

WRITTEN RESOLUTION

of

QINETIQ GROUP PLC

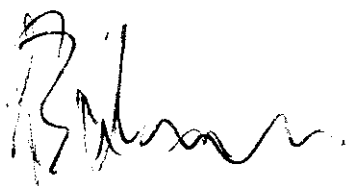
(Company No. 4154556)

WRITTEN RESOLUTION (passed as a special resolution) of the Company made pursuant to Regulation 53 of Table A of the Companies Act 1985 (as incorporated in the Articles of Association of the Company).

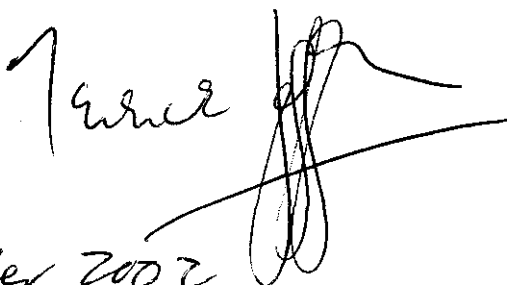
We, the undersigned, being the all the Members of the Company for the time being entitled to receive notice of, attend and vote at General Meetings hereby unanimously resolve (with immediate effect):

THAT the articles of association attached to this resolution be hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

Colin Balmer



Terence Jagger



Dated: 7 October 2002



No. 4154556

The Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

Memorandum and Articles of Association

of

QinetiQ Group plc

Incorporated 6 February 2001

By Written Resolution passed on 27 June 2001 it was resolved that the name of the Company be changed from Honeytiger plc to QinetiQ Group plc.

By Written Resolution passed on 25 February 2002 it was resolved that the share capital of the Company be increased as set out herein.

Articles of Association as adopted by Written Resolution passed on 7 October 2002.

SIMMONS & SIMMONS

CityPoint One Ropemaker Street London EC2Y 9SS
Tel: 0171-628 2020/528 9292 Fax: 0171-628 2070 DX Box 12

CONTENTS

Memorandum of Association	1
1. Name	1
2. Type	1
3. Registered Office	1
4. Interpretation	1
5. Objects	2
6. Limitation of Liability	5
7. Share Capital	5
Articles of Association	1
1. Exclusion of standard regulations	1
2. Interpretation	1
3. Share capital	7
4. Registered office	7
5. Share rights	7
6. Redeemable shares	7
7. The Special Share	8
8. Allotment of Shares	15
9. Commissions	16
10. Non-recognition of trusts and other equitable interests	16
11. Share certificates	16
12. Lien	16
13. Calls on shares and forfeiture	16
14. Transfer of shares	16
15. Transmission of shares	16
16. Alterations of capital	16
17. General meetings	16
18. Notice of general meetings	16
19. Proceedings at general meetings	16
20. Representation of Corporations	17

21.	Voting.....	17
22.	Number of directors and shareholding qualification	17
23.	Appointment of directors by Special Shareholder from time to time.....	17
24.	Quorum for directors' meetings	18
25.	Appointment and removal of directors	18
26.	Remuneration of directors	19
27.	Disqualification of directors.....	19
28.	Alternate directors	19
29.	Directors' interests.....	19
30.	Disclosure to the Board	20
31.	When directors can vote on matters in which they are interested	21
32.	Where a director owns one per cent of a company	21
33.	Resolution relating to a director's interest.....	22
34.	Meaning of "transaction"	22
35.	Powers and duties of the Board	22
36.	<i>Borrowing powers</i>	22
37.	Proceedings of the Board	23
38.	Pensions	23
39.	Compliance Committee	23
40.	Secretary.....	25
41.	Seals.....	25
42.	Documents without a seal	25
43.	<i>Using an official seal abroad</i>	25
44.	Power to authenticate.....	25
45.	Dividends and other payments	26
46.	Reserves.....	26
47.	Accounting records	26
48.	Sending copies of accounts.....	27
49.	The duties of auditors.....	27
50.	<i>Serving and delivering notices on shareholders</i>	27

51.	Notice to shareholders outside the United Kingdom	28
52.	When notices are treated as being served	28
53.	Giving notice to QinetiQ Group.....	28
54.	Sending notices using details on the register	28
55.	Notice provisions in the Articles must comply with the Acts	29
56.	QinetiQ Group can destroy documents.....	29
57.	The Board can present a petition.....	29
58.	Distribution of assets other than cash on liquidation.....	29
59.	Officers have a right to an indemnity	30

No. 4154556

The Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

Memorandum of Association

of

QinetiQ Group plc

Incorporated 6 February 2001



By Written Resolution passed on 27 June 2001 it was resolved that the name of the Company be changed from Honeytiger plc to QinetiQ Group plc.

By Written Resolution passed on 25 February 2002 it was resolved that the share capital of the Company be increased as set out herein.

1. **Name**

The name of the company is "QinetiQ Group plc".

2. **Type**

QinetiQ Group is to be a public company.

3. **Registered Office**

QinetiQ Group's registered office is to be located in England and Wales.

4. **Interpretation**

The words in this Table have a special meaning when they are used in this Memorandum:

Word(s)	Meaning
and	Refers to and/or unless it is obvious that it does not.
company	This includes any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere.
or	Refers to and/or unless it is obvious that it does not.

other/otherwise	This does not indicate that it should be interpreted as being of the same type where a wider construction is possible, and the objects specified in the different paragraphs of clause 5 are not, unless otherwise obvious, in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of QinetiQ Group or the nature of any business carried on by QinetiQ Group, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the paragraphs in clause 5 defined the objects of a separate, distinct and independent company.
person	Any company as well as any other legal or natural person.
securities	Includes any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation.

5. **Objects**

QinetiQ Group's objects are:

- (A) To act or carry on business as a holding company and for that purpose to acquire and hold either in the name of QinetiQ Group or in that of any nominee shares, stocks, debentures, debenture stocks, bonds, loans, obligations or securities of whatsoever nature issued by any company or body corporate wheresoever incorporated or carrying on business and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (B) To control and co-ordinate the administration and operation of any companies for the time being directly or indirectly controlled by QinetiQ Group and to provide services of all kinds including managerial and other executive, supervisory and consultancy services for or in relation to any company or body corporate upon such terms as the directors may think fit.
- (C) To acquire and assume for any estate or interest and to take options over, construct, develop or exploit any property real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person.
- (D) To manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things.
- (E) To acquire and exploit lands, mines and mineral rights and to acquire, explore for and exploit any natural resources and to carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to construct, erect, install, enlarge, alter and maintain

buildings, plant and machinery and to carry on business as builders, contractors and engineers.

- (F) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind.
- (G) To advertise, market and sell the products of QinetiQ Group and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation or of a supplier, wholesaler, retailer, merchant or dealer of any kind.
- (H) To provide technical, scientific, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision.
- (I) To lend money, and grant or provide credit and financial accommodation, to any person and to deposit money with any person and to carry on the business of a banking, finance or insurance company.
- (J) To invest money of QinetiQ Group in any investments and to hold, sell or otherwise deal with such investments, and to carry on the business of a property or investment company.
- (K) To acquire and carry on any business carried on by a subsidiary or a holding company of QinetiQ Group or another subsidiary of a holding company of QinetiQ Group.
- (L) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same.
- (M) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of QinetiQ Group or by the creation and issue of securities.
- (N) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of QinetiQ Group or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of QinetiQ Group or another subsidiary of a holding company of QinetiQ Group or otherwise associated with QinetiQ Group.
- (O) To amalgamate or enter into partnership or any profit-sharing arrangement with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise any person.
- (P) To accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.

