

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR DULY AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL YOUR SHARES IN THE COMPANY, PLEASE SEND THIS DOCUMENT, AND THE ACCOMPANYING FORM OF PROXY, TO THE PURCHASER OR TRANSFEREE OR THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR ONWARD TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

Notice of Annual General Meeting of QinetiQ Group plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of QinetiQ Group plc (the 'Company') will be held at Pennyhill Park Hotel, London Road, Bagshot, Surrey GU19 5EU on Tuesday, 22 July 2014 at 11.00am, or at any adjournment thereof, to consider and, if thought fit, to pass the following 19 resolutions. Resolutions 1 to 17 will be proposed as ordinary resolutions and will be passed if more than 50% of the total votes cast are in favour of each such resolution. Resolutions 18 and 19 will be proposed as special resolutions and will be passed if not less than 75% of the total votes cast are in favour of each such resolution.

Resolutions

Resolution 1 – Report and Accounts

To receive the accounts and the reports of the Directors and the Auditors thereon for the year ended 31 March 2014.

Resolution 2 – Remuneration Policy

To approve the Directors' remuneration policy, as set out on pages 73 to 83 of the Annual Report and Accounts for the financial year ended 31 March 2014.

Resolution 3 – Remuneration Report

To approve the Directors' remuneration report (other than the part containing the Directors' remuneration policy referred to in resolution 2) as set out on pages 69 to 92 of the Annual Report and Accounts for the financial year ended 31 March 2014.

Resolution 4 – Declaration of dividend

To declare a final dividend for the year ended 31 March 2014 of 3.20 pence per ordinary share in the capital of the Company.

Resolution 5 – Re-election of Admiral Sir James Burnell-Nugent

To re-elect Admiral Sir James Burnell-Nugent as a Director of the Company.

Resolution 6 – Re-election of Mark Elliott

To re-elect Mark Elliott as a Director of the Company.

Resolution 7 – Re-election of Michael Harper

To re-elect Michael Harper as a Director of the Company.

Resolution 8 – Election of Ian Mason

To elect Ian Mason as a Director of the Company.

Resolution 9 – Re-election of David Mellors

To re-elect David Mellors as a Director of the Company.

Resolution 10 – Re-election of Paul Murray

To re-elect Paul Murray as a Director of the Company.

Resolution 11 – Re-election of Leo Quinn

To re-elect Leo Quinn as a Director of the Company.

Resolution 12 – Election of Susan Searle

To elect Susan Searle as a Director of the Company.

Resolution 13 – Re-appointment of Auditor

To re-appoint KPMG LLP as auditor of the Company until the conclusion of the Annual General Meeting to be held in 2015.

Resolution 14 – Authority to determine Auditor's remuneration

To authorise the Audit Committee of the Board to determine the remuneration of the auditor.

Resolution 15 – Political donations

THAT in accordance with Part 14 of the Companies Act 2006 (the "2006 Act"), during the period beginning with the date of the passing of this Resolution 15 and ending at the conclusion of the

Annual General Meeting to be held in 2015, the Company and all companies which are subsidiaries of the Company during that period be and are hereby generally and unconditionally authorised:

- a) to make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;
- b) to make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- c) to incur political expenditure not exceeding £100,000 in total, provided that:
 - (i) in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution 15 shall not exceed £100,000 in total; and
 - (ii) the authorised sum referred to in paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day on which the Company enters into any contract or undertaking in relation to the same.

For the purposes of this Resolution 15, the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given to them by sections 363 to 365 of the 2006 Act.

Resolution 16 – Approval of the QinetiQ Group plc 2014 Bonus Banking Plan ("BBP")

THAT the QinetiQ Group plc 2014 Bonus Banking Plan ("BBP"), the principal terms of which are summarised in the Appendix, and the rules of the BBP as set out in the form produced to the Meeting, and initialled by the Chairman for the purposes of identification, be approved and adopted for a period of five years from the date of this meeting, subject to and in accordance with the rules of the BBP.

Resolution 17 – Authority to allot new shares

THAT the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the 2006 Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert, any security into shares in the Company ("Rights"):

- a) up to an aggregate nominal amount of £2,197,537; and
- b) up to a further aggregate nominal amount of £2,197,537 provided that:
 - (i) they are equity securities (within the meaning of section 560(1) of the 2006 Act); and

Resolutions continued

- (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record dates as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter, provided that this authority shall expire on the date of the next Annual General Meeting of the Company or, if earlier, on 22 October 2015, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares or grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

Resolution 18 – Disapplication of pre-emption rights

THAT the Directors be and are hereby empowered pursuant to section 570 and 573 of the 2006 Act to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 17 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

- a) the allotment of equity securities in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 17 by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record dates as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
- b) the allotment (otherwise than pursuant to sub-paragraph (a) of this Resolution 18) to any person or persons of equity securities up to an aggregate nominal amount of £329,630 and shall expire upon the expiry of the general authority conferred by Resolution 17 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 19 – Notice Period for Extraordinary General Meetings

THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By Order of the Board

Jon Messent
Company Secretary
17 June 2014

Registered Office
Cody Technology Park
Ively Road, Farnborough
Hampshire GU14 0LX

Registered in England and Wales No. 4586941

VOTING BY PROXY

A Proxy Form is enclosed with this Notice and instructions for its completion and return by post are shown on the form. Alternatively, you can appoint a proxy online at www.sharevote.co.uk. Further details regarding the appointment of proxies and rights of shareholders to attend and vote at the Annual General Meeting are set out in the 'Important notes to shareholders' section (and which form part of this Notice).

Explanatory notes

Resolution 1 – Report and Accounts

The Directors are required by law to present to the Meeting the accounts and the reports of the Directors and Auditors for the year ended 31 March 2014.

Resolutions 2 and 3 – Directors’ Remuneration Report

New regulations for Directors’ Remuneration Reports by quoted companies came into force in 2013. As a result of these regulations, the Directors’ Remuneration Report has been split into three sections:

- An annual statement from the Chairman of the Remuneration Committee;
- The Directors Remuneration Policy which sets out the Company’s proposed policy on Directors’ remuneration and the key factors taken into account in setting the policy; and
- An Annual Report on Remuneration which sets out payments and awards made to the Directors and details the link between Company performance and remuneration during the financial year under review, together with some details of how the policy will be implemented in the next financial year.

