

DATED 18 JUNE 2009


THALES UK PENSION SCHEME

DEED OF AMENDMENT

(Former Racal Members: dependants'
pensions and enhanced revaluation)

We hereby certify that this is
a true and correct copy of
the original.

Dated this 22 day of JUNE 2009


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Wragge & Co LLP

Thales UK Pension Scheme

Deed to amend the Rules

This deed is made on

18 June

2009

between:

- (1) Thales UK Limited; and
- (2) Thales Pension Trustees Limited.

Introduction

- 1 Thales UK Limited is the Principal Employer in relation to the Thales UK Pension Scheme (the "Scheme").
- 2 Thales Pension Trustees Limited is the trustee for the time being of the Scheme (the "Trustee").
- 3 The Scheme is governed by a definitive deed and rules dated 30 June 2008 (as amended).
- 4 Rule 5 (Modification) says that the Principal Employer with the consent of the Trustee may, by deed, change all or any of the provisions of the deed or other provisions of the Scheme subject to any restrictions set out in the Rules (and may do so retrospectively).
- 5 The amendments to be made by this deed do not require the consent of the Section 1 Trustees under Rule 38.1 (Modification: Section 1).
- 6 In exercise of their powers under Rule 5, the Principal Employer and the Trustee amend the Rules of the Scheme as set out in this deed with effect on and from the date of this deed. The amendment made by this deed will apply to the benefits so amended with effect on and from 1 January 2008.
- 7 The amendments to be made by this deed are not "regulated modifications" for the purposes of section 67 of the Pensions Act 1995 (protection for subsisting rights).
- 8 The Scheme actuary has confirmed that the amendments to be made by this deed do not affect the Scheme's compliance with the contracting out laws in respect of benefits to be provided from the Scheme on a contracted out basis.

Clarifying amendment in respect of dependants' pensions under the former Racal Decca pension schemes

- 9 Appendix 2 to Schedule 1 of Part E of the Rules (Final Salary Benefits Rules for Former Racal Decca Beneficiaries) is amended, for the purpose of clarifying the way dependants' pensions in respect of Former Enhanced Members or Members who have ceased to be Scheme Enhanced Members and who die before their Past Service Pension starts to be paid are to be determined, by inserting the following new Rule 3.7A immediately after the existing Rule 3.7 (Death whilst a Scheme Enhanced Member – Pension Benefits):

"3.7A Death whilst a Former Enhanced Member or after ceasing to be a Scheme Enhanced Member – Pension Benefits

Where a Former Enhanced Member or a Member who ceased to be a Scheme Enhanced Member dies prior to his Past Service Pension starting to be paid under the Rules of this Appendix Two to Schedule One of Part E of the Rules, any pension payable to the Member's dependants (including their eligible spouse) under the Racial Decca Rules and/or the Special Terms (where applicable) and relating to the Member's Pensionable Service prior to 31 December 2007, is to be adjusted for the period from 31 December 2007 until the date of the Member's death in the same way as the Member's Past Service Pension would have been adjusted under:

- (a) *Rules 3.3(b) and (c) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Former Enhanced Members) in respect of a Former Enhanced Member; or*
- (b) *Rules 3.4(b), (c) and (e) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Scheme Enhanced Members) in respect of a Member who ceased to be a Scheme Enhanced Member;*

had the Member's pension started immediately before he died.

Note: *This is to ensure that the dependants pension payable under the terms of the Racial Decca Rules are subject to the same enhanced revaluation as the Member's Past Service Benefits would have been; as the dependants' pensions are calculated based on a separate accrual rates rather than as a flat percentage of the Member's pension."*

- 10 Appendix 2 to Schedule 2 of Part E of the Rules (Final Salary Benefits Rules for Former Racial EPP Beneficiaries) is amended, for the purpose of clarifying the way dependants' pensions in respect of Former Enhanced Members or Members who have ceased to be Scheme Enhanced Members and who die before their Past Service Pension starts to be paid are to be determined, by inserting the following new Rule 3.7A immediately after the existing Rule 3.7 (Death whilst a Scheme Enhanced Member – Pension Benefits):

"3.7A Death whilst a Former Enhanced Member or after ceasing to be a Scheme Enhanced Member – Pension Benefits

Where a Former Enhanced Member or a Member who ceased to be a Scheme Enhanced Member dies prior to his Past Service Pension starting to be paid under the Rules of this Appendix Two to Schedule Two of Part E of the Rules, any pension payable to the Member's dependants (including their eligible spouse) under the Racial EPP Rules and/or the Special Terms (where applicable) and relating to the Member's Pensionable Service prior to 31 December 2007, is to be adjusted for the period from 31 December 2007 until the date of the Member's death in the same way as the Member's Past Service Pension would have been adjusted under:

- (a) *Rules 3.3(b) and (c) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Former Enhanced Members) in respect of a Former Enhanced Member; or*
- (b) *Rules 3.4(b), (c) and (e) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Scheme Enhanced Members) in respect of a Member who ceased to be a Scheme Enhanced Member;*

had the Member's pension started immediately before he died.