- (Q) To apply for and take out, purchase or otherwise acquire any trade and service marks and names, designs, patents, patent rights, inventions and secret processes and to carry on the business of an inventor, designer or research organisation.
- (R) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of QinetiQ Group for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.
- (S) To issue and allot securities of QinetiQ Group for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by QinetiQ Group or any services rendered to QinetiQ Group or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (T) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of QinetiQ Group or in or about the formation of QinetiQ Group or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund, trust or business promoters or managers and of underwriters or dealers in securities, and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustees of any kind and to undertake and execute any trust and any trust business (including the business of acting as trustee under wills and settlements and as executor and administrator).
- (U) To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of QinetiQ Group, and to procure the registration or incorporation of QinetiQ Group in or under the laws of any place outside England.
- (V) To grant pensions, annuities, gratuities and superannuation or other allowances and benefits, including allowances on death, to any directors, officers or employees or former directors, officers or employees of QinetiQ Group or any company which at any time is or was a subsidiary or a holding company of QinetiQ Group or another subsidiary of a holding company of QinetiQ Group or otherwise associated with QinetiQ Group or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to QinetiQ Group or who QinetiQ Group considers have any moral claim on QinetiQ Group or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of QinetiQ Group or of its members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of QinetiQ Group or of its members or for any national, charitable, benevolent, educational, social, public, political, general or useful object.
- (W) To cease carrying on or wind up any business or activity of QinetiQ Group, and to cancel any registration of and to wind up or procure the dissolution of QinetiQ Group in any state or territory.

- (X) To distribute any of the property of QinetiQ Group among its creditors and members in specie or kind.
- (Y) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (Z) To carry on any other business or activity and do anything of any nature which in the opinion of QinetiQ Group is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of QinetiQ Group's undertaking, property or assets or otherwise to advance the interests of QinetiQ Group or of its members.
- (AA) To carry on the business of a general commercial company.
- (BB) To do all such other things as in the opinion of QinetiQ Group are or may be incidental or conducive to the attainment of the above objects or any of them.

6. **Limitation of Liability**

The liability of the members is limited.

7. **Share Capital**

The share capital of QinetiQ Group is divided into:

- (A) 99,999 ordinary shares of £1 each; and
- (B) one Special Share of £1,

and QinetiQ Group has the power to divide the original or any increased capital into several classes, and give them any preferential, deferred, qualified or other rights, privileges, restrictions or conditions.¹

WE, the subscribers to this Memorandum of Association, wish to be formed into a company pursuant to this Memorandum and we agree to take the number of shares shown opposite our respective names.

Names and Addresses of Subscribers	Number of shares taken by each Subscriber
Instant Companies Limited, 1 Mitchell Lane, Bristol BS1 6BU	One
Swift Incorporations Limited, 1 Mitchell Lane, Bristol BS1 6BU	One
	Total shares taken: Two

Dated 2 February 2001

Witness to the above signatures: Glenys Copeland

1 Mitchell Lane,
Bristol BS1 6BU

¹ By a resolution dated 25 February 2002, the authorised share capital of QinetiQ Group PLC was increased from £100,000 to £345,880,039 by the creation of 345,780,039 Ordinary Shares of £1 each.

No. 4154556

The Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

Articles of Association

of

QinetiQ Group plc

Incorporated 6 February 2001

(As adopted by a Written Resolution passed

2002)

1. Exclusion of standard regulations

The regulations in the Companies (Tables A to F) Regulations 1985, and any similar regulations in any other legislation relating to companies, do not apply to QinetiQ Group unless incorporated by a cross-reference.

2. Interpretation

The words in this table have a special meaning when used in these Articles:

Word(s)	Meaning
Acts	The Companies Act and all other statutes which concern companies and apply to QinetiQ Group. This includes: (a) regulations and orders made under the Acts; and (b) any re-enactment of the Acts or those regulations or orders.
Auditor	QinetiQ Group's auditor from time to time. If there is more than one auditor from time to time, Auditor means all of those auditors.
business day	Any day, other than a Saturday or Sunday, on which banks are open for ordinary business in London.
Board	The directors of QinetiQ Group from time to time or those directors who are present at a directors' meeting which has been properly

	called and at which a quorum is present.
clear days	These do not count the day on which notice is treated as given or sent or the day for which it is given.
Companies Act	The Companies Act 1985.
Compliance Committee	The Compliance Committee maintained under Article 39.
Compliance Guidelines	The provisions of these Articles and the guidelines, from time to time, which have been adopted by the Board and the Compliance Committee, or which are comprised in written guidance on the effective application of the Compliance Principles issued from time to time by the Board, the Compliance Committee, the Compliance Implementation Director or the Compliance Audit Director (as each individual is described in Article 39) and which set out, among other things, guidelines establishing the grounds governing and procedure for determining whether an activity of QinetiQ Group or of a member of the QinetiQ Controlled Group would be prohibited as constituting Defence Manufacturing.
Compliance Principles	This means the following principles: (a) QinetiQ should provide, and should be perceived to provide, impartial scientific and technical advice and support to the Ministry of Defence; (b) QinetiQ's support to the Ministry of Defence should be objective and it should observe the highest standards of integrity, fair dealing and ethical behaviour; (c) QinetiQ should avoid or manage conflicts of interests in a manner entirely satisfactory to the Ministry of Defence and to ensure the application of the other Compliance Principles;

	(d) QinetiQ should maintain the confidentiality of information belonging to the Ministry of Defence, or others, in accordance with its legal obligations; and (e) QinetiQ should comply with the security procedures and security requirements of the UK Government (including, but not limited to, the Ministry of Defence) from time to time), all in a manner consistent with, and with the overriding objective of protecting, the United Kingdom's defence and security interests from time to time. (References to QinetiQ in this definition mean QinetiQ Group and each other member of the QinetiQ Controlled Group.)
Compliance System	This means: (a) the roles and responsibility of the Board and of the Compliance Committee relating to the Compliance Principles and their application; (b) a sound compliance management system of internal controls and processes for ensuring the effective application of the Compliance Principles by the QinetiQ Controlled Group; and (c) the Compliance Guidelines.
control	This has the same meaning as in Section 840 of the Income and Corporation Taxes Act 1988.
Crown	Any of Her Majesty's Secretaries of State, another Minister, the Commissioners of Her Majesty's Treasury or any person acting on behalf of the Crown.
Defence Manufacturing	This means the manufacture, assembly or production by QinetiQ of arms, munitions, war materials, or essential components thereof. War materials include, but are not limited to, C3I, detection, counter measures, electronic warfare and attack, defence intelligence equipment, transport aircraft and troop carriers.