There must be a binding shareholder vote, by way of ordinary resolution, on the Directors’ Remuneration Policy at least every third year or whenever the policy needs to be changed within that three-year period.

Subject to shareholder approval, the Directors’ Remuneration Policy Report will be applied from 1 April 2014.

The Annual Report on Remuneration is subject to an annual advisory vote by way of ordinary resolution.

Each of the above sections can be found on pages 69 to 92 of the Company’s Report and Accounts for the year ended 31 March 2014, copies of which have been sent to those shareholders who elected to receive them and are obtainable from the Company’s website, www.QinetiQ.com or from the Registered Office of the Company.

Resolution 4 – Declaration of a dividend

Final dividends must be approved by shareholders but must not exceed the amount recommended by the Directors. If the Meeting approves Resolution 4, a final dividend in respect of the financial year ended 31 March 2014 of 3.20 pence will be paid on 5 September 2014 to the ordinary shareholders on the register of members at the close of business on 8 August 2014 in respect of each ordinary share.

Resolutions 5 to 12 – Election/Re-election of Directors

Each member of the Board has offered himself/herself for election/re-election in order to comply with best practice in the Company’s application of corporate governance. The Board of Directors unanimously recommends that they each be elected/re-elected as Directors of the Company. The Chairman confirms that each of the Non-executive Directors who are seeking election/re-election at the Annual General Meeting continue to be effective members of the Board and demonstrate their commitment to their roles. The Chairman himself is also seeking re-election to the Board. Michael Harper, in his capacity as Senior Independent Director, has confirmed that the Chairman continues to be an effective Chairman and demonstrates commitment to his role as Chairman.

Resolution 5 – Re-election of Admiral Sir James Burnell-Nugent

Admiral Sir James Burnell-Nugent, who was appointed to the Board on 10 April 2010, offers himself for re-election. Sir James commanded the aircraft carrier HMS Invincible and three other ships and submarines during a 37-year career in the Royal Navy that culminated in his appointment as Commander-in-Chief Fleet.

Between operational duties he held several positions at the MOD and gained cross-Whitehall experience while on secondment to HM Treasury. The Board considers that Sir James’ expertise in the government contracting domain, particularly with the UK MOD and HM Treasury, is highly beneficial in the context of QinetiQ’s government-sourced operations.

Resolution 6 – Re-election of Mark Elliott

Mark Elliott, who was appointed to the Board on 1 June 2009 and as Chairman of the Company on 1 March 2010, offers himself for re-election. Mark is a Non-executive Director of G4S plc and Chairman of Kodak Alaris Holdings Limited. He was a Non-executive Director of Reed Elsevier Group PLC (and also Chairman of its Remuneration Committee) and Reed Elsevier NV from April 2003 until April 2013. He was previously General Manager of IBM Europe, Middle East and Africa and was a member of IBM’s Worldwide Management Council. The Board considers that Mark’s extensive experience in the technology services sector, in the US and Europe, together with his exposure to a variety of industry sectors on the boards of FTSE listed companies, is a valuable asset to the Group in terms of leadership and of addressing the strategic issues that affect the Group.

Resolution 7 – Re-election of Michael Harper

Michael Harper, who was appointed to the Board on 22 November 2011 and as Deputy Chairman and Senior Independent Non-executive Director in February 2012, offers himself for re-election. Michael is Chairman of Ricardo plc and has announced his intention to retire from that Company’s Board with effect from the end of the AGM in November 2014. He was Chairman of BBA Aviation plc from June 2007 until May 2014, having joined the Board in February 2005 and also Chairman of Vitec Group plc from 2004 to 2012. He was previously a director of Williams plc where, at the time of the demerger in 2000, he became Chairman of Kidde plc. The Board considers that Michael’s wealth of operational and corporate experience enables him to make a significant contribution to the Board.

Resolution 8 – Election of Ian Mason

Article 110 of the Company’s Articles of Association requires any Director newly appointed by the Board to offer himself/herself for re-appointment at the first annual general meeting following his/her appointment. Ian Mason, who was appointed to the Board on 3 June 2014, accordingly offers himself for election in accordance with the Articles of Association.

Ian is the Group Chief Executive of Electrocomponents plc, a post he has held since 2001, having joined that company in 1995. Previously he worked for The Boston Consulting Group and was a Non-executive Director of The Sage Group plc from 2007 to 2013. The Board considers that Ian brings a broad range of experience in strategy, business transformation and international development.

Resolution 9 – Re-election of David Mellors

David Mellors, who was appointed to the Board on 20 August 2008, offers himself for re-election. David is the Chief Financial Officer of QinetiQ, having previously been deputy Chief Financial Officer of Logica plc. He was also Chief Financial Officer of Logica’s international division covering operations in North America, Australia, Middle East and Asia and, before that, was the Group Financial Controller. His earlier experience includes various roles with CMG Plc, Rio Tinto plc and Price Waterhouse. David is a member of the Institute of Chartered Accountants in England and Wales.

Explanatory notes continued

Resolution 10 – Re-election of Paul Murray

Paul Murray, who was appointed to the Board on 25 October 2010, offers himself for re-election. Paul is currently a Non-executive Director and Chair of the Audit & Risk Committee at Royal Mail Group plc. He is also a director of Independent Oil and Gas plc, Ventive Limited, Naked Energy Ltd and a Trustee of Pilotlight. He was previously a director of Knowledge Peers plc, Senior Independent Director of Taylor Nelson Sofres plc, a Non-executive Director of Thomson SA and Tangent Communications plc, and has also been Group Finance Director of Carlton Communications plc and LASMO plc. The Board considers that Paul brings a broad range of experience in finance and corporate governance from a cross-section of industries, all of which leverage technology.

Resolution 11 – Re-election of Leo Quinn

Leo Quinn, who was appointed to the Board on 16 November 2009, offers himself for re-election. Leo, QinetiQ's Chief Executive Officer, was Chief Executive Officer of De La Rue plc between 2005 and 2009. He was previously Chief Operating Officer of Invensys plc's Production Management Division and before that he spent 16 years with Honeywell Inc. in a variety of senior management roles in the USA, Europe, the Middle East and Africa. Leo is a Non-executive Director of Betfair Group plc and was formerly a Non-executive Director of Tomkins plc.