Note: This is to ensure that the dependants' pensions payable under the terms of the Racal EPP Rules are subject to the same enhanced revaluation as the Member's Past Service Benefits would have been; as the dependants' pensions are calculated based on a separate accrual rates rather than as a flat percentage of the Member's pension."

- 11 Appendix 2 to Schedule 3 of Part E of the Rules (Final Salary Benefits Rules for Former Racal Group Executive Beneficiaries) is amended, for the purpose of clarifying the way dependants' pensions in respect of Former Enhanced Members or Members who have ceased to be Scheme Enhanced Members and who die before their Past Service Pension starts to be paid are to be determined, by inserting the following new Rule 3.7A immediately after the existing Rule 3.7 (Death whilst a Scheme Enhanced Member – Pension Benefits):

"3.7A Death whilst a Former Enhanced Member or after ceasing to be a Scheme Enhanced Member – Pension Benefits

Where a Former Enhanced Member or a Member who ceased to be a Scheme Enhanced Member dies prior to his Past Service Pension starting to be paid under the Rules of this Appendix Two to Schedule Three of Part E of the Rules, any pension payable to the Member's dependants (including their eligible spouse) under the Racal Group Executive Rules and/or the Special Terms (where applicable) and relating to the Member's Pensionable Service prior to 31 December 2007, is to be adjusted for the period from 31 December 2007 until the date of the Member's death in the same way as the Member's Past Service Pension would have been adjusted under:

- (a) *Rules 3.3(b) and (c) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Former Enhanced Members) in respect of a Former Enhanced Member; or*
- (b) *Rules 3.4(b), (c) and (e) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Scheme Enhanced Members) in respect of a Member who ceased to be a Scheme Enhanced Member;*

had the Member's pension started immediately before he died.

Note: This is to ensure that the dependants' pensions payable under the terms of the Racal Group Executive Rules are subject to the same enhanced revaluation as the Member's Past Service Benefits would have been; as the dependants' pensions are calculated based on a separate accrual rate than as a flat percentage of the Member's pension."

- 12 Appendix 2 to Schedule 4 of Part E of the Rules (Final Salary Benefits Rules for Former Racal Group Staff Beneficiaries) is amended, for the purpose of clarifying the way dependants' pensions in respect of Former Enhanced Members or Members who have ceased to be Scheme Enhanced Members and who die before their Past Service Pension starts to be paid are to be determined, by inserting the following new Rule 3.7A immediately after the existing Rule 3.7 (Death whilst a Scheme Enhanced Member – Pension Benefits):

"3.7A Death whilst a Former Enhanced Member or after ceasing to be a Scheme Enhanced Member – Pension Benefits

Where a Former Enhanced Member or a Member who ceased to be a Scheme Enhanced Member dies prior to his Past Service Pension starting to be paid under

the Rules of this Appendix Two to Schedule Two of Part E of the Rules, any pension payable to the Member's dependants (including their eligible spouse) under the Racial Group Staff Rules and/or the Special Terms (where applicable) and relating to the Member's Pensionable Service prior to 31 December 2007 is to be adjusted for the period from 31 December 2007 until the date of the Member's death in the same way as the Member's Past Service Pension would have been adjusted under:

- (a) Rules 3.3(b) and (c) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Former Enhanced Members) in respect of a Former Enhanced Member; or
- (b) Rule 3.4(b), (c) and (e) (Revaluation of Final Salary Benefits earned before 31 December 2007 for Scheme Enhanced Members) in respect of a Member who ceased to be a Scheme Enhanced Member;

had the Member's pension started immediately before he died.

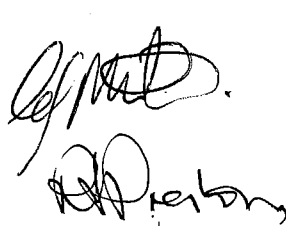
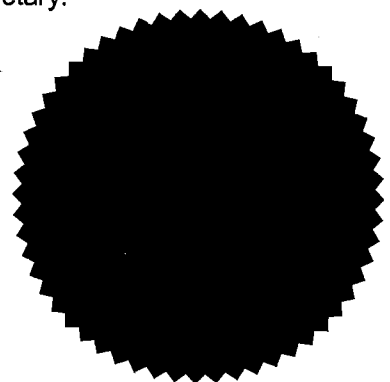
Note: This is to ensure that the dependants' pension payable under the terms of the Racial Group Staff Rules are subject to the same enhanced revaluation as the Member's Past Service Benefits would have been; as the dependants' pensions are calculated based on a separate accrual rate than as a flat percentage of the Member's pension."



Signed as a Deed by
Thales UK Limited
acting by two of its Directors or one
Director and its Secretary:

Director *Antoine*

Director / Secretary



Signed as a Deed by
Thales Pension Trustees Limited
acting by two of its Directors or one
Director and its Secretary:

Director

Director / Secretary