Destruction	This includes the demolition or alteration of all or any part of a Strategic Asset or any other action or process whereby any Strategic Asset is rendered incapable (other than any temporary incapacity for the purpose of maintaining, cleaning or repairing the Strategic Asset in question) of being used for any of the purposes for which it is being or was last used ignoring any temporary use and, without prejudice to the generality of the foregoing, includes allowing all or any part of a Strategic Asset to fall into disrepair (and "destroy" will be construed according).
Disposal	This includes the sale, transfer and any other form of alienation of any Strategic Asset or any interest in any Strategic Asset including by way of any option, trust, lease, licence or security (and "dispose" and "disposed of" shall be construed accordingly).
Electronic Communication	This has the same meaning as in the Electronic Communications Act 2000.
essential component	A component is an essential component if: (a) it is required for the achievement, by the item of which it forms part, of its intended military purpose; and/or (b) there is no substitute component which is readily available on reasonable terms in the market. The categories of Defence Manufacturing to which each of (a) and (b) apply will be determined in accordance with arrangements agreed in writing by QinetiQ Group and the Special Shareholder from time to time.
FRS 9	Financial Reporting Standard 9 of the Accounting Standards Board Limited.
Member	A person whose name is recorded in the register of members as the holder of shares in the QinetiQ Group.
Ordinary Shares	Any of QinetiQ's Group's shares but does not include the Special Share.
QinetiQ Consolidated Group	(a) QinetiQ Group and any entity which is its subsidiary or holding company, or any entity which is a subsidiary of

	that holding company; and (b) an arrangement of an entity within (a) which would be accounted for as a joint arrangement or a joint venture under FRS 9, whether or not such arrangement is itself an entity.
QinetiQ Controlled Group	Any entity or arrangement which is: (a) any member of the QinetiQ Consolidated Group; (b) an associate under FRS 9 of a member of the QinetiQ Consolidated Group; or (c) an entity controlled by another entity or arrangement within (a) or (b) above; provided that, in relation to each entity or arrangement which is a member of the QinetiQ Controlled Group at the date of adoption of these Articles of Association (other than members of the QinetiQ Consolidated Group), QinetiQ Group will exercise, or procure the exercise of, all rights, influence and control exercisable by it so as to ensure, as far as possible, that no such member shall conduct itself in a manner which (either alone or when taken together with any other action or inaction) would result in the variation of any of the rights attached to the Special Shares.
Seal	The QinetiQ Group's common seal or any official seal that the QinetiQ Group keeps in accordance with the Acts.
Secretary	Any person qualified under the Acts and appointed by the Board to perform any of the duties of the Secretary. This includes a joint, deputy, temporary or assistant secretary.
Special Director	Any person nominated as a director by the Special Shareholder under Article 23.
Special Share	The special rights redeemable preference share issued in QinetiQ Group's share capital.
Special Shareholder	Any holder of the Special Share from time to time acting in this capacity and not in its

	capacity as holder of any Ordinary Shares.
Strategic Assets	Any assets which the Special Shareholder has agreed from time to time with QinetiQ Group or QinetiQ Limited in writing as being assets of strategic importance which, in the case of those Strategic Assets comprising land, includes the buildings and other structures thereon and will be deemed to include (if not specified) the benefit as legal rights and legal easements of all rights of way, privileges, easements, quasi-rights and quasi-easements (including, without prejudice to the generality of the foregoing, rights of access and rights for services) (together "ancillary rights") as from time to time reasonably required for the use and enjoyment of the same (but for the purposes of the Options and Pre-Emption Right (as defined in Clause 7.8 below) including (if not specified as aforesaid) only those ancillary rights reasonably required for such use and enjoyment at the time of exercise of the relevant Option or Pre-Emption Right in relation to those Strategic Assets) or (in either such case) as otherwise may specifically be agreed in writing between the Authority and QinetiQ Group or QinetiQ Limited in relation to any specific Strategic Asset as being the ancillary rights to be included in that Strategic Asset.
Table A	Table A in the Schedule to the Companies (Tables A to F) Regulations (as amended) as at the date of adoption of these Articles.
UK Government	The Government of the United Kingdom of Great Britain and Northern Ireland.

2.1 Understanding other words and expressions

- (A) Words which refer to appointment also refer to reappointment.
- (B) Where the Articles refer to a thing being "in writing" this includes writing, or any substitute for writing (including any Electronic Communication) or both.
- (C) Where the Articles refer to a person who is automatically entitled to a share by law, this includes a person who is entitled to the share as a result of the death, or bankruptcy, of a shareholder.
- (D) Words which refer to a single number also refer to plural numbers, and the other way around.

- (E) Words which refer to males also refer to females, and to companies and unincorporated associations.
- (F) References to a 'person' or 'people' include companies, and unincorporated associations.
- (G) Any headings in the Articles are only included for convenience. They do not affect the meaning of the Articles.
- (H) When an Act of Parliament, or a section of an Act of Parliament, is referred to, this includes any amendment or re-enactment to that Act or section.
- (I) The version of the Articles which is current at any particular time will apply.
- (J) Where the Articles give any power or authority to anybody, this power or authority can be used on any number of occasions, unless the context does not allow this meaning.
- (K) Any word which is defined in the Companies Act means the same in the Articles. This does not apply if the Articles define the word differently, or the meaning given by the Companies Act is not appropriate in the context in which the Articles use the word.
- (L) Where the Articles say that anything can be done by passing an ordinary resolution, that thing can also be done by passing a special resolution or an extraordinary resolution.
- (M) Where the Articles deal with something which is also dealt with in the Acts (such as calling and conduct of general meetings and payment of dividends) the Articles must be read in the light of the relevant provision of the Acts. If there is a conflict between the two statements, whatever is said in the Acts will prevail. This applies throughout the Articles, not just where an Article expressly states that it is "subject to the Acts".

3. **Share capital**

The authorised share capital of QinetiQ Group is £345,880,039. This consists of:

- (A) 345,880,038 Ordinary Shares of £1 each; and
- (B) one Special Share of £1.

4. **Registered office**

QinetiQ Group's registered office must be in England and Wales but otherwise at any address decided by the Board.

5. **Share rights**

Regulation 2 of Table A applies.

6. **Redeemable shares**

QinetiQ Group can issue shares which can be redeemed. This can include shares which can be redeemed if the shareholder wants to do so, as well as shares which QinetiQ Group can insist on redeeming. The terms on which the shares can be redeemed must be approved by a special resolution or set out in the Articles. When QinetiQ Group issues redeemable shares it must obey the relevant provisions of the Acts.