Resolution 12 – Election of Susan Searle

Article 110 of the Company's Articles of Association requires any director newly appointed by the Board to offer himself/herself for re-appointment at the first annual general meeting following his/her appointment. Susan Searle, who was appointed to the Board on 14 March 2014, accordingly offers herself for election in accordance with the Articles of Association.

Susan is a Non-executive Director and Chair of the Remuneration Committee at Benchmark Holdings plc. She is also a member of the international advisory board of PTT, an advisor to the Technology Strategy Board and a Trustee of Fight for Sight. Susan was a founder of Imperial Innovations Group, leading it as CEO from 2002 to July 2013 and has served on a variety of private company boards in engineering, healthcare and materials. The Board considers Susan's strong experience of commercialising new technologies and intellectual property to be of particular relevance to QinetiQ as it pursues its Organic-Plus strategy.

Resolutions 13 and 14 – Re-appointment of auditor and determining their remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are laid, to hold office until the end of the next such meeting. Resolution 13, which is recommended by the Audit Committee, proposes the re-appointment of KPMG LLP as auditor of the Company and Resolution 14 follows best practice in giving authority to the Audit Committee to determine their remuneration.

Resolution 15 – Political donations

Resolution 15 is designed to deal with rules on political donations and expenditure contained in Part 14 of the 2006 Act (sections 362 to 379). Under section 378 of the 2006 Act, a company may not make donations to an EU political party, or other EU political organisation, or to an independent election candidate in the EU, of more than £5,000 in total, or incur any EU political expenditure, without first obtaining shareholder approval. It is the Company's policy not to make donations or other contributions to political parties. There is no intention to change that policy. What constitutes a 'political donation', a 'political party', a 'political organisation' or 'political expenditure' under the 2006 Act is not clear, as the legislation is capable of wide interpretation and may

have the effect of covering a number of normal business activities that would not be thought to be political donations in the usual sense. To avoid any possibility of inadvertently contravening the 2006 Act, the Board considers that it would be prudent to follow the procedure specified in the 2006 Act to obtain shareholder approval for the Company and its subsidiaries to make political donations or incur political expenditure in the forthcoming year until the conclusion of the Annual General Meeting of the Company in 2015 up to a total amount of £100,000 either individually or in aggregate). This authority will not be used to make any political donations as that expression would normally be understood.

Resolution 16 – Approval of the QinetiQ Group plc 2014 Bonus Banking Plan ("BBP")

Shareholders are being asked to approve the introduction of the BBP. Subject to shareholder approval, the BBP will replace the current Annual Bonus Plan, the Deferred Annual Bonus Plan and its related matching share arrangements.

The BBP is a discretionary plan in which any employee of the Group is eligible to participate. Annual performance conditions and targets are set at the beginning of a plan year. On assessment at the end of the plan year, the Company will make a contribution into a participant's plan account and, for Executive Directors, 50% of the cumulative balance in each of the first three plan years will be paid in cash. The unpaid balance will be converted into shares. 100% of the balance in year four will be paid in shares to the participant. Further details can be found in the Appendix to this document and the new plan rules are available in full at the Company's registered office and in the offices of PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH. A copy will also be available for inspection before and during the Annual General Meeting.

Resolution 17 – Authority to allot new shares

Resolution 17 deals with the Directors' authority to allot shares. At the last Annual General Meeting of the Company held on 25 July 2013, the Directors were given authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £4,403,174 representing approximately 66% of the Company's issued ordinary share capital as at 31 May 2013. Of this amount 220,158,700 shares (representing approximately 33% of the Company's issued ordinary share capital as at 31 May 2013) could only be allotted pursuant to a rights issue. This authority expires on the date of this year's Annual General Meeting. Resolution 17 will, if passed, renew this authority to allot. The ABI guidelines state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of the Company's issued share capital. In addition, they will treat as routine a request for authority to allot shares representing an additional one-third of the Company's issued share capital provided that it is only used to allot shares pursuant to a pre-emptive rights issue.

In light of these guidelines, the Board considers it appropriate that Directors be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £4,395,074 representing the guideline limit of approximately 66% of the Company's issued ordinary share capital as at 9 June 2014 (the latest practicable date prior to publication of this notice). Of this amount 219,753,700 shares (representing approximately 33% of the Company's issued ordinary share capital) can only be allotted pursuant to a rights issue. The power will last until the conclusion of the next Annual General Meeting in 2015 or, if earlier, 22 October 2015.

Explanatory notes continued

The Directors have no present intention of exercising this authority.

As at the date of this Notice, the Company does not hold any ordinary shares in the capital of the Company in treasury.

Resolution 18 – Disapplication of pre-emption rights

Resolution 18 will give the Directors authority to allot shares in the capital of the Company, pursuant to the authority granted under Resolution 17 above, for cash without complying with the pre-emption rights in the 2006 Act in certain circumstances. In line with the ABI guidelines described in relation to Resolution 17 above, this authority will permit the Directors to allot:

- a) shares up to a nominal amount of £4,395,074 (representing two-thirds of the Company's issued share capital) on an offer to existing shareholders on a pre-emptive basis. However unless the shares are allotted pursuant to a rights issue (rather than an open offer), the Directors may only allot shares up to a nominal amount of £2,197,537 (representing one-third of the Company's issued share capital) (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and
- b) shares up to a maximum nominal value of £329,630, representing approximately 5% of the issued ordinary share capital of the Company as at 9 June 2014 (the latest practicable date prior to publication of this notice) otherwise than in connection with an offer to existing shareholders.

The Directors have no present intention of exercising this authority.

The Directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles ("Principles") regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies should not issue shares for cash representing more than 7.5% of the company's issued share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

If the Directors were to exercise the authorities detailed in resolutions 17 and 18, in the light of the Company's ongoing share buyback programme, the Directors undertake that they would do so only to the extent of the relevant percentage of the ordinary share capital in issue as at the date of the AGM when the resolutions are approved.

