

**SAMPLE DOMESTIC RELATIONS ORDER  
PERTAINING TO THE DIVISION OF BENEFITS UNDER THE BAE  
SYSTEMS DC PLANS**

(FORM QDRO FOR USE IN  
DISSOLUTION OF MARRIAGE  
OR DIVORCE ACTIONS)

(INSERT TITLE OF COURT)

In re the Marriage of:

Petitioner: \_\_\_\_\_ CASE NO. \_\_\_\_\_

and

Respondent: \_\_\_\_\_ Stipulated Qualified Domestic Relations  
Order

Plan Name: \_\_\_\_\_

WHEREAS, Petitioner and Respondent were married to each other on \_\_\_\_\_ and were [separated] [divorced] on \_\_\_\_\_; and

WHEREAS, this Court has personal jurisdiction over both Petitioner and Respondent and jurisdiction over the subject matter of this Order and this dissolution of marriage action; and

WHEREAS, Petitioner, Respondent, and the Court intend that this Order shall be a Qualified Domestic Relations Order (hereinafter referred to as a "QDRO") as that term is used in Section 206 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"),

codified at 29 U.S.C. 1056(d), and Section 414(p)(1) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, Petitioner and Respondent have stipulated that the Court shall enter this Order, and when approved by the Plan and the Court, the Order shall constitute a QDRO.

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE COURT as follows:

I. Definitions

(a) Official name of the Plan:

"Plan" means the [Name of Plan] (the "Plan"), which is a defined contribution plan to which this Order applies. In the event the Plan is merged or its assets or liabilities are transferred, the term "Plan" shall include any successor plans.

(b) Plan Sponsor and Plan Administrator:

"Plan Sponsor" shall mean BAE Systems, Inc. and "Plan Administrator" shall mean the BAE Systems, Inc. Administrative Committee. These terms shall apply to all subsequent successors in interest and subsequent designees.

(c) Participant:

Name

Address

Social Security Number

Date of Birth

(d) Alternate Payee:

Name

Address

Social Security Number

Date of Birth

(e) "Earliest Retirement Date" means the age determined in accordance with Section 414(p)(4)(B) of the Code.

2. The Alternate Payee is the former spouse of the Participant.
3. This Order is entered pursuant to [Insert appropriate state law governing domestic relations matters].
4. This Order hereby creates and recognizes as to the Plan the existence of the Alternate Payee's right, subject to the following provisions of this Order, to a share of the benefits otherwise payable to Participant.
5. The Plan is directed to take promptly any and all necessary actions to separately account for and/or segregate the amount awarded herein to Alternate Payee.
6. Benefits Assigned to Alternate Payees:

*[Note: The defined contribution Plans generally only administer "Separate Interest" QDROs in which the Alternate Payee controls the timing and form of distribution of the Alternate Payee's benefit payments from the Plan. Under a defined contribution Plan, a Separate Interest QDRO can assign the Alternate Payee a percentage or a dollar amount of the account balance as of a certain date and can provide that the separate interest will be held in a separate account under the Plan with respect to which the Alternate Payee is entitled to exercise the rights of a Participant.]*

*Please note that the Plan's data regarding Participant historical account balances may be limited. For certain Participants in certain years, the Plan may only be able to determine account balances based on quarterly valuation dates in any given year. As a result, if the parties wish to divide the Participant's benefit through a QDRO, the Order*

)  
)  
*should refer to the "valuation date nearest to" the date chosen by the parties for valuation purposes.*

*Alternatives 1, 2, and 3 are sample provisions that would be acceptable to the Plan; however, the parties can use any language that allows the Plan to determine the amount or percentage of the Participant's benefits to be paid to the Alternate Payee, or the manner in which such amount or percentage is to be determined.]*

***Alternative 1 (Percentage Method)***

The Alternate Payee shall be entitled to a portion of the Participant's benefits under the Plan as his or her sole and separate property. The Alternate Payee shall be entitled to \_\_\_% of the Participant's vested account balance determined as of \_\_\_\_\_ (the "segregation date"), or if such date is not a valuation date under the Plan, as of the valuation date nearest to such date (including the value of any outstanding Plan loan balance as of such valuation date), plus/minus gains or losses on such amount from such valuation date through the valuation date preceding the actual date of distribution.

***Alternative 2 (Fixed Dollar Method)***

The Alternate Payee shall be entitled to a portion of the Participant's benefits under the Plan as his or her sole and separate property. The Alternate Payee's portion is \$\_\_\_\_\_ as of \_\_\_\_\_ (the "segregation date"), or if such date is not a valuation date under the Plan, as of the valuation date nearest to such date, plus/minus gains or losses on such amount from such segregation date through the valuation date occurring on or immediately preceding the actual date of distribution. In no event will the amount distributed exceed the total value of the Participant's account on the segregation date.

*Alternative 3 (Marital Portion Method)*

The Alternate Payee shall be entitled to a portion of the Participant's benefits under the Plan as his or her sole and separate property. The Alternate Payee's portion is equal to 50% of the Participant's vested account balance determined as of \_\_\_\_\_ (the "segregation date"), or if such a date is not a valuation date under the Plan, as of the valuation date nearest to such date (including the value of any outstanding Plan loan balance as of such valuation date), multiplied by a fraction, the numerator of which equals the number of months in the period of marriage from \_\_\_\_\_ to \_\_\_\_\_ and the denominator of which equals the number of whole or partial months the Participant participated in the Plan to \_\_\_\_\_, plus/minus gains or losses on such amount from such segregation date through the last valuation date on or immediately preceding the actual date of distribution.