7. **The Special Share**

- 7.1 The Special Share may only be issued to, held by and transferred to the Crown (or as it directs). The directors must register any transfer of the Special Share within 7 days.
- 7.2 Amendment of the effect of or removal of certain provisions of these Articles will be deemed to be a variation of the rights attaching to the Special Share and requires the written consent of the Special Shareholder. This restriction on amendment or removal applies to the following provisions:
- (A) in Article 2 (Definitions), the definitions of "Compliance Committee", "Compliance Guidelines", "Compliance Principles", "Compliance System", "Crown", "Defence Manufacturing", "essential component", "Member", "QinetiQ Consolidated Group", "QinetiQ Controlled Group", "Special Director", "Special Share", "Special Shareholder" and "Strategic Assets";
 - (B) this Article 7;
 - (C) Article 18 (Notice of general meetings);
 - (D) Article 22 (Number of directors and shareholding qualification);
 - (E) Article 23 (Appointment of directors by Special Shareholder from time to time);
 - (F) Article 24 (Quorum for directors' meetings);
 - (G) Article 25 (Appointment and removal of directors);
 - (H) Article 27 (Disqualification of directors);
 - (I) Article 29 (Directors' interests);
 - (J) Article 30 (Disclosure to the Board);
 - (K) Article 31 (When directors can vote on matter in which they are interested);
 - (L) Article 37 (Proceedings of the Board);
 - (M) Article 39 (Compliance Committee); and
 - (N) any other reference in these Articles to the Special Share, the Special Shareholder or the Special Director.
- 7.3 Neither QinetiQ Group nor any other member of the QinetiQ Controlled Group may engage in Defence Manufacturing, except as, and in compliance with the arrangements, agreed with the Special Shareholder from time to time. This Article 7.3 applies, notwithstanding any other provision of these Articles.
- 7.4 The Special Shareholder has the following rights:
- (A) to require QinetiQ Group to implement and maintain (as from the date of adoption of these Articles) the Compliance System, so as to make at all times effective its and each member of the QinetiQ Controlled Group's application of the Compliance Principles, in a manner acceptable to the Special Shareholder;
 - (B) to refer matters to the Board or the Compliance Committee for its consideration in relation to the application of the Compliance Principles;

- (C) to veto any contract, transaction, arrangement or activity which the Special Shareholder considers:
 - (1) may result in circumstances which constitute unacceptable ownership, influence or control over QinetiQ Group or any other member of the QinetiQ Consolidated Group contrary to the defence or security interests of the United Kingdom; or
 - (2) would not or does not ensure the effective application of the Compliance Principles or would be or is otherwise contrary to the defence or security interests of the United Kingdom;
- (D) to require the Board to take any action (including but not limited to amending the Compliance Principles or the Compliance Guidelines), or rectify any omission in the application of the Compliance Principles, if the Special Shareholder is of the opinion that such steps are necessary to protect the defence or security interests of the United Kingdom;
- (E) to exercise the powers contained in Articles 23 and 39; and
- (F) to demand a poll at any of QinetiQ Group's meetings (even though it has no voting rights except those given to it under this Article 7).

7.5 The Special Shareholder is entitled to remove the chairmanship of the Compliance Committee from the director acting as such by notice in writing if it considers that:

- (A) it is necessary to do so to ensure the effective application of the Compliance Principles; or
- (B) that the continued tenure of the chairmanship by such individual is or may be contrary to the defence or security interests of the United Kingdom.

The Board must then appoint another person (as a director if not already one and), with the prior approval of the Special Shareholder, as chairman of the Compliance Committee. The removal of the chairman of the Compliance Committee as such will take effect on the date the notice is delivered to QinetiQ Group's registered office or produced at a meeting of the Board.

7.6 The Special Shareholder may, subject to the provisions of the Act, require QinetiQ Group to redeem the Special Share at par (such sum being payable on redemption) at any time by serving written notice on QinetiQ Group and delivering the relevant share certificate to QinetiQ Group. The Special Share is not redeemable in any other way.

7.7 The written consent of the Special Shareholder is also required before the following events can take place:

- (A) the disposal or destruction of, or voluntary closure of or cessation of any operations conducted by means of, all or any part of, a Strategic Asset by QinetiQ Group or any other member of the QinetiQ Controlled Group;
- (B) the entering into of any agreement by, or the permitting of, any member of the QinetiQ Controlled Group to undertake any of the matters referred to in Article 7.7(A) above;
- (C) any application for an order under section 9 of the Insolvency Act 1986 in relation to QinetiQ Group or any other member of the QinetiQ Controlled Group;

- (D) the proposal of any arrangement under section 1 of the Insolvency Act 1986 in relation to QinetiQ Group or any other member of the QinetiQ Controlled Group;
- (E) the giving of any notice or passing of any resolution to voluntarily wind up QinetiQ Group or any other member of the QinetiQ Controlled Group;
- (F) subject to Articles 7.7(A), 7.7(B) and 7.8(C), any sale, transfer, grant, lease, licence or other disposal to any person (other than a member of the QinetiQ Controlled Group, for so long as it remains a member of the QinetiQ Controlled Group) of all or part of the business, undertaking or assets of any member of the QinetiQ Controlled Group (whether voluntarily or involuntary or by a single transaction or a series of related transactions) otherwise than in the ordinary course of trading, if such sale, transfer, grant, lease, licence or other disposal will result in any member of the QinetiQ Controlled Group being unable to perform any legal obligation it has from time to time in favour of the Ministry of Defence;
- (G) any alteration of share capital under Article 16;
- (H) the issue, transfer or other disposal, other than to the Crown or (for so long as it remains a member of the QinetiQ Consolidated Group) another member of the QinetiQ Consolidated Group, of any shares or share rights held by any member of the QinetiQ Consolidated Group in any member of the QinetiQ Consolidated Group; and
- (I) the redemption or purchase by QinetiQ Group or any other member of the QinetiQ Controlled Group of any share in itself or any reduction of the share capital of QinetiQ Group or any other member of the QinetiQ Controlled Group, or any uncalled or unpaid liability in respect thereof, capital redemption reserve or share premium account of QinetiQ Group or any other member of the QinetiQ Controlled Group.

7.8

- (A) The words in this table have a special meaning when used in this Article 7.8:

Completion	The date of completion of the sale and purchase of the Selected Strategic Assets pursuant to the exercise of the Options (as described in Article 7.8(B)) or either of them or (as applicable) of the exercise of the Pre-Emption Right (as described in Article 7.8(C)).
Consideration	The value of the Selected Strategic Assets as determined in accordance with agreements in writing between QinetiQ Group and the Special Shareholder from time to time.
Relevant Date	Any date that: (a) QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate) goes into liquidation (whether

	compulsory or voluntary) or QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate) has an administrator appointed or a receiver or manager, or administrative receiver is appointed over the whole or any part of the assets or undertaking of QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate), or a petition is presented or a shareholders' resolution passed for the liquidation or administration of QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate), or any steps are taken by QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate) with a view to proposing or agreeing (under any enactment or otherwise) any kind of composition, scheme, compromise or arrangement involving QinetiQ Group and/or QinetiQ and/or any other Member of the QinetiQ Controlled Group with a subsisting interest in the relevant Strategic Asset (as appropriate) and its creditors generally (including, for the avoidance of doubt, a proposal for a company
--	--

	voluntary arrangement under the Insolvency Act 1986 or scheme of arrangement under the Companies Act) and in this paragraph (a) references to QinetiQ Group and/or QinetiQ are in each case to them whether or not having a subsisting interest in the relevant Strategic Asset; or (b) the Special Shareholder determines that circumstances have arisen which it considers constitute unacceptable ownership, influence or control over QinetiQ Group or any other member of the QinetiQ Consolidated Group contrary to the defence or security interests of the United Kingdom; or (c) the Special Shareholder receives notice pursuant to agreements in writing between QinetiQ Group and the Special Shareholder from time to time or otherwise determines that a company which was a member of the QinetiQ Controlled Group and which has a subsisting interest in a Strategic Asset has ceased to be a Member of the QinetiQ Controlled Group without the prior written consent of the Shareholder.
Selected Strategic Assets	Such of the Strategic Assets as the Special Shareholder has notified QinetiQ Group, in its written notification to QinetiQ Group (pursuant to Article 7.8(B) or 7.8(C)), as being those Strategic Assets which the Special Shareholder wishes to acquire pursuant to its exercise of the Options (as described in Article 7.8(B)) or either of them or (as appropriate) of the exercise of the Pre-Emption (as described in Article 7.8(C)).