Resolution 19 – Notice of meetings

Resolution 19 is a resolution to allow the Company to hold general meetings (other than annual general meetings) on 14 days' notice. Before the introduction of the Companies (Shareholders' Rights) Regulations 2009 in August 2009, the minimum notice period permitted by the 2006 Act for general meetings (other than annual general meetings) was 14 days. One of the amendments that the Companies (Shareholders' Rights) Regulations 2009 made to the 2006 Act was to increase the minimum notice period for listed company general meetings to 21 days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that: (i) the Company offers facilities for shareholders to vote by electronic means; and (ii) there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days. The Board is therefore proposing Resolution 19 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The approval will be effective until the Company's next Annual General Meeting, when it is intended that the approval be renewed. The Company will use this notice period when permitted to do so in accordance

with the 2006 Act and when the Directors consider that it is appropriate to do so.

Important notes to shareholders

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders on the register of members at 6.00pm on 18 July 2014 are entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time or, if the Meeting is adjourned, as at 6.00pm on the date which is two days prior to the adjourned Meeting (as the case may be). In each case, changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the Meeting.
2. A shareholder entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a shareholder of the Company) to exercise all or any of his/her rights to attend, speak and vote at the Meeting. A shareholder can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him/her.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the Meeting for your vote to be counted. As referred to above, details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the Meeting and voting in person.
4. You may register your proxy appointment and voting directions electronically by visiting the www.sharevote.co.uk website, where full details of the procedure are given. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the registrar before the latest time for receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
5. In order to be valid, an appointment of a proxy must be returned (together with the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated) by one of the following methods:
 - (a) deposited with the Company's registrar, by either mailing it to them at the address shown on the proxy form or via www.sharevote.co.uk; or
 - (b) in the case of CREST members, lodged using the CREST proxy voting service – see note 10 below, and in each case must be received not later than 11.00am on Friday, 18 July 2014 or 48 hours (excluding non-working days) before the time for holding any adjourned Meeting (or in the case of a poll taken subsequently to the date of the Meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll).

Explanatory notes continued

6. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day and may also be inspected at Pennyhill Park Hotel, London Road, Bagshot, Surrey GU19 5EU from 9.30am on Tuesday, 22 July 2014 until the conclusion of the Meeting:
 - (a) copies of the Directors' Service Contracts with the Company;
 - (b) copies of the Non-executive Directors' letters of appointment;
 - (c) copy of the Company's current Articles of Association;
 - (d) copy of the new BBP rules; and
 - (e) minutes of the last Annual General Meeting.
7. As soon as practicable following the Annual General Meeting, the results of the voting at the Meeting and the numbers of proxy votes cast in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website www.QinetiQ.com.
8. If you have sold or transferred all your shares, this Notice and the accompanying proxy form should be passed to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.
9. The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to any person who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a "Nominated Person"). The right to appoint proxies can only be exercised by shareholders of the Company and not by a Nominated Person. However, Nominated Persons may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Tuesday 22 July 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual. The CREST Manual can be viewed at www.euroclear.com. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be received by Equiniti (ID RA19) no later than 11.00am on Friday, 18 July 2014, or 48 hours (excluding non-working days) before the time for holding any adjourned Meeting (or in the case of a poll taken subsequently to the date of the Meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll).
11. As at 9 June 2014 (being the latest practicable business day prior to the publication of this Notice), the Company's issued ordinary share capital consisted of 659,261,373 ordinary shares. Therefore, the total voting rights in the Company are 659,261,373. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. On a vote by show of hands, every ordinary shareholder who is present has one vote and every proxy present, who has been duly appointed by a shareholder entitled to vote, has one vote. On a vote by poll, every ordinary shareholder who is present, in person or by proxy, has one vote for every ordinary share of which he/she is the holder.
12. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the Meeting, the results of the voting at the Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website, www.QinetiQ.com.
13. Any corporation which is a member of the Company may appoint one or more corporate representatives. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that he/she does not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Explanatory notes continued

14. Members satisfying the thresholds in section 527 of the 2006 Act can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the Meeting. The Company cannot require a member requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website.
15. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business to be dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
16. Certain items will not be permitted in the Annual General Meeting. These include bags, cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman or designated officers of the Meeting may specify.
17. Under sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company:
- to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may be properly moved) at the Annual General Meeting; and/or
 - to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (i) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person(s) making it and must be received by the Company not later than 7 June 2014, being the date 6 clear weeks before the Annual General Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

18. The contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting, details of the totals of the voting rights that members are entitled to exercise at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website **www.QinetiQ.com**.

19. You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purpose other than those expressly stated.

You could help QinetiQ help the environment

You can do this by electing to receive future Company communications by email rather than in paper form. Simply visit the Shareholders Services page on the QinetiQ website at **www.QinetiQ.com**.

By making this election you are helping us reduce print, paper and postage costs and the associated environmental impact. You will be able to view the Report and Accounts the day they are published. You will also be able to access your individual shareholding quickly.

Protection from fraud

Protecting your shareholding is important to us. Please read the tips below to help safeguard your shareholding.

- Keep all your certificates safe, or hold your shares electronically in CREST via a nominee.
- Any correspondence received from the Registrar which shows your shareholder reference number should be kept in a safe place, or destroyed by shredding — never just put in the bin.
- If you receive a letter from the Registrar regarding a change of address and you have not recently moved, contact the Registrar immediately as you may be a victim of identity theft.
- Elect to have your dividends paid direct into your bank. This will stop payments being intercepted, or lost, in the post. Please remember to tell the Registrar if you change your bank account details.
- When buying or selling shares, only deal with brokers in your country of residence or the UK.

Attending the Annual General Meeting

The Annual General Meeting will be held at Pennyhill Park Hotel, London Road, Bagshot, Surrey, GU19 5EU on Tuesday, 22 July 2014 at 11.00am.

Timetable

9.30am	Doors open. Registration. Please bring your admission card and register at the registration desk. Tea, coffee and cold beverages will be served.
10.45am	Take seats in the auditorium.
11.00am	The Annual General Meeting will begin.

