

**BAE SYSTEMS**

**Account Number: 0140/**

If you are in any doubt about the action you should take you should immediately seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorized under the Financial Services and Markets Act 2000

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The value of shares and the income from them can fall as well as rise and you may not recover the amount of money you invest. You should not regard any of the information provided in the accompanying Terms and Conditions as a recommendation to buy or hold Shares in BAE SYSTEMS plc.

This dividend reinvestment plan mandate form is not transferable.

**Dividend Reinvestment Plan Mandate Form**

If you wish to participate in the BAE SYSTEMS Dividend Reinvestment Plan (the "Plan"), in accordance with the enclosed Terms & Conditions, you must complete and sign this form (the "Form") and return it to Share Dividend Team, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Your signed Form must be received by Equiniti at the address shown above by the last day for election for a dividend if you wish to apply in respect that dividend.

If you complete this Form it will apply in respect of all future dividends to which the Plan is applied.

Our standard terms and conditions have been sent to you. These terms form the basis on which our services will be provided to you. For your own benefit you should read these terms carefully before proceeding. If you do not understand any point or would like another copy please contact the helpline. I/we apply to join the DRIP.

**The following declaration must be completed:**

<i>Declaration</i>	<i>Tick as Appropriate</i>
Any shares purchased on my/our behalf in accordance with the Terms and Conditions of the Plan <b>shall not be</b> Foreign-held *	
Any shares purchased on my/our behalf in accordance with the Terms and Conditions of the Plan <b>shall be</b> Foreign-held *	

\* see overleaf for definition

Dated.....

(1) Signature ..... (2) Signature.....

Address (if different from above).....(3) Signature.....

.....(4) Signature .....

In the case of joint holders ALL MUST SIGN. In the case of a corporation, this form must be executed under its common seal or be signed by a duly authorised official, whose capacity should be stated in accordance with Section 44 of the Companies Act 2006.

If this Form is not completed to the satisfaction of Equiniti Financial Services, it will not be processed and will be returned to you

BAE SYSTEMS plc is incorporated in England and Wales under the Companies Acts 1948 to 1976. Registered No. 1470151.

BAE SYSTEMS plc is required to ensure that no single foreign person is interested in more than 15% of its ordinary shares. In order to achieve this it is necessary for every shareholder to make a declaration as to whether or not they are foreign, as defined overleaf.

**Completion of the form overleaf must include completion of the declaration otherwise the Plan application will be rejected.** The Company reserves the right to require evidence or information on any matter contained in this declaration.

If the foreign limits are exceeded, foreign-held shares will be required to be transferred to a non-foreign holder. If such a transfer does not take place BAE SYSTEMS has the right to order that the shares to be sold and the net proceeds paid to the former owner on surrender of the relevant share certificate.

## Definitions

The following are summaries of the relevant definitions. The full definitions are set out in BAE SYSTEMS plc Articles of Association.

“Foreign-held Share” means, subject to certain exemptions, any Share in which a Foreigner, Foreign Corporation or Corporation under Foreign Control, has an Interest.

“Foreigner” means any individual who is not a British citizen, British Dependant Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981.

“Foreign Corporation” means:

- (i) any corporation other than a corporation which is incorporated under the laws of any part of and which has its principal place of business and central management and control in the United Kingdom; or
- (ii) a government or government department or government agency or body other than of the United Kingdom or any part thereof;  
or
- (iii) any municipal, local, statutory or other authority or any undertaking or body established in any country other than the United Kingdom.

“Corporation under Foreign Control” means any corporation (other than a Foreign Corporation):

- (i) of which one third or more of the directors (or persons occupying the position of directors by whatever name called) are Foreigners or Foreign Corporations or are accustomed to act in accordance with the suggestions, instructions or directions of Foreigners or Foreign Corporations; or
- (ii) of which shares carrying more than thirty per cent. of the votes which are ordinarily eligible to be cast on a poll at General Meetings of the corporation are for the time being held by Foreigners or Foreign Corporations.

“Interest”, subject to what is said below means any interest which would be taken into account in deciding whether a notification by that person to BAE SYSTEMS plc would be required under Part VI of the Companies Act 1985 (as amended) as in force on 1 March 1998 if all Shares were “relevant share capital” for the purposes of that Part.

For this purpose:

- (a) any right pursuant of the provisions of any agreement to control, influence or participate in the exercise of any right conferred by the holding of any Share shall be deemed to comprise such an interest. In this paragraph, “agreement” includes any agreement, arrangement or understanding (whether formal or informal) and “provisions of any agreement” includes, subject to certain exceptions, any undertaking, expectation or understanding (whether express or implied and whether absolute or not) operative under any agreement;
- (b) any interest of a bare trustee or which, if the incidents of the interest are governed by a law other than the law of England and Wales, is in all material respects identical to the interest of a bare trustee under the law of England and Wales is to be disregarded;
- (c) section 209(1)(a) of the Act shall be disregarded.

In addition, there are particular exceptions in relation to traders, clearing houses, trustees of retirement benefit schemes and charities (details of which together with the full text of the provisions summarised in paragraphs (a), (b), (c) above are set out in the Articles of Association).

“Share” means any share in the capital of the Company, subject to certain exceptions, which carries the right to vote on a poll at General Meetings of the Company whether ordinary or only in specified circumstances.

“United Kingdom” means Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.