- (B) Without prejudice to the Special Shareholder's rights under Articles 7.7(A), 7.7(B) and 7.7(C), the Special Shareholder has an option to purchase any Strategic Asset comprising land (including the buildings and other structures situated thereon) and also an option to purchase any Strategic Asset not comprising land (each an "Option" and together the "Options"). The Options are, subject to the provisions of Article 7.8(G), exercisable by written notice served by the Special Shareholder on QinetiQ Group at any time within 90 days from a Relevant Date.

- (C) Without prejudice to the Special Shareholder's rights under Articles 7.7(A), 7.7(B) and 7.7(C), the Special Shareholder has the right to purchase any Strategic Assets which QinetiQ Group wants to sell or otherwise dispose of at any time (the "Pre-Emption Right").

If and on each occasion that QinetiQ Group does want to sell or otherwise dispose of any Strategic Asset, QinetiQ Group must give the Special Shareholder written notice that it does. The notice must specify the Strategic Assets proposed to be sold or disposed of (together with the prices (if any) which have been offered to QinetiQ Group for such Strategic Assets) and the nature of the proposed disposal (the "Proposed Disposal") and offer to sell the same to the Special Shareholder for the Consideration and with limited title guarantee free of all liens, charges and encumbrances and on the further terms set out in this Article 7.8 (as if the same had been set out in such notice) (an "Offer Notice").

QinetiQ Group may at any time after it has given an Offer Notice but before the Pre-Emption Right has ceased to be exercisable as hereinafter provided give the Special Shareholder a further notice specifying any changes to the Proposed Disposal or to the Disposal Terms as particularised in the Offer Notice or (as the case may be) in the Disposal Terms since giving of the Offer Notice or particulars of the Disposal Terms (a "Revision Notice").

Following receipt of an Offer Notice or a Revision Notice if the Special Shareholder shall by written notice to QinetiQ Group so require (an "Information Request") QinetiQ Group shall within twenty-one days of receipt of an Information Request provide to the Special Shareholder in writing such information and documents with regard to the relevant Proposed Disposal as may be specified in the Information Request ("Disposal Terms").

The Pre-Emption Right is exercisable by written notice of acceptance in respect of any of the specified Strategic Assets, served by the Special Shareholder on QinetiQ Group at any time before the "Last Exercise Date", being latest of:

- (1) ninety days after the receipt of the Offer Notice by the Special Shareholder;
- (2) (if the Special Shareholder has made an Information Request within thirty days of receipt of the Offer Notice or a Revision Notice by the Special Shareholder) thirty five days after the receipt by the Authority of the Disposal Terms; and
- (3) if a Revision Notice has been given thirty five days after receipt of the Revision Notice by the Special Shareholder.

Then, QinetiQ Group will be bound to sell and the Special Shareholder will be bound to purchase the Selected Strategic Assets on the terms of the Offer Notice as varied or supplemented by any Revision Notice.

If and to the extent that the Pre-Emption Right is not exercised before the Last Exercise Date or if the Special Shareholder shall give QinetiQ Group written notice that the Special Shareholder does not wish to exercise the Pre-Emption Right on that occasion, QinetiQ Group will be free to sell or otherwise dispose of the Strategic Assets specified in the Offer Notice (as varied or supplemented by any Revision Notice) by way of the Proposed Disposal and in accordance with the Offer Notice (as varied or supplemented by any Revision Notice) and any Disposal Terms (and not further or otherwise).

If the relevant sale or disposal by QinetiQ Group is not completed within the period of 180 days commencing on the receipt of the relevant Offer Notice by the Special Shareholder, the provisions of this Article 7.8(C) will thereafter have effect in relation to the relevant Strategic Assets as if no Offer Notice had been served in respect thereof.

- (D) Upon service of a written notice exercising the Options or either of them, QinetiQ Group will be bound to sell with limited title guarantee free of all liens, charges and encumbrances the Selected Strategic Assets to the Special Shareholder and the Special Shareholder will be bound to purchase the same for the Consideration.
- (E) Completion of the sale and purchase of the Selected Strategic Assets will take place at such time and place as the Special Shareholder may specify on (i) the date ninety days following exercise of the Options or either of them or (as applicable) the Pre-Emption Right, or if not a business day on the first such day thereafter or at the option of the Special Shareholder (ii) such earlier date as the Special Shareholder may specify. Upon Completion, QinetiQ Group must deliver or procure the delivery to the Special Shareholder (or its nominee) of the Selected Strategic Assets in a form and substance satisfactory to the Special Shareholder and otherwise in such manner as the Special Shareholder may direct, and:
 - (1) if the amount of the Consideration has been determined on or before Completion the Special Shareholder must pay to QinetiQ Group the Consideration in same day funds to such bank account as QinetiQ Group may specify; or
 - (2) if the amount of the Consideration has not been determined on or before Completion, QinetiQ Group must, in any event, deliver or transfer (as the case may be) the Selected Strategic Assets and the Special Shareholder must, within 20 business days after the amount of the Consideration has been determined, pay the Consideration to QinetiQ Group in accordance with Article 7.8(E)(1) above; or
 - (3) if the Special Shareholder fails to make due and punctual payment of the Consideration or any amount payable by it in respect of Value Added Tax in accordance with (1) or (2) above (whichever shall apply) the Special Shareholder shall pay interest thereon (or on the unpaid part) from the date thirty business days after the due date for payment until payment at a rate equal to two per cent above the published base rate from time to time of such London Clearing Bank as the Special Shareholder may nominate for this purpose, such interest to run from day to day.

The Consideration payable by the Special Shareholder is exclusive of Value Added Tax. Where and to the extent properly chargeable, Value Added Tax will be added to the Consideration and shall be payable by the Special Shareholder. Value Added Tax shall be dealt with in accordance with agreements in writing between QinetiQ Group and the Special Shareholder.

- (F) QinetiQ Group must, at the request and expense of the Special Shareholder, execute such documents and do such acts and things as the Special Shareholder may reasonably request for the purpose of vesting the Selected Strategic Assets in the Special Shareholder (or its nominee) and for giving the Special Shareholder the full benefit of this Article 7.8.
- (G) The Option to purchase any Strategic Asset comprising land is exercisable (in accordance with its terms) at any time during such period as is permitted by law for the time being. The Option to purchase any Strategic Asset not comprising land is

exercisable (in accordance with its terms) during the period ending on the expiration of twenty-one years from the death of the survivor of the descendants now living of Her Majesty Queen Elizabeth II.

- (H) QinetiQ Group must maintain, repair, rebuild, renew and/or replace (as may from time to time be necessary) any Strategic Assets to the standard from time to time specified by, and to the satisfaction of, the Special Shareholder in accordance with agreements in writing from time to time between QinetiQ Group and the Special Shareholder.