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan

Background and objectives

Background

The Remuneration Committee of the Company (the 'Committee') conducted an extensive review, which included consulting with major shareholders, of the remuneration policy for the Management of the Company taking into account the following factors:

- the current suitability of the incentive arrangements for the Company;
- the changing of the strategy for the business and the requirement for any incentive to be aligned to the revised strategy;
- the new BIS Regulations which require the Company to seek shareholder approval of the Committee policy through a binding vote at the 2014 AGM;
- the increasing strength of shareholder views against the operation of both a matching share plan (under the deferred annual bonus plan) and long-term incentive plan which is the current policy of the Company; and
- the increasing strength of shareholder views against the overuse of EPS on incentive plans.

Objective of the Revised Policy

The key objectives of the revised policy are:

- conservative levels of fixed remuneration;
- an incentive programme which provides the following:
 - a material value if the incentive is earned;
 - the removal of the current matching share plan but retention of bonus deferral in shares;
 - flexibility to allow the Committee to set relevant targets against a background of continual change and transformation of the business over the next period;
 - assurance that earned incentives materially contribute to the build-up of long-term equity holdings; and
- provides no more economic value to participants than the incentive arrangements it replaces.

It is proposed that the Plan, if approved by shareholders, will replace the Company's current Annual Bonus Plan, Deferred Bonus Plan and matching share arrangements.

Overview of the Plan

The following paragraphs set out the key elements of the Plan.

Performance Conditions and Targets are set at the beginning of the Plan Year (the financial year of the Company).

The maximum annual incentive opportunity proposed is 225% of salary p.a. (in line with the current maximum annual bonus and matching share award).

Except where noted, percentages refer to Executive Directors.

On assessment of the Performance Targets at the end of the Plan Year the Remuneration Committee will determine the proportion of the maximum annual incentive opportunity awarded (the "Company Contribution"). The Remuneration Committee will detail the Performance Targets set, the level of achievement and the corresponding proportion of maximum annual incentive opportunity awarded for their achievement in the relevant Directors' Remuneration Report.

The Performance Conditions for the first operation of the Plan are:

- Group Underlying Operating Profit (30% of the maximum);
- Group Cash flow (30%);
- Group Profit (20%); and
- Qualitative measures based on the Company's KPIs (20%). Examples would include health and safety statistics and/or customer satisfaction (as measured by the MOD customer service report each year).

The Committee will in general set targets for performance conditions by applying the following approach:

Level of Performance	Percentage of Company Contribution Earned
Range 110% to 120% of Target	Maximum Contribution
Target	Range 40% to 60% of Maximum Contribution
90% of Target	0%
Forfeiture Threshold	Range 90% to 80% of Target. Forfeiture of 50% of earned deferred elements from previous years.

The Company Contribution for the Plan Year will be made to the Participant's Plan Account.

50% of the cumulative balance held in the Participant's Plan Account will be paid in each of the first three Plan Years with 100% of the balance paid at the end of the fourth Plan Year (in Year 4 the Remuneration Committee may determine to start a new contribution period).

Any unpaid balance will be converted into shares using the 30-day average share price at the end of the relevant Plan Year.

50% of the unpaid balance will be at risk of forfeiture each Plan Year where the minimum forfeiture threshold set by the Committee is not met.

In addition, malus and clawback provisions will apply.

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

Illustrations

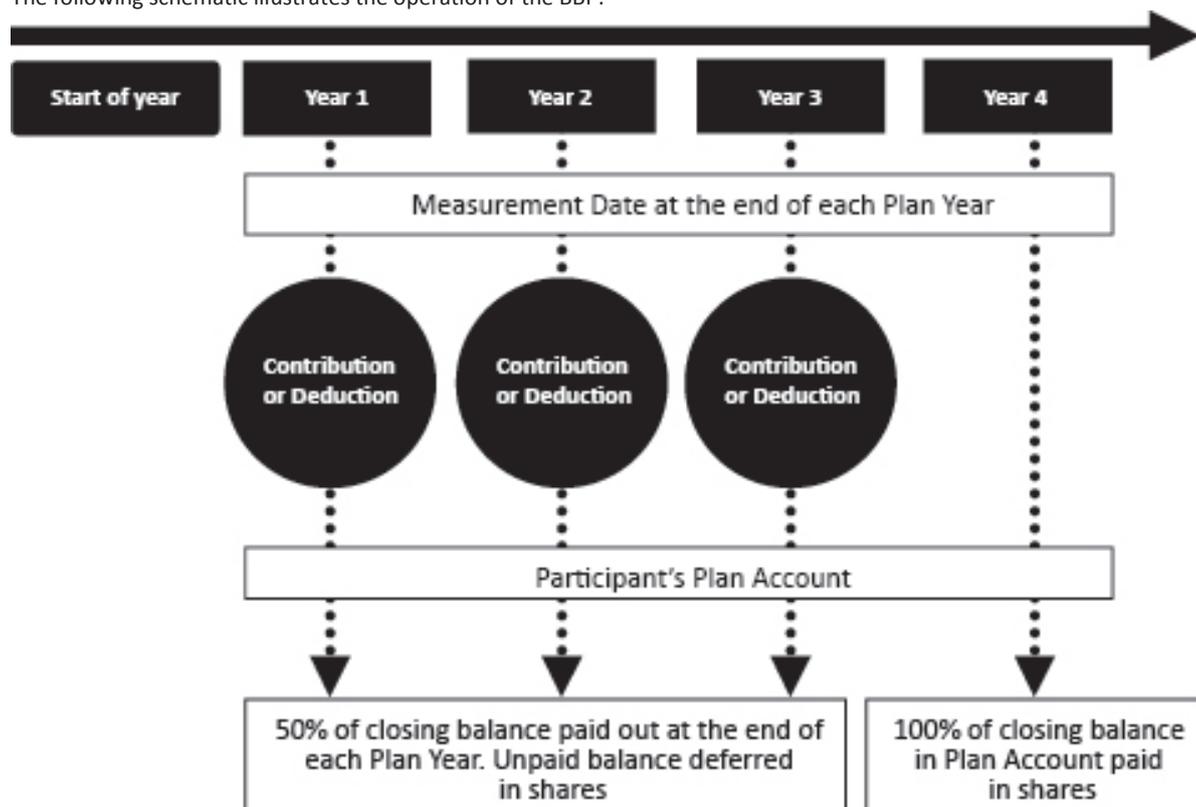
Illustration of annual payment as % of salary for Target Performance of 40% of Maximum (excluding share price growth)

For the purpose of illustration we have assumed a Maximum Annual Contribution of 225% of salary over a 4 year period assuming no increase in share price.

