

BAE Systems plc Nominations Committee - Terms of Reference

References to the “Committee” shall mean the Nominations Committee.

References to the “Board” shall mean the Board of Directors of BAE Systems plc.

References to the “Group” shall mean the BAE Systems plc and its subsidiary undertakings or ((where required to ensure compliance with the Special Security Agreement between BAE Systems, Inc., BAE Systems plc and the U.S. Department of Defense (as amended from time to time)) BAE Systems plc and its subsidiary undertakings other than BAE Systems, Inc., its subsidiary undertakings and managed businesses.

1. Purpose

The Committee leads the process for appointments to Board and Executive Director roles, ensures plans are in place for orderly, well-planned succession, and oversees the development of a diverse succession pipeline of candidates. It also makes recommendations to the Board on certain corporate governance matters.

2. Membership

- 2.1. The Committee shall have at least three members, one of whom shall be the Chair of the Board and such other directors as shall be appointed by the Board.
- 2.2. With the exception of the Chair of the Board, all other members of the Committee shall be non-Executive Directors of the Company who are independent of management and free from any business or other relationship that could interfere with the exercise of their independent judgement.

3. Attendees

Only members of the Committee have the right to attend Committee meetings. Others, including external advisers, may attend by invitation.

4. Quorum

Subject to the provisions of the Company’s Articles, any two members may form a quorum. A duly convened meeting of the Committee at which a quorum is present shall be authorised to exercise all or any of the powers and discretions vested in or exercisable by the Committee. Members of the Committee may attend in person or participate by other means, including teleconference or video conference.

5. Committee Chair

Unless otherwise determined by the Board, the Chair of the Board shall act as Chair of the Committee unless they have a conflict of interest. In those circumstances, the Senior Independent Director (“SID”) shall act as Chair of the Committee unless (a) there is no SID; or (b) the SID has a conflict of interest, in which case, the members of the Committee present shall elect a Chair for that meeting.

6. Committee Secretary

The Company Secretary or delegate.

7. Meetings

- 7.1. The Committee shall meet at least twice a year and otherwise as and when required. The Chair of the Committee shall call a meeting if requested to do so by the Chair of the Board or any other three non-Executive Directors.
- 7.2. Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers (where appropriate), shall be sent to each member of the Committee, and to each other person invited to attend (as appropriate), not less than five days prior to the date of the meeting.

8. Minutes

- 8.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2. The Minutes of Committee meetings shall be approved by the Committee prior to, or at its next meeting, and be available to all Directors unless the Committee Secretary deems it inappropriate to do so because of the nature of any matter discussed at a particular meeting.

9. Shareholder Engagement

- 9.1. The Committee shall produce a report on its activities during the year to be included in the Company's annual report and accounts. Such report shall comply with applicable legal and regulatory requirements.
- 9.2. The Chair of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities. In addition, and where considered appropriate, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

10. Duties

The Committee shall carry out the following duties on behalf of the Board (which retains overall responsibility for appointments, succession and corporate governance matters) for the Company, its subsidiary undertakings and the group as a whole, as appropriate:

10.1. Nomination and succession

- (a) Review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and its committees and make recommendations to the Board with regard to any changes. The Board and its committees shall have the appropriate balance of skills, experience, independence, diversity and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively and appointments to the Board and Executive Committee are made in accordance with the Board's Diversity and Inclusion Policy.
- (b) Maintain and apply a formal, rigorous and transparent procedure for Board and Executive Director appointments. Ensure effective succession to Board and senior management positions and oversee the development of a diverse pipeline for succession, taking into

account the challenges and opportunities facing the Group, and skills and requisite expertise needed in the future.

- (c) Prepare a description of the role and capabilities required for particular Board appointments, having regard to the balance of experience, knowledge and diversity of the Board.
- (d) Identify and nominate for the approval of the Board suitable candidates to fill vacancies for positions on the Board as and when they arise. Prior to any appointment by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected. In identifying suitable candidates, the Committee shall:
 - use open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the Board and taking care that appointees have enough time available to devote to the requirements of the role.
- (e) Obtain and review details of other significant commitments, prior to the appointment of a director. Any additional future commitments, or subsequent significant changes in the time required to meet their other significant commitments, should not be undertaken without prior discussion with the Chair or Company Secretary, and where considered necessary, approval of the Board.
- (f) Obtain and review details of any interests the candidate or Director may have which could conflict with the interests of the Group. The Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict. Any such potential or actual conflict requires prior authorisation by the Board.
- (g) Make recommendations to the Board as to the conditions on which any conflicts should be authorised as part of any proposal to the Board for appointment.
- (h) Ensure that on appointment to the Board, non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.
- (i) Review and recommend to the Board the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board, in the light of the knowledge, skills and experience required.
- (j) Recommend to shareholders the re-election of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the Company's articles of association, having due regard to their performance and ability, and why their contribution is important to the Company's long-term sustainable success, in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of the individual directors, the chair and the Board as a whole.

- (k) Review and recommend to the Board any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and the appointment of any director to executive or other office.
- (l) Recommend to the Board the membership and Chair of: the Audit and Risk; Environmental, Social and Governance; Remuneration; and Innovation and Technology committees, considering the requisite experience for membership or Chair of such committees.
- (m) Nominate to the Board suitable candidates for the role of SID.
- (n) Consider and approve any additional external directorships of Executive Directors.

10.2 Governance

- (a) Keep under review and recommend changes to the Board's governance framework, monitoring the Group's compliance with applicable legal, regulatory and listing requirements and recommending to the Board such changes or additional actions as it deems necessary.
- (b) Consider in light of developments and trends in corporate governance, proposals on:
 - the role of the Board and its Committees;
 - the role of Chair of the Board, Group Chief Executive, Senior Independent Director and Non-Executive Directors; and
 - the Matters Reserved for the Board,and, to make recommendations to the Board for consideration.
- (c) Conduct an annual review of the Conflicts/Potential Conflicts of Interest Register and review any associated disclosures for inclusion within the Annual Report.
- (d) Undertake an annual performance evaluation of the effectiveness of the Board and each Committee of the Board, and the contribution of each Director, with such evaluation assessing whether the Non-Executive Directors are spending enough time to fulfil their duties. The results are to be reported to the Board; such evaluation to be externally facilitated at least once every three years.
- (e) Agree and review the Board and Committee action plans resulting from the annual performance evaluation.
- (f) Review at least annually the Board Diversity and Inclusion Policy.
- (g) Review and recommend to the Board for approval the Corporate Governance report for inclusion in the Annual Report.
- (h) Receive and consider reports on views expressed by shareholders, shareholder representative bodies and other interested parties in relation to corporate governance.

11. Reporting to the Board

11.1 Where appropriate, the Chair of the Committee shall report to the Board on the Committee's proceedings after each meeting.

11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12. Other matters

12.1. The Committee will give due consideration to the provisions of the UK Corporate Governance Code and all applicable laws and regulations, including the Companies Act 2006 and the requirements of the FCA's UK Listing Rules Sourcebook, Prospectus Regulation Rules Sourcebook and Disclosure and Transparency Rules Sourcebook and any other applicable rules, as appropriate.

12.2. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new directors and on an ongoing basis for all directors.

12.3. The Committee shall at least annually review its performance and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

13. Authority

In connection with its duties and at the Company's expense, the Committee is authorised by the Board to obtain legal and other professional advice as required as well as obtain other information which it deems necessary to help fulfil its obligations.

Approved by the Board on 10 December 2025

Effective from 5 January 2026