

**MERGER BETWEEN BRITISH AEROSPACE PLC AND THE MARCONI ELECTRONIC  
SYSTEMS BUSINESS OF THE GENERAL ELECTRIC COMPANY PLC**

**VARIATION TO UNDERTAKINGS GIVEN TO THE SECRETARY OF STATE FOR  
TRADE AND INDUSTRY BY BRITISH AEROSPACE PLC PURSUANT TO S75G(1) OF  
THE FAIR TRADING ACT 1973**

WHEREAS:

- (a) On 28 March 2000, the Secretary of State accepted the undertakings given by British Aerospace plc (subsequently re-named BAE SYSTEMS plc, "BAE SYSTEMS") in order to remedy or prevent the adverse effects of the military aspects of the merger of GEC's defence electronics business Marconi Electronic Systems with BAE SYSTEMS;
- (b) As required by the undertakings, BAE SYSTEMS appointed a Compliance Officer with responsibility for facilitating and overseeing the compliance by BAE SYSTEMS with the undertakings;
- (c) BAE SYSTEMS has requested a variation to the undertakings to permit an extension to the term of appointment of the present Compliance Officer in order to facilitate the task of a forthcoming review of other provisions of the undertakings;

NOW THEREFORE BAE SYSTEMS hereby gives to the Secretary of State the following variations to the undertakings consistent with the aim of the undertakings accepted by the Secretary of State on 28 March 2000 to remedy or prevent the adverse effects of the military aspects of the merger

**1 Variation: Appointment of Compliance Officer**

1.1 Undertaking 1.8 is varied to read as follows:

“1.8 The appointment of a person to hold the office of Compliance Officer shall be for a term of five years or a shorter term if the prior written consent (not to be unreasonably withheld) of the DGFT is given and either term may in exceptional circumstances be extended with the prior written consent (not to be unreasonably withheld) of the DGFT.”

1.2 Undertaking 1.9 is varied to read as follows:

“1.9 On the termination, or following any extension under 1.8 the expiry of the revised date of termination of the term referred to in 1.8, BAE SYSTEMS shall appoint a new person to hold the office of Compliance Officer in accordance with these Undertakings.”

1.3 Undertaking 1.11 is varied to read as follows:

“1.11 BAE SYSTEMS shall not, unless it has obtained the prior written consent (not to be unreasonably withheld) of the DGFT to do so, re-appoint, employ or engage a person who has held the office of Compliance Officer, in any capacity within five years of the end of his term or removal from such office if earlier.”

**2 Variation: General**

2.1 Undertaking 16.8 is varied to read as follows:

“16.8 BAE SYSTEMS shall publish these Undertakings as may be varied from time to time on its website in a form that is easily accessible, visible, legible and that is capable of being printed from the website.”

**3 Variation: Interpretation and Definitions**

3.1 In Undertaking 17.4 the definition of the DGFT is varied to read as follows:

“ **DGFT**” means the Director General of Fair Trading or, in consequence of any variations to these Undertakings made on or after 1 April 2003, the Office of Fair Trading; ”

On behalf of BAE SYSTEMS plc:

Signed ..... (director)

..... (director/secretary)

Date