- 7.9 The rights of any third parties who contract with QinetiQ Group will not be affected by any breach of Article 7.3 or 7.4(A).
- 7.10 If an attempt is made to change any of the provisions set out in Article 7.2, to engage in any activity in breach of Article 7.3 or Article 7.4 or to approve any of the events listed in Article 7.7:
 - (A) at a general meeting, on an ordinary resolution the Special Shareholder will have no less than one vote more than the total number of all other votes cast and, on a special resolution, it will have no less than one vote more than 25% of the total votes cast; or
 - (B) by written resolution, the signature of the Special Shareholder to the resolution is needed.
- 7.11 The Special Shareholder must receive notice of any general meeting and any class meeting. He may attend and speak at any such meeting but, subject to Article 7.10, the Special Share carries no voting rights.
- 7.12 If QinetiQ Group is wound up, the Special Shareholder will be entitled to be repaid the capital paid up on the Special Share before other shareholders receive any payment. The Special Shareholder has no other right to share in the capital or profits of QinetiQ Group.
- 7.13 QinetiQ Group will procure that any entity or arrangement which becomes a member of the QinetiQ Controlled Group after the date of adoption of these Articles of Association is established on terms which give the directors of QinetiQ Group the right to require that the entity or arrangement conducts itself in accordance with Articles 7 and 39.
- 7.14 Failure to comply with any of the rights contained in Article 7 will be deemed to be a variation of the Special Shareholder's rights.
- 7.15 Only the Special Shareholder has rights under Article 7 and Article 39 (Compliance Committee). These rights are in addition to any rights contained elsewhere in these Articles.

8. Allotment of Shares

Subject to Article 7, this Article 8 and the Acts, the Board can decide how to deal with any shares of QinetiQ Group which have not been issued. It can offer to allot the shares. The offer can include the right to transfer the allotment to another person before any person's name has been put into the register of Members. This is called the right to renounce the allotment. The Board can also allot shares in QinetiQ Group or grant options over or dispose of shares in QinetiQ Group in any other way. The Board can decide who it deals with, when it deals with the shares and the terms and conditions it deals on. The Board must, however, obey any relevant provisions of the Acts or the Articles and any resolution which specifies the way in which it can do so.

9. **Commissions**

QinetiQ Group can pay any commission or brokerage allowed under the Acts. The commission or brokerage can be paid in cash (in any currency) or in fully or partly paid shares or by the grant of an option to call for an allotment of shares, or by a mixture of any of these.

10. **Non-recognition of trusts and other equitable interests**

QinetiQ Group will only be bound by, and recognise, a current and absolute right of a registered holder to all of a share, or to each part of a share. The fact that a share is not owned completely by the registered holder is of no concern to QinetiQ Group, for example, if a share is held on any kind of trust. This applies even where QinetiQ Group actually knows of such things. This also applies to the holder of a share warrant. The only exception to this is for any right which is expressly given by the Articles, required by statute, or by a binding court order.

11. **Share certificates**

Regulations 6 and 7 of Table A apply.

12. **Lien**

Regulations 8 - 11 of Table A apply.

13. **Calls on shares and forfeiture**

Regulations 12 - 22 of Table A apply.

14. **Transfer of shares**

Subject to Article 7, Regulations 23 - 28 of Table A apply.

15. **Transmission of shares**

Subject to Article 7, Regulations 29 - 31 of Table A apply.

16. **Alterations of capital**

Subject to Article 7, Regulations 32 - 35 of Table A apply.

17. **General meetings**

Regulations 36 and 37 of Table A apply.

18. **Notice of general meetings**

18.1 Regulation 38 of Table A applies.

18.2 The consent of the Special Shareholder must be obtained if QinetiQ Group wants to hold any meeting on short notice as set out in Regulation 38(a) or 38(b) of Table A.

18.3 If the Special Shareholder is accidentally or deliberately not given notice of a meeting this will (unless the Special Shareholder agrees otherwise) invalidate any proceedings conducted at that meeting.

19. **Proceedings at general meetings**

Regulations 40 - 53 of Table A apply.

20. **Representation of Corporations**

Where a Member is a corporation (including a corporation sole), it may appoint a representative to act on its behalf at any general meeting or class meeting. Where the Treasury Solicitor is a Member, any person authorised under section 3 of the Treasury Solicitor Act 1876 may act as its representative. A representative will be able to exercise the same powers his appointor could have exercised if it were an individual. For the purposes of these Articles the appointor will be present at a meeting when the representative is present. The directors or the secretary may require evidence of the representative's authority.

21. **Voting**

Subject to Article 7, Regulations 54 - 63 of Table A apply.

22. **Number of directors and shareholding qualification**

22.1 The minimum number of directors is 2. There is no maximum number of directors.

22.2 There is no shareholding qualification for directors.

23. **Appointment of directors by Special Shareholder from time to time**

23.1 The Special Shareholder may appoint one or two people to serve as non-executive directors at any time.

23.2 If a director appointed by the Special Shareholder stops being a director or dies, the Special Shareholder can replace him.

23.3 The Special Shareholder may remove any director appointed by it.

23.4 The directors appointed by the Special Shareholder will automatically stop being directors when QinetiQ Group redeems the Special Share.

23.5 If so required by his appointor, any Special Director will be appointed a director of any or all members of the QinetiQ Controlled Group and to be appointed to any committee established by the Board or any committee of the board of directors of any member of QinetiQ Controlled Group. The provisions of these Articles relating to the conduct of the business of QinetiQ Group and the holding of meetings of the Board will be deemed to apply in exactly the same form to the meetings of the boards and committees to which any Special Director is appointed and QinetiQ Group will procure the appointments contemplated by (and the observance of) this Article 23.5.

23.6 Anyone appointed a Special Director or his alternate or an Observer (as defined in Article 23.8) is entitled to pass to the Crown any information concerning the QinetiQ Controlled Group which may come into his possession through his position as a Special Director, an alternate Special Director or an Observer. Such information shall only be disclosed within the Crown where such disclosure is necessary for the proper performance functions on behalf of the Crown. Subject to the preceding sentence, no information about the QinetiQ Controlled Group's business (including Board papers and minutes and information about Board discussions) may be passed to any Ministry of Defence personnel where:

(A) such information has been classified by QinetiQ Group as commercial in confidence; and

(B) the Special Director, alternate Special Director or Observer (as defined in Article 23.8) (as appropriate) knows, or ought reasonably to know, that such personnel will

use such information for the purposes of the Ministry of Defence's commercial dealings with the QinetiQ Controlled Group.

For the purposes of this Article 23.6, the Crown includes any employee, officer or professional adviser of the Crown (acting in that capacity).

23.7 The Special Director or his alternate or an Observer (as defined in Article 23.8 may disclose information which would otherwise be subject to the restrictions on disclosure contained in Article 23.6 if, but only to the extent that, it can demonstrate that:

- (A) such a disclosure is required by law or by any securities exchange or regulatory or governmental body having jurisdiction over it, wherever situated (and including, without limitation, the UK Listing Authority, the Panel on Takeovers and Mergers and the Serious Fraud Office), and whether or not the requirement has the force of law;
- (B) such a disclosure is in the defence or security interests of the United Kingdom; or
- (C) the information in question has come into the public domain other than through his fault or the fault of any person to whom the information has been disclosed in accordance with Article 23.6.

