

PARTICULARS OF THE RIGHTS ATTACHING TO ORDINARY SHARES (each a “**Share**” and together the “**Shares**”) IN THE CAPITAL OF BAE SYSTEMS PLC (the “**Company**”)

Voting rights (including any voting rights that only arise in particular voting circumstances)

Each Share carries the right to one vote on a poll. On a vote by show of hands each member present in person has one vote, and each member present in proxy has one vote subject to the provisions of the Company’s Articles of Association where a proxy has been appointed by more than one member. The right to vote at a general meeting is determined by reference to the register of members at a time specified in the notice of meeting, being not more than 48 hours (with the directors having the authority to, at their discretion, resolve that in calculating such period non-working days should be disregarded) before the general meeting in question.

Dividend rights

All dividends shall be declared and paid according to the amounts paid up on the Shares. Dividends may only be paid out of profits available for distribution and interim dividends may be paid as decided by the directors. Shareholders may declare a final dividend in an amount not exceeding the amount recommended by the directors.

Pre-emption rights in offers for subscription of securities of the same class

Any equity securities issued by the Company for cash must first be offered to the holders of the Shares in proportion to their shareholdings under the Companies Act 2006. Such pre-emption rights may be disapplied by a special resolution of the shareholders, whether generally or specifically, for up to a maximum period not exceeding five years.

Rights to share in the issuer’s profits

The Shares do not carry any rights to share in the Company’s profits.

Rights to share in any surplus in the event of liquidation

Under the Insolvency Act 1986, any property of the Company on a voluntary winding-up, surplus to the satisfaction of the Company’s liabilities, shall be distributed among its members in proportion to their holding of Shares, but following repayment of the capital paid up on the Company’s Special Share.

Redemption provisions.

The Shares are not redeemable.

Conversion provisions

The Shares are not convertible.