Feature	End of BBP year:			
	1	2	3	4
Opening Balance	-	45%	67.5%	78.75%
BBP Contribution	90%	90%	90%	-
Plan Account Balance (y/e)	45%	135%	157.5%	78.75%
Annual Payment	45%	67.5%	78.75%	78.75%
Balance Carried Forward	45%	67.5%	78.75%	-

Illustration of the Bonus Banking Plan

The following schematic illustrates the operation of the BBP:



Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

Committee's reasons for the Design of the Plan

The following sets out the key reasons that led the Committee to the proposed design of the Plan:

Performance Targets

The Company is in the process of undertaking a substantial transformation of the business which has an impact on the ability for the Committee to set Performance Targets. It is the Committee's view that:

- at this point in the strategy implementation the Performance Targets should be a mixture of both financial performance and strategic/operational KPIs;
- the Performance Targets should be measured annually with:
 - annual disclosure of the level of satisfaction of the Performance Targets will provide shareholders with greater visibility of the decisions the Remuneration Committee is making (this will comply with current requirements in the BIS Regulations for full retrospective disclosure of Performance Targets and their level of satisfaction);
 - retrospective annual disclosure will enable the Company to provide shareholders with greater transparency on the assessment of strategic/ operational KPIs compared to the disclosure of forward looking multiple year Performance Targets based on KPIs; and
- the lack of visibility for the business makes it difficult to set multiple year Performance Targets.

Simplicity and Clarity

The Plan is simple with the following key features:

- an annual assessment of performance using Performance Targets based on financial measures and strategic KPIs;
- a Company Contribution into a Participant's Plan account dependent on the level of performance achieved; this would give rise to the following maximum potential entitlements for a Participant:
 - an immediate payment in cash or shares equal to 50% of the cumulative balance; and
 - the unpaid balance in shares of which up to 50% will be forfeited if subsequent years' performance falls below a threshold level.

The Plan is transparent and easily understood by Participants and the Company. The Plan provides greater visibility over the performance metrics which drive long-term value creation and the provision of reward to Executives.

Long-Term Equity Holdings

A key consideration for the Remuneration Committee in designing the Plan is that it supports the long-term alignment of the interests of the Management Team with shareholders with the majority of incentives earned provided in the form of shares, a significant proportion of which had to be held by the Participant for a material period. The Committee believes that this approach will ensure that the Management Team are long-term shareholders which should provide them with a focus on long-term sustainable value. Shares may be earned by Participants on annual measurement of Performance Targets

but the ultimate value of these shares will depend on the future share price which will ensure that Participants are focused when making strategic decisions today that will flow through to shareholder value in the future.

The following features of the Plan support the Committee's objectives:

- a minimum of 50% of the total maximum incentive opportunity earned is provided in shares;
- the unpaid balance is deferred in shares on a rolling basis;
- the Executive Directors have a minimum shareholding requirement.

Supporting a High Performance Culture

The Plan has the following relevant features:

- high incentive potential if stretching targets are achieved (provided that share price is maintained and performance is sustainable and does not result in forfeiture);
- allows the accumulation of locked in value to be banked early on in the Executive's employment period;
- ensures that the Company is competitive and therefore able to retain and attract the best talent;
- rewards the successful implementation of the Company strategy;
- is flexible in allowing the award of shares on an annual basis based on the satisfaction of strategic KPIs.

Retention of Management

The Plan has the following relevant features:

- the Plan (subject to performance) allows the accumulation of benefits on an annual basis which are then subject to deferral and risk adjustment; the value of these banked elements will act as an effective retention of the Management Team and fully align them to drive value for shareholders;
- the potential value delivered by the Plan provides the necessary incentive opportunity for the Company to be competitive amongst its Sector group;
- it is simple which maximises its retentive and incentive effect;
- the long-term shareholding.

Balancing Risk and Reward

The Plan provides that:

- 50% of the maximum annual contribution is deferred;
- 50% of the amount deferred is subject to the risk of forfeiture if minimum performance thresholds are not achieved in subsequent years;
- deferred elements are in shares with the corresponding alignment of interests with shareholders and additional risk adjustment through the exposure to the share price over the periods of deferral.

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

International

The Plan provides for:

- an annual assessment of performance with part of the incentive paid immediately and part deferred for a period. This mechanism is easier to implement and communicate internationally across a peer group and is less UK centric than matching plans or three-year long-term incentive plans.

Adherence to UK Corporate Governance

The Plan has been designed to support the Company's strategy and is tailored to the Company; however, it also incorporates a number of features which are considered leading edge in terms of UK corporate governance:

- in addition to the current clawback for misstatement or malus, the Plan also includes a real risk of forfeiture of earned incentives if subsequent annual forfeiture thresholds are not achieved;
- 50% of the incentive is earned in shares;
- it encourages the alignment of the interests of the Management Team with shareholders through supporting the accumulation of material long-term shareholdings;
- it removes the Deferred Annual Bonus Plan and the matching share awards that can be made which supports the desire of a number of shareholders to see only two incentive plans operated by companies;
- it reduces the use of EPS on incentives;
- simplicity; and
- it encourages a holistic strategy driven approach by the Management Team.

Key Terms

Set out below are the key terms of the Plan.

Definitions

'AGM'

the annual general meeting of Shareholders convened by the Notice of AGM dated 17 June 2014;

'Board'

the Board of Directors of the Company;

'Close Period'

a period when the Board of the Company is prohibited from dealing in Shares under the Listing Rules of the London Stock Exchange;

'Remuneration Committee' or 'Committee'

a Committee of the Board of the Company;

'Employee Trust'

the QinetiQ Group plc Employee Benefit Trust;

'Group'

the Company and all of its direct and indirect subsidiaries;

'QinetiQ' or the 'Company'

QinetiQ Group plc

'BBP' or 'Plan'

The QinetiQ Group plc 2014 Bonus Banking Plan;

'Participant' or 'Participants'

the virtual account held for each Participant into which Company Contributions earned under the BBP are transferred;

'Participant's Plan Account'

the virtual account held for each Participant into which Company Contributions earned under the BBP are transferred;

'Performance Condition' or 'Performance Target'

as defined in the Chairman's Letter and Appendices to that Letter;

'Shareholders'

holders of the Shares;

'Shares'

the Company's ordinary Shares.