23.8 The Special Shareholder is entitled from time to time to appoint one or more people (each called an "Observer" in this Article) to attend all meetings of the directors of QinetiQ Group and any Board committees and meetings of the boards of directors of any member of QinetiQ Controlled Group and committees of such boards (including any meeting conducted in whole or in part by telephone). An Observer is to be given (at the same time as the directors) notice of all such meetings and all agendas, minutes (including proposed written resolutions) and other papers relating to such meetings. Observers are entitled to speak at such meetings and to require that business be placed upon the agenda for any such meeting but will not in any circumstances be entitled to vote or to form part of the quorum at meetings.

23.9 The Special Shareholder is entitled to remove any Observer and appoint another person in his place.

23.10 The Special Shareholder must appoint or remove directors or Observers under this Article by notice in writing. The notice must be signed by or on behalf of the Special Shareholder. The appointment or removal will take effect on the earlier of the date the notice is delivered to QinetiQ Group's registered office and the date the notice is produced at a meeting of the directors.

24. Quorum for directors' meetings

Two directors are a quorum. For any resolution on which a Special Director may vote the quorum must include a Special Director (if one has been appointed).

25. Appointment and removal of directors

25.1 Subject to Articles 7 and 23, Regulations 73 - 80 of Table A apply.

25.2 Retirement by rotation does not apply to the Special Directors.

25.3 To the maximum extent necessary under, and permitted by, law:-

- (A) no Special Director will be treated by virtue of anything done, or not done, in the capacity or purported capacity as a director as doing anything in conflict with his

duties as a director in respect of anything done, or not done, in the capacity or purported capacity as a civil servant of the Crown, or vice versa; and

- (B) the provisions of Article 25.3(A) and any action taken, or not taken, falling within it will be treated as irrevocably ratified and approved by all the Members of QinetiQ Group.

26. **Remuneration of directors**

Regulation 83 of Table A applies.

27. **Disqualification of directors**

Regulation 81 of Table A applies. And, the office of a director will be vacated at the request of the Special Shareholder if he ceases to hold a Ministry of Defence security clearance of the level necessary for the performance of duties as a director of QinetiQ Group.

28. **Alternate directors**

Regulations 65-69 of Table A apply.

29. **Directors' interests**

- 29.1 A director can hold any other position in QinetiQ Group for the period and on the terms which the Board decides, subject to anything the Acts say in that regard. The Board or any committee authorised by the Board can decide to pay him extra fees for this other position. Those extra fees can be paid in any way, including by salary, commission or participation in profits. Any extra fees he is paid will be in addition to any other fees he is paid under these Articles.
- 29.2 A director can act for QinetiQ Group professionally, either alone or through his firm. But, neither a director nor his firm can be QinetiQ Group's Auditor.
- 29.3 A director or his firm can be paid for professional services as though he were not a director.
- 29.4 A director can become, or remain a director, or other officer of any company in which QinetiQ Group has any interest or over which QinetiQ Group has any power of appointment. He does not have to pay over to QinetiQ Group any fees, profit or other benefits which he receives as a result. The Board can also use the votes of any shares in any company which QinetiQ Group holds or owns, or any power of appointment, in any way the Board decides. This can include using such votes or powers to appoint any of the directors as directors or officers of the other company. The votes can also be used in voting on or providing for the payment of fees to the directors or officers of such other company.
- 29.5 If the Board is considering a resolution which relates to a director's appointment to another position with QinetiQ Group or a position with another company in which QinetiQ Group is interested, that director cannot vote on or be counted in the quorum for that resolution. This includes establishing or varying any terms of such an appointment, or its termination.
- 29.6 This Article applies if the Board or a committee authorised by the Board is considering proposals about appointing two or more directors to positions with QinetiQ Group or any company in which QinetiQ Group is interested. It also applies if the Board is considering setting or changing the terms of the appointment or the termination of the appointment. A separate resolution can be used to deal with the proposals for each director. In this case, the director who is the subject matter of the resolution can vote and be included in the

quorum for each resolution, except any concerning him. But a director cannot vote on a resolution concerning another director's appointment to a position with another company if he owns one per cent or more of that company in the sense referred to in Article 32.

29.7 If the Companies Act and Article 31 allows, and subject to notice having been given as required under Article 30 a director can:

- (A) enter into contracts, transactions or arrangements with QinetiQ Group. This applies whether he does this as an officer of another company or in connection with another business of his. This allows him to enter into any contract, transaction or arrangement, whether he is selling something to, or buying something from, QinetiQ Group or dealing with QinetiQ Group in any other way; and
- (B) have any kind of interest in any existing or proposed contract, transaction or arrangement with QinetiQ Group.

The director will not be disqualified from acting as a director of QinetiQ Group and any such contract, transaction or arrangement will be valid and cannot be challenged on the basis of the director's interest. This applies also to a proposed director.

29.8 If he has declared his interest at a meeting of the Board as required under the Companies Act and Article 30, a director does not have to pay to QinetiQ Group or QinetiQ Group's shareholders any fees, profit or other benefits he makes as a result of that contract, transaction or arrangement.

30. **Disclosure to the Board**

30.1 If a director is interested in any transaction with QinetiQ Group either directly or indirectly, he must notify the other directors of his interest and the nature of it. He must do this at the meeting of the Board at which the transaction is first considered, or if he did not know he had an interest in the transaction when it was entered into, at the first meeting of the Board after he becomes aware of his interest.

30.2 It will be enough for the director to give a general notice to the Board stating that:

- (A) he is a shareholder of a specified company or member of a firm and is interested in any transaction made with that company or firm after the date of the notice;
- (B) he is interested in any transaction between QinetiQ Group and a specified person who is "connected" with him which may be made after the date of the notice (section 346 of the Companies Act says when a person is to be regarded as connected with another person); or
- (C) he is employed by the Crown and is interested in any matter involving the Crown.

30.3 This notice will not be effective unless it is either given at a meeting of the Board or the director giving the notice takes reasonable steps to make sure that it is discussed at the next meeting of the Board after it has been given.

30.4 An interest of a person who is connected with a director under section 346 of the Companies Act (such as his spouse or child) will be treated as also being an interest of the director himself. This does not apply to any interest of a connected person which the director does not know about and which it is unreasonable to expect the director to know about.

31. When directors can vote on matters in which they are interested

- 31.1 Unless the Articles say otherwise, a director cannot vote, or be counted in the quorum, on a Board resolution in relation to any contract, transaction or arrangement of any kind in which he has an interest, and which he knows is material. In deciding whether a director has a material interest any interest of any person connected with him must be taken into account. If a director does vote in these circumstances, his vote must not be counted.
- 31.2 However, a director can vote, and be counted in the quorum, on a resolution about any of the following things, as long as the only material interest he has in the resolution is one of the following:
- (A) a transaction giving the director any guarantee, security or indemnity for any money which he has lent or obligations he has undertaken at the request of, or for the benefit of, QinetiQ Group or any of its subsidiary undertakings;
 - (B) any transaction under which QinetiQ Group or any of its subsidiary undertaking gives any guarantee, security or indemnity to any other person in relation to a debt or obligation owed by QinetiQ Group, or any of its subsidiary undertakings, to that person, if the director has himself taken responsibility for some or all of that debt or obligation;
 - (C) any proposal relating to an offer of any shares or debentures or other securities for subscription or purchase, of or by QinetiQ Group or any of its subsidiary undertakings, if the director can take part in that offer because he is already a holder of shares, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;
 - (D) any transaction concerning any other company if the director has a direct or indirect interest in that other company, including holding a position in that company, being a shareholder or creditor of that company, or having an interest in any other way. This does not apply if the director owns one per cent or more of QinetiQ Group in the sense referred to in Article 32;
 - (E) any arrangements for the benefit of employees of QinetiQ Group, or any of its subsidiary undertakings, which only gives the director privileges or benefits which are also generally given to the employees that the arrangement relates to; or
 - (F) any transaction with the Crown.

