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CHFP010

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COMPANIES FORM No. 155(6)a

## Declaration in relation to assistance for the acquisition of shares

# 155(6)a

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

Please complete  
legibly, preferably in  
black type, or bold  
block letteringTo 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+ We ~~are~~ DAVID PARKES, C/O 6 CARLTON GARDENS,  
LONDON, SW1Y 5AD.+ Insert name(s)  
and address(es)  
of all the directorsALEX MCILHINNEY, C/O 6 CARLTON GARDENS,  
LONDON, SW1Y 5AD† delete as  
appropriate~~(the sole director)~~ all the directors † of the above company do solemnly and sincerely declare that

The business of the company is

‡ delete whichever  
is inappropriate(a) ~~that of a [recognised bank] [licensed institution] † within the meaning of the Banking Act 1979 ‡~~(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on  
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 ~~[company] [company's holding company]~~

BAE SYSTEMS (FUNDING TWO) LIMITED 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

US\$ EACH

Presenter's name, address  
and reference (if any)MARK SERFOZO  
SENIOR LEGAL ADVISER  
BAE SYSTEMS PLC  
6 CARLTON GARDENS  
LONDON  
SW1Y 5AD

For official use (02/06)

General Section

Post room

WEDNESDAY



A51

COMPANIES HOUSE

656

**coform**

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this margin

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

The assistance is to be given to (note 2) BAE SYSTEMS PLC  
6 CARLTON GARDENS, LONDON, SW1Y 5AD

The assistance will take the form of

THE ENTRY INTO AND PERFORMANCE OF AN  
INTRA-GROUP LOAN AGREEMENT WITH BAE SYSTEMS plc  
BY THE COMPANY

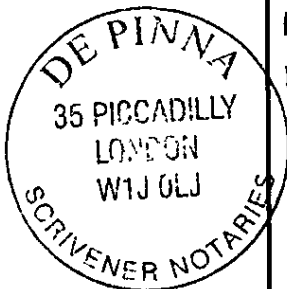
† delete as  
appropriate

The person who [has acquired]~~[will acquire]~~ the share is

BAE SYSTEMS HOLDINGS LIMITED, 6 CARLTON GARDENS,  
LONDON SW1Y 5AD, HOWEVER THE SHARES WERE FORMERLY OWNED BY  
BAE SYSTEMS plc, LONDON, SW1Y 5AD

The principle terms on which the assistance will be given are

UNDER THE TERMS OF THE INTRA-GROUP LOAN AGREEMENT,  
THE COMPANY WILL LEND THE PRINCIPAL AMOUNT OF  
US\$1,039,375,385.55 TO BAE SYSTEMS plc THE  
LOAN, CONSTITUTING UNSECURED OBLIGATIONS OF  
BAE SYSTEMS plc, IS REPAYABLE ON DEMAND, RANKS  
PARI PASSU WITH THE OTHER OBLIGATIONS OF  
BAE SYSTEMS plc AND WILL BE INTEREST FREE.



The amount of cash to be transferred to the person assisted is £ US\$1,039,375,385.55

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 8 WEEKS OF DATE HEREOF

Please do not write in this margin

I / 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)

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

- (a) [I / 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 I / 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) →~~

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

And ~~if~~ 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 6 CARLTON GARDENS  
LONDON, SW1Y 5AD

Declarants to sign below

on 

Day	Month	Year
02	07	2007

*AL Muthiny*

before me

*[Signature]*

D N L FAWCETT  
NOTARY PUBLIC  
MY COMMISSION EXPIRES  
WITH LIFE

Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

#### NOTES

- For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 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
- Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- The address for companies registered in England and Wales or Wales is -  
The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ  
DX 33050 Cardiff  
or, for companies registered in Scotland -  
The Registrar of Companies  
37 Castle Terrace  
Edinburgh  
EH1 2EB  
DX 235 Edinburgh  
or LP - 4 Edinburgh 2



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ian.bone@kpmg.co.uk  
Mobile 07786 746334

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

2 July 2007

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 July 2007 in connection with the proposal that the company should give financial assistance in connection with lending BAE SYSTEMS plc interest free, on terms that the loan be repayable on demand, US\$1,030,097,222 together with a further amount of US\$9,278,163.33, the total sum of such loan being US\$1,039,375,385.55

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

