

BAE SYSTEMS, INC. RETIREE HEALTH REIMBURSEMENT ACCOUNT PLAN
PLAN HIGHLIGHTS APPLICABLE TO:
BAE SYSTEMS LAND & ARMAMENTS L.P. (NON-BARGAINED)

There are two sections to the Plan Highlights:

- **Section One is effective January 1, 2022 and covers retirees who retired or will retire on or after January 1, 2013.**
- **Section Two is effective January 1, 2016 and covers retirees who retired before January 1, 2013.**

Section One

Effective January 1, 2022

For retirees who retired or will retire on or after January 1, 2013.

ANNUAL CONTRIBUTION

Pre-Medicare-Eligible Retirees

If you began employment prior to January 1, 2009 with BAE Systems Land & Armaments L.P. and meet the following requirements, you will receive the below annual Contribution to your HRA based on your full years of service at retirement.

If you retire on or after January 1, 2022, you must:

- have been an employee immediately preceding retirement;
- be at least age 55;
- have at least 10 years of service at the time of retirement;
- not have transferred out of BAE Systems Land & Armaments L.P. prior to January 1, 2022 before meeting the preceding requirements; and
- be under age 65 and not Medicare-Eligible.

Beginning on January 1, 2022, you may transfer out of BAE Systems Land & Armaments L.P. to another BAE Systems, Inc. wholly owned U.S. based subsidiary (including Bohemia Interactive Simulations (BISim)), before meeting the age and service requirements outlined above, without affecting your Plan eligibility. If you transfer from a non-union group into a union group under any BAE Systems, Inc. wholly owned U.S. based subsidiary, you will lose your Plan eligibility at the time of transfer, regardless of your age and years of service.

If you retired on or after January 1, 2013 and before January 1, 2022, you must:

- be at least age 55;
- have had at least 10 years of service at the time of retirement;
- not have transferred out of BAE Systems Land & Armaments L.P. before meeting the preceding requirements;
- have been enrolled in a BAE Systems group medical plan for the month of December 2015 if you retired prior to January 1, 2016;
- not have previously waived your right to a Retiree Health Reimbursement Account; and
- be under age 65 and not Medicare-Eligible.

If you meet the above requirements, the annual Contribution to your HRA is based upon your full years of service using the table below.

Years of Service	Annual Contribution
10	\$ 735
11	\$ 980
12	\$ 1,225
13	\$ 1,470
14	\$ 1,715
15	\$ 1,960
16	\$ 2,156
17	\$ 2,352
18	\$ 2,548
19	\$ 2,744
20	\$ 2,940

Years of Service	Annual Contribution
21	\$ 3,087
22	\$ 3,234
23	\$ 3,381
24	\$ 3,528
25	\$ 3,675
26	\$ 3,822
27	\$ 3,969
28	\$ 4,116
29	\$ 4,263
30+	\$ 4,410

Medicare-Eligible Retirees

If you began employment prior to January 1, 2009 with BAE Systems Land & Armaments L.P. and meet the following requirements, you will receive a **\$1,225** annual Contribution to your HRA.

If you retire on or after January 1, 2022, you must:

- have been an employee immediately preceding retirement;
- be at least age 55;
- have at least 10 years of service at the time of retirement;
- not have transferred out of BAE Systems Land & Armaments L.P. prior to January 1, 2022 before meeting the preceding requirements; and
- be age 65 or older or be otherwise Medicare-Eligible.

Beginning on January 1, 2022, you may transfer out of BAE Systems Land & Armaments L.P. to another BAE Systems, Inc. wholly owned U.S. based subsidiary (including Bohemia Interactive Simulations (BISim)), before meeting the age and service requirements outlined above, without affecting your Plan eligibility. If you transfer from a non-union group into a union group under any BAE Systems, Inc. wholly owned U.S. based subsidiary, you will lose your Plan eligibility at the time of transfer, regardless of your age and years of service.