Participants

Executive Directors and the Senior Leadership Group.

Quantum

Level (Number):	Maximum Annual Incentive Value as % of salary:	Annual Deferral as % of unpaid balance
Executive Director (2)	225%	50%
Senior Leadership Group (approx. 15)	75% – 150%	25%

Performance Conditions

The Performance Conditions for the first operation of the Plan are:

- Group Underlying Operating Profit (30% of the maximum);
- Group Cash flow (30%);
- Group Profit (20%); and
- Qualitative measures based on the Company's KPIs (20%).

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

Cessation of Employment

All unpaid balances in a Participant's Plan Account will be paid if he or she is a good leaver; balances lapse if a Participant is a bad leaver.

A Participant who is a good leaver will receive an immediate award in cash for the Plan Year during which his cessation of employment occurs pro-rated to the amount of the Plan Year completed on his cessation and based on the level of satisfaction of the Performance Conditions set measured at the normal measurement date. A Participant who is a bad leaver will have no entitlement to an award for the Plan Year of cessation.

A Participant will be considered a good leaver if their employment with the Company ceases for one of the following reasons:

- death;
- injury, ill-health or disability;
- redundancy;
- retirement with the agreement of the employing company;
- the employing company ceasing to be a member of the Group;
- the business or part of the business to which the Participant's employment relates is transferred to a person who is not a member of the Group; or
- any other reason (other than for dishonesty, fraud, misconduct, or any other circumstances justifying summary dismissal) as the Committee in its absolute discretion so permits in any particular case (if exercised a full explanation will be provided to shareholders). The Committee will only use its general discretion to determine that an Executive Director is a good leaver in exceptional circumstances and will provide a full explanation to shareholders, if possible in advance, of the basis for its determination.

Change of Control

A Participant will receive an award in cash immediately prior to the date of the change of control (and conditional on the change of control actually occurring) based on the level of satisfaction of the Performance Conditions at this date pro-rated to the amount of the Plan Year completed on the change of control subject to the Committee's discretion to waive or partially waive pro-rating. It is the Committee's policy in normal circumstances to pro-rate to time; however, in exceptional circumstances where the nature of the transaction produces exceptional value for shareholders and provided the performance targets are met the Committee will consider whether pro-rating is equitable.

All balances in Participants' Plan Accounts will vest in full on a change of control.

Dilution

The Plan will operate standard ABI Dilution Limits.

Clawback and Malus

The Plan will be subject to standard market practice FTSE 250 malus and clawback provisions allowing the Committee to reduce awards or claim repayment in circumstances where the Participant has benefited from wilful negligence, fraudulent misstatement of results or criminal behaviour or where the performance conditions have been calculated incorrectly.

Operation

The Committee (the members of which are independent Non-executive Directors) supervises the operation of the Plan in respect of the employees of the Company, including the Executive Directors. The Committee has the discretion to make awards at any time where they consider the circumstances appropriate. No awards will be granted during a Close Period.

Eligible Employees

Any employee of the Group is eligible to participate in the Plan. Non-executive Directors are not eligible to participate in the Plan.

Taxation

Any payments under the Plan are conditional upon the Participant paying any taxes due.

Allotment and Transfer of Shares

Shares allotted by the Company or transferred by the Trustee of the Employee Trust will not rank for dividends payable if the record date for the dividend falls before the date on which the Shares are acquired by the Participant. An application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's main market for listed securities following any payment in Shares.

Variation of Share Capital

On a variation of the capital of the Company, the number of Shares held in Participant's Plan Accounts and their terms and conditions may be adjusted in such manner as the Committee determines is appropriate.

Duration

The Plan will operate for a period of five years from the date of approval by shareholders. The Committee may not grant awards under the Plan after the five-year period.

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

Amendments

Amendments to the rules of the Plan may be made at the discretion of the Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of Shares that may be issued, cannot be altered to the advantage of Participants without prior Shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group. An amendment may not adversely affect the rights of an existing Participant except where the Participant has approved the amendment.

In addition, the Remuneration Committee may add to, vary, or amend the rules of the Plan by way of a separate schedule in order that the Plan operates in compliance with all requisite local legislative and regulatory requirements as may apply to both Participants and/or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than under the rules of the Plan as summarised above.

General

Cash bonus, Shares acquired and any other rights granted pursuant to the Plan are non-pensionable.

Non-Transferability of Awards

Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of descent and distribution.

Employee Trust

The Company may utilise the existing discretionary employee benefit trust, the QinetiQ Group plc Employee Benefit Trust (the "EBT" which includes any successor trust set up in connection with the Company's employee share schemes), in order to meet obligations due under the BBP. The Trustee of the EBT has full discretion with regard to the application of the trust fund (subject to recommendations from the Committee). The Company will be able to fund the EBT to acquire Shares in the market and/or to subscribe for Shares at nominal value in order to satisfy awards granted under the Plan. Any Shares issued to the EBT in order to satisfy awards under the Plan will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Shares acquired by the EBT in the market will not count towards these limits. In addition, unless prior Shareholder approval is obtained, the EBT will not hold more than 5% of the issued share capital of the Company at any one time (other than for the purposes of satisfying awards of Shares that it has granted).

Note: This Appendix summarises the main features of the Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Plan Rules. The Directors reserve the right, up to the time of the Annual General Meeting, to make such amendments and additions to the rules of the Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix.

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

Illustrations

CEO

Illustration of the operation of the Plan for On Target (40%) and Maximum Performance (100%) and the operation of the Forfeiture Provisions

The table below illustrates the normal operation of the Plan (Example 1) and where forfeiture occurs (Example 2). The following assumptions used in this example are:-

- Chief Executive Officer salary: £615,325;
- Share price growth is 0% p.a. (this is to make the example easier to follow; in practice the share price on the deferred balance will affect the value of the opening balance at the end of each Plan Year);
- Example 1 assumes on target performance with 40% of the 225% Maximum Contribution earned each Plan Year;
- Example 2 also assumes the same level of performance each year apart from Plan Year 2 which illustrates the operation of the 50% deduction if the Forfeiture Threshold is not met for the Plan Year.