7. Source of Funds

All funds shall be taken pro-rata from all investments of the Participant as of the valuation date for the creation of the separate account of the Alternate Payee, with the exception of any "Excepted Account." For the purpose of this section, an Excepted Account is any: (a) Participant loan account; (b) Participant self-directed brokerage account; or (c) Participant Money Purchase Account. If the balance of the non-Excepted Accounts is not sufficient to cover the amount to be transferred to the Alternate Payee, the Participant will transfer assets from any self-directed brokerage account to one or more of the non-Excepted Accounts as necessary for the Plan to comply with the Order. If the Participant fails to do so within the timeframe established by the Plan, the Plan will liquidate investments in any self-directed brokerage account as necessary to transfer

funds back to the non-Excepted Accounts in order to fund the Alternate Payee's separate account. The Alternate Payee's assigned benefit shall be invested in the Plan's Qualified Default Investment Alternative ("QDIA") fund until the Alternate Payee exercises his or her right to control the investment of the funds pursuant to the terms of the Plan.

#### 8. Time of Benefit Payment

The Alternate Payee may elect, by written application to the Plan Administrator, made in accordance with Plan procedures, to commence payment as of any valuation date after this order is determined to be a valid Qualified Domestic Relations Order by the Plan Administrator.

#### 9. Form of Benefit Payment

The Alternate Payee shall have the right to elect any form of payment available under the Plan. The Alternate Payee's election shall be limited to those forms of payment provided under the Plan and available to the Participant at the time the election is made, based on the assumption the Participant had at that time terminated employment. Any application by the Alternate Payee selecting a form of payment shall be made in accordance with the Plan's administrative procedures.

#### 10. Alternate Payee's Rights

With respect to the Alternate Payee's interest in the Plan under the terms of this Order, the Alternate Payee shall have the following rights to the extent permitted by the Plan with respect to a Participant who has terminated employment:

- (i) To direct the investment of such interest; and
- (ii) To designate a beneficiary in the event of the death of the Alternate Payee prior to the distribution of such interest.

11. Payments in the Event of Death of Participant or Alternate Payee

If the Participant predeceases the Alternate Payee, payment to Alternate Payee shall nonetheless be made under the terms of this Order. If the Alternate Payee dies before full payment to Alternate Payee has been made, the amount unpaid shall be made to the beneficiary designated by the Alternate Payee, in writing, to the Administrator of the Plan in the manner prescribed by the Plan Administrator, or if no beneficiary has been so designated, to the Alternate Payee's estate.

12. No Other Interests

Nothing in this Order shall restrict the Participant's ability to obtain a distribution under the Plan or designate a beneficiary under the Plan with respect to the portion of the Participant's account balance not assigned to the Alternate Payee.

13. Jurisdiction

This Court reserves jurisdiction to modify this Order as necessary for the Plan Administrator to accept the Order and pay the benefits in accordance with Plan provisions and reserves jurisdiction over the parties and the Plan until such time as all obligations of the Plan to Alternate Payee under this Order have been fully paid and discharged.

14. Conforming Provisions

No provision in this Order shall be construed to require the Plan, the Administrator of the Plan, or any trustee or other fiduciary with respect to the Plan to take any action that is inconsistent with any provision of the Plan as now in effect or hereafter amended. This Order is intended to be a QDRO made pursuant to ERISA and the Code, and its provisions shall be administered and interpreted in conformity with ERISA and the Code.

15 Limitations of Order

Notwithstanding any provision of this Order to the contrary, no provision in this Order shall be construed to require the Plan or the Plan Administrator to: a) make any payment or take any action which is inconsistent with any federal law, rule, regulation or applicable judicial decision; b) provide any type or form of benefit, or any option, which is not otherwise provided under the provisions of the Plan; c) provide increased benefits (determined on the basis of actuarial value); d) pay benefits to any Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order; or (v) to pay benefits to the Alternate Payee for any period before the Plan received this Order.

16. Limitation of Obligations under this Order

The undertakings and obligations of the Plan as set forth in this Order are solely those of the Plan. Neither BAE SYSTEMS, Inc., nor any of its subsidiaries or affiliated corporations, nor any director, officer, affiliate, employee, agent, representative, or advisor of any said corporations (other than the Plan Administrator solely in its capacity as Plan Administrator) shall be deemed to have made any undertakings or incurred any obligations as a result of this Order.

17. Enforceability of Rights

Notwithstanding any other provision of this Order, in the event that Participant, Alternate Payee or any other party claiming rights under this Order shall make any claim which the Plan Administrator shall determine to be inconsistent with the provisions of this Order or with any provisions of ERISA or the Code or any successor statute thereto, the Plan may forthwith cease making any further payments to any person whose rights under the Plan,



in the sole judgment of the Plan Administrator, may be affected by such claim, pending resolution of such claim or further order of this Court, and the Plan Administrator may also take such further action or actions as may be permitted by law with respect to such claim and/or this Order.

APPROVED AS TO FORM AND CONTENT

\_\_\_\_\_  
(Name of Law Firm, Address, and Phone Number)

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
(Attorney's Name)  
Attorney for Petitioner

\_\_\_\_\_  
(Name of Law Firm, Address, and Phone Number)

DATED: \_\_\_\_\_ BY: \_\_\_\_\_  
(Attorney's Name)  
Attorney for Respondent

THE CLERK IS ORDERED TO ENTER THIS JUDGMENT.

DATED: \_\_\_\_\_

\_\_\_\_\_  
(JUDGE)