If you retired on or after January 1, 2013 and before January 1, 2022, you must:

- be at least age 55;
- have had at least 10 years of service at the time of retirement;
- not have transferred out of BAE Systems Land & Armaments L.P. before meeting the preceding requirements;
- have been enrolled in a BAE Systems group medical plan for the month of December 2015 if you retired prior to January 1, 2016;
- not have previously waived your right to a Retiree Health Reimbursement Account; and
- be age 65 or older or be otherwise Medicare-Eligible.

Mid-Year Change in Medicare Eligibility

If you participate in the Plan and turn age 65 or become Medicare-Eligible in the middle of a Plan Year, your annual Contribution or initial Contribution, as applicable, will be adjusted as follows:

- you will receive the Contribution available for Pre-Medicare-Eligible retirees for the portion of the year in which you are under age 65 and not Medicare-Eligible; and
- you will receive the Contribution available for Medicare-Eligible retirees for the portion of the year in which you are age 65 or older or are otherwise Medicare-Eligible.

Mid-Year Commencement of Participation

If you begin participating in the Plan in the middle of a Plan Year, your initial Contribution will be the annual Contribution for that Plan Year, prorated based on the number of months in which you actually participate in the Plan.

ADDITIONAL CONTRIBUTIONS

You are eligible for HRA Contributions for one dependent who was on file with the BAE Systems Benefit Center immediately preceding your retirement. This dependent can be a Spouse or Child, provided that the individual meets the conditions described in the main portion of the SPD. Under no circumstances can you add a dependent to this Plan after retirement.

Should your Spouse continue to work after you retire and remain on his or her employer's group coverage, your Spouse can receive a HRA Contribution when he or she retires. To report your Spouse's retirement, call the BAE Systems Benefit Center.

- Spouse: Contribution is based on your years of service and the Spouse's Medicare status.
- Child: Contribution is based on your years of service and the Child's Medicare status. If a Child becomes eligible for Medicare prior to age 26, the Child may continue to receive a HRA Contribution as long as you are participating in the Plan. Otherwise, the Child's Contribution continues until the end of the year in which the Child turns age 26.

COMPANY COUPLES

If you are married to another BAE Systems employee, you cannot be covered under a BAE Systems-sponsored health plan as a dependent (except for Other COBRA Coverage) and receive a Contribution to a HRA. Additionally, you cannot receive a Contribution to a HRA for an active BAE Systems employee, whether or not the employee is participating in a BAE Systems-sponsored health plan. However, after your coverage as a dependent under a BAE Systems-sponsored health plan ends and you purchase coverage as outlined in the Summary Plan Description, your HRA will be funded as described above.

If you and your Spouse are both eligible for and enrolled in a HRA, each of you will have your own HRA and will not receive additional Contributions for the other person.

DEATH BENEFITS

If you are covering a Spouse, your Spouse is eligible for a death benefit under the Plan for so long as your Spouse remains enrolled in Qualifying Coverage. Upon your death, your HRA will be transferred to your covered Spouse's name and will continue for the benefit of your Spouse. He or she will continue to receive the additional Contributions described above to his or her HRA for as long as he or she continues to meet the conditions described above and in the main portion of the SPD. If you are covering a Child, the Child will have access to your account for 6 months following your death and will not be eligible for any additional HRA Contributions. Consult the main SPD or contact the BAE Systems Benefit Center for additional information about your death benefit.

Section Two

Effective January 1, 2016

For retirees who retired before January 1, 2013.

ANNUAL CONTRIBUTION

Pre-Medicare-Eligible Retirees

If you began employment prior to January 1, 2009 with BAE Systems Land & Armaments L.P., are at least age 55, had at least 10 years of service at the time of retirement, did not transfer out of BAE Systems Land & Armaments L.P. before meeting the preceding requirements, and are under age 65 and not Medicare-Eligible, the Contribution to your HRA is based upon your full years of service using the table below. In addition, you must have been enrolled in BAE Systems group medical coverage for the month of December 2015 to be eligible for a HRA Contribution beginning in 2016.

