day	Month	Year
02	10	2003

before me *[Signature]* R.A.O. Vaughan

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.  
35 Albany, London W.1

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-  
  
The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ  
  
or, for companies registered in Scotland:-  
  
The Registrar of Companies  
37 Castle Terrace  
Edinburgh  
EH1 2EB



KPMG Audit Plc

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

Tel +44 (0) 20 7311 8469  
Fax +44 (0) 20 7311 4770  
DX 38050 Blackfriars

The Directors  
BAE SYSTEMS (Funding Two) Limited  
6 Carlton Gardens  
London  
SW1Y 5AD

2 October 2003

Dear Sirs

**Auditors' report to the directors of BAE SYSTEMS (Funding Two) Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 2 October 2003 in connection with the proposal that the company should give financial assistance for the purpose of reducing or discharging a liability incurred in connection with the acquisition of 1,001,000,000 of the company's ordinary shares. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

*KPMG Audit Plc*

KPMG Audit Plc



KPMG Audit Plc, a company incorporated under the UK Companies Acts, is a member of KPMG International, a Swiss association

KPMG Audit Plc is registered to carry on audit work by the Institute of Chartered Accountants in

England and Wales.  
Registered in England  
No 3110745

Registered office:  
8 Salisbury Square  
London EC4Y 8BB