The second set of tables shows the same examples but assuming the Maximum Contribution is earned.

On Target

Example 1

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£276,896	£415,344	£484,568
Bonus Plan Contribution	£553,793	£553,793	£553,793	£0
Bonus Plan Deduction	£0	£0	£0	£0
Plan Account Balance (y/e)	£553,793	£830,689	£969,137	£484,568
Annual Payment (y/e)	£276,896	£415,344	£484,568	£484,568
Balance Carried Forward	£276,896	£415,344	£484,568	£0
TOTAL PAYMENT: over four plan years				£1,661,378

Example 2

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£276,896	£69,224	£311,508
Bonus Plan Contribution	£553,793	£0	£553,793	£0
Bonus Plan Deduction	£0	£138,448	£0	£0
Plan Account Balance (y/e)	£553,793	£138,448	£623,017	£311,508
Annual Payment (y/e)	£276,896	£69,224	£311,058	£311,508
Balance Carried Forward	£276,896	£69,224	£311,508	£0
TOTAL PAYMENT: over four plan years				£969,137

Maximum

Example 1

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£692,241	£1,038,361	£1,211,421
Bonus Plan Contribution	£1,384,481	£1,384,481	£1,384,481	£0
Bonus Plan Deduction	£0	£0	£0	£0
Plan Account Balance (y/e)	£1,384,481	£2,076,722	£2,422,842	£1,211,421
Annual Payment (y/e)	£692,241	£1,038,361	£1,211,421	£1,211,421
Balance Carried Forward	£692,241	£1,038,361	£1,211,421	£0
TOTAL PAYMENT: over four plan years				£4,153,444

Example 2

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£692,241	£173,060	£778,771
Bonus Plan Contribution	£1,384,481	£0	£1,384,481	£0
Bonus Plan Deduction	£0	£346,120	£0	£0
Plan Account Balance (y/e)	£1,384,481	£346,120	£1,557,541	£778,771
Annual Payment (y/e)	£692,241	£173,060	£778,771	£778,771
Balance Carried Forward	£692,241	£173,060	£778,771	£0
TOTAL PAYMENT: over four plan years				£2,422,842

Appendix

Summary of the QinetiQ Group plc 2014 Bonus Banking Plan continued

CFO

Illustration of the operation of the Plan for On Target (40%) and Maximum Performance (100%) and the operation of the Forfeiture Provisions

The table below illustrates the normal operation of the Plan (Example 1) and where forfeiture occurs (Example 2). The following assumptions used in this example are:

- Chief Financial Officer salary: £391,400;
- Share price growth is 0% p.a. (this is to make the example easier to follow; in practice the share price on the deferred balance will affect the value of the opening balance at the end of each Plan Year);
- Example 1 assumes on target performance with 40% of the 225% Maximum Contribution earned each Plan Year;
- Example 2 also assumes the same level of performance each year apart from Plan Year 2 which illustrates the operation of the 50% deduction if the Forfeiture Threshold is not met for the Plan Year.

The second set of tables shows the same examples but assuming the Maximum Contribution is earned.

On Target

Example 1

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£176,130	£264,195	£308,228
Bonus Plan Contribution	£352,260	£352,260	£352,260	£0
Bonus Plan Deduction	£0	£0	£0	£0
Plan Account Balance (y/e)	£352,260	£528,390	£616,455	£308,228
Annual Payment (y/e)	£176,130	£264,195	£308,228	£308,228
Balance Carried Forward	£176,130	£264,195	£308,228	£0
TOTAL PAYMENT: over four plan years				£1,056,780

Example 2

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£176,130	£44,033	£198,146
Bonus Plan Contribution	£352,260	£0	£352,260	£0
Bonus Plan Deduction	£0	£88,065	£0	£0
Plan Account Balance (y/e)	£352,260	£88,065	£396,293	£198,146
Annual Payment (y/e)	£176,130	£44,033	£198,146	£198,146
Balance Carried Forward	£176,130	£44,033	£198,146	£0
TOTAL PAYMENT: over four plan years				£616,455

Maximum

Example 1

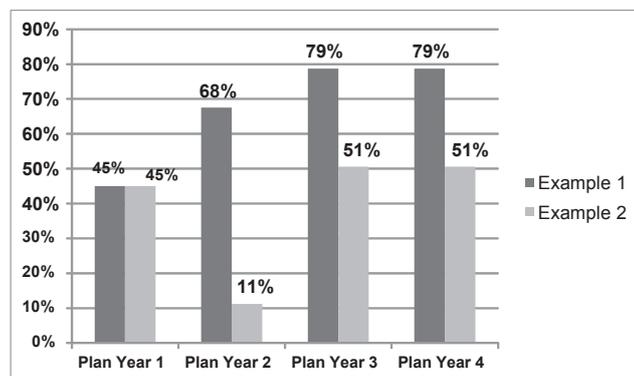
	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£440,325	£660,488	£770,569
Bonus Plan Contribution	£880,650	£880,650	£880,650	£0
Bonus Plan Deduction	£0	£0	£0	£0
Plan Account Balance (y/e)	£880,650	£1,320,975	£1,541,138	£770,569
Annual Payment (y/e)	£440,325	£660,488	£770,569	£770,569
Balance Carried Forward	£440,325	£660,448	£770,569	£0
TOTAL PAYMENT: over four plan years				£2,641,950

Example 2

	Year 1	Year 2	Year 3	Year 4
Opening Balance	£0	£440,325	£110,081	£495,366
Bonus Plan Contribution	£880,650	£0	£880,650	£0
Bonus Plan Deduction	£0	£220,163	£0	£0
Plan Account Balance (y/e)	£880,650	£220,163	£990,731	£495,366
Annual Payment (y/e)	£440,325	£110,081	£495,366	£495,366
Balance Carried Forward	£440,325	£110,081	£495,366	£0
TOTAL PAYMENT: over four plan years				£1,541,138

The following charts demonstrate the percentage of salary paid under Examples 1 and 2 for On Target and Maximum Performance:

On Target



Maximum