Years of Service	Annual Contribution
10 to 14 years	\$1,062
15 to 19 years	\$1,722
20 to 24 years	\$2,064
25 to 29 years	\$2,244
30 or more years	\$2,364

Medicare-Eligible Retirees

If you began employment prior to January 1, 2009 with BAE Systems Land & Armaments L.P., are at least age 55, had at least 10 years of service at the time of retirement, did not transfer out of BAE Systems Land & Armaments L.P. before meeting the preceding requirements, and are age 65 or older or are otherwise Medicare-Eligible, the Contribution to your HRA is based upon your full years of service and your retirement date using the table below. In addition, you must have been enrolled in BAE Systems group medical coverage for the month of December 2015 to be eligible for a HRA Contribution beginning in 2016.

Years of Service	Annual Contribution	
	Retired Prior to 7/1/1993	Retired On or After 7/1/1993
10 to 14 years	\$594	\$312
15 to 19 years	\$594	\$462
20 to 24 years	\$594	\$540
25 to 29 years	\$594	\$588
30 or more years	\$594	\$594

Mid-Year Change in Medicare Eligibility

If you participate in the Plan and turn age 65 or become Medicare-Eligible in the middle of a Plan Year, your annual Contribution or initial Contribution, as applicable, will be adjusted as follows:

- you will receive the Contribution available for Pre-Medicare-Eligible retirees for the portion of the year in which you are under age 65 and not Medicare-Eligible; and
- you will receive the Contribution available for Medicare-Eligible retirees for the portion of the year in which you are age 65 or older or are otherwise Medicare-Eligible.

Mid-Year Commencement of Participation

If you begin participating in the Plan in the middle of a Plan Year, your initial Contribution will be the annual Contribution for that Plan Year, prorated based on the number of months in which you actually participate in the Plan.

ADDITIONAL CONTRIBUTIONS

You are eligible for HRA Contributions for up to two of your dependents who were enrolled in BAE Systems-sponsored medical insurance immediately preceding your retirement. These dependents can be a Spouse and Child or two Children as long as they meet the conditions described in the main portion of the SPD. Under no circumstances can you add a dependent to this Plan after retirement.

Should your Spouse continue to work after you retire and remain on his or her employer's group coverage, your Spouse can receive a HRA Contribution when he or she retires. To report your Spouse's retirement, call the BAE Systems Benefit Center.

- Spouse: Contribution is based on your years of service and the Spouse's Medicare status.
- Child: Contribution is based on your years of service and the Child's Medicare status. If a Child becomes eligible for Medicare prior to age 26, the Child may continue to receive a HRA Contribution as long as you or your Spouse is participating in the Plan. Otherwise, the Child's Contribution continues until the end of the year in which the Child turns age 26.

COMPANY COUPLES

If you are married to another BAE Systems employee, you cannot be covered under a BAE Systems-sponsored health plan as a dependent (except for Other COBRA Coverage) and receive a Contribution to a HRA. Additionally, you cannot receive a Contribution to a HRA for an active BAE Systems employee, whether or not the employee is participating in a BAE Systems-sponsored health plan. However, after your coverage as a dependent under a BAE Systems-sponsored health plan ends and you purchase coverage as outlined in the Summary Plan Description, your HRA will be funded as described above.

If you and your Spouse are both eligible for and enrolled in a HRA, each of you will have your own HRA and will not receive additional Contributions for the other person.

DEATH BENEFITS

If you are covering a Spouse, your Spouse is eligible for a death benefit under the Plan for so long as your Spouse remains enrolled in Qualifying Coverage. Upon your death, your HRA will be transferred to your covered Spouse's name and will continue for the benefit of your Spouse (and your Child, if applicable). Your Spouse (and your Child, if applicable) will continue to receive the additional Contributions described above to his or her HRA for as long as your Spouse (and Child, if applicable) continues to meet the conditions described above and in the main portion of the SPD. If you are covering one or more Children and no Spouse or your surviving Spouse is covering a Child, the Child(ren) will have access to your or your surviving Spouse's HRA for 6 months following your death or the death of your surviving Spouse, respectively, and will not be eligible for any additional HRA Contributions. Consult the main SPD or contact the BAE Systems Benefit Center for additional information about your death benefit.

This document is provided to you for informational purposes. BAE Systems reserves the right to modify or terminate contributions to the Plan at any time in its sole discretion.

Effective Date: January 1, 2022