32. Where a director owns one per cent of a company

- 32.1 A director will be treated as owning one per cent in a company if and for as long as (but only if and for as long as) the director, as well as any people connected with him under section 346 of the Companies Act (a "connected person"), either directly or indirectly holds or is beneficially interested in one per cent or more of:
- (A) any class of equity share capital of that company; or
 - (B) the voting rights of shareholders in that company.
- 32.2 When calculating whether or not the director owns one per cent or more, the following should not be taken into account:
- (A) any shares which the director or connected person holds as bare or custodian trustee and in which the director or connected person has no beneficial interest;

- (B) any shares forming part of a trust in which the director or connected person only has an interest in reversion or remainder, if and for as long as someone else is entitled to receive the income from the trust;
- (C) any shares forming part of an authorised unit trust scheme in which the director or connected person is only a unit holder; and
- (D) any shares held on behalf of an employee trust or a scheme for the benefit of employees, but not shares which are held beneficially for the director or connected person.

32.3 If a director holds one per cent or more in a company which is materially interested in a transaction, the director will also be treated as if he had a material interest in that transaction.

33. **Resolution relating to a director's interest**

33.1 If any question comes up at a meeting of the Board about whether a director has a material interest, or whether he can vote or be counted in the quorum, the director can voluntarily agree to abstain from voting on the issue or from being counted in the quorum. If he does not, the question will be decided by a Board resolution. For this purpose, the director in question will be counted in the quorum but must not vote on the resolution. The resolution will be final and conclusive, unless the nature or extent of the director's interest, of which the director has knowledge, has not been fairly disclosed to the Board. Different provisions apply to the Chairman. These are set out in Article 33.2.

33.2 If any question comes up at a meeting about whether the Chairman has a material interest, or whether he can vote or be counted in the quorum, the Chairman can voluntarily agree to abstain from voting or from being counted in the quorum on the issue. If he does not and on a vote of the Board the votes are equal, the Chairman's interest will be treated as not being material. The Chairman will then be entitled to vote and be counted in the quorum.

34. **Meaning of "transaction"**

In Articles 29 - 32, the word "transaction" includes any actual transaction, contract, arrangement or agreement, or one that is proposed even if the terms of the proposal are not agreed.

35. **Powers and duties of the Board**

Regulations 70 – 72 of Table A apply.

36. **Borrowing powers**

The directors may exercise all QinetiQ Group's powers as may be necessary to:

- (A) borrow money;
- (B) mortgage or charge all or any of QinetiQ undertaking, property and assets (present and future) and uncalled capital;
- (C) issue debentures and other securities; and
- (D) give security for any debt, liability or obligation of QinetiQ or of any third party.

37. **Proceedings of the Board**

37.1 Subject to Articles 7 and 37.2, Regulations 88 - 98 of Table A apply.

37.2 The Board will be chaired by a director, to be nominated by the Board and approved by the Special Shareholder.

38. **Pensions**

38.1 If the Acts allow it, the Board or any committee authorised by the Board can use all the powers of QinetiQ Group to pay or give:

- (A) pensions;
- (B) annual payments;
- (C) gratuities;
- (D) superannuation; or
- (E) other allowances or benefits

to any people, including any people who are, or were, directors, or relations of or people dependant on or connected to directors or former directors. The Board has the power to contribute to any scheme or fund, or to pay any premiums for the purpose of giving any benefit or allowance.

38.2 Unless another Article allows it or this is approved by the passing of an ordinary resolution in a general meeting, these benefits cannot be given to a director or former director unless he works or worked for or was an officer of:

- (A) QinetiQ Group;
- (B) any of QinetiQ Group's subsidiary undertakings or former subsidiary undertakings; or
- (C) the Crown.

38.3 Any director or former director can keep anything paid or given to him under this Article 38. If any person receives any benefit under this Article it will not disqualify him from being or prevent him from becoming a director of QinetiQ Group.

39. **Compliance Committee**

39.1 The Compliance Committee will be chaired by a non-executive director nominated by the Board and approved by the Special Shareholder. It will be comprised of its chairman and at least one other non-executive director nominated by its chairman.

39.2 The Board will nominate a senior executive, to be known as the Compliance Implementation Director, to be responsible for the effective application of the Compliance System within the QinetiQ Controlled Group and another senior executive, to be known as the Compliance Audit Director, to be responsible for auditing the effective application of the Compliance System within the QinetiQ Controlled Group and to report on such audits to the Compliance Committee. The Compliance Committee can ask either or both of these senior executives, or any personnel of any member of QinetiQ Controlled Group, to attend any part of a meeting of the Committee.

39.3 The Special Shareholder is entitled from time to time to appoint a person (called an "Observer" in this Article) to attend all meetings of the Compliance Committee (including

any meeting conducted in whole or in part by telephone). An Observer will be given (at the same time as the members of the Compliance Committee) notice of all such meetings and all agendas, minutes (including proposed written resolutions) and other papers relating to such meetings at the same time as the members of the Compliance Committee. An Observer is entitled to speak at such meetings and to require that business be placed upon the agenda for any such meeting but will not in any circumstances be entitled to vote or to form part of the quorum at meetings.

39.4 Anyone appointed an Observer is entitled to pass to the Crown any information concerning the QinetiQ Controlled Group which may come into his possession through his position as an Observer. Such information shall only be disclosed within the Crown where such disclosure is necessary for the proper performance functions on behalf of the Crown. Subject to the preceding sentence, no information about the QinetiQ Controlled Group's business (including Compliance Committee papers and minutes and information about Compliance Committee discussions) may be passed to any Ministry of Defence personnel where:

- (A) such information has been classified by QinetiQ Group as commercial in confidence; and
- (B) the Observer knows, or ought reasonably to know, that such personnel will use such information for the purposes of the Ministry of Defence's commercial dealings with the QinetiQ Controlled Group.

For the purposes of this Article 39.4, the Crown includes any employee, officer or professional adviser of the Crown (acting in that capacity).

39.5 The Observer may disclose information which would otherwise be subject to the restrictions on disclosure contained in Article 39.4 if, but only to the extent that, it can demonstrate that:

- (A) such a disclosure is required by law or by any securities exchange or regulatory or governmental body having jurisdiction over it, wherever situated (and including, without limitation, the UK Listing Authority, the Panel on Takeovers and Mergers and the Serious Fraud Office), and whether or not the requirement has the force of law;
- (B) such a disclosure is in the defence or security interests of the United Kingdom; or
- (C) the information in question has come into the public domain other than through his fault or the fault of any person to whom the information has been disclosed in accordance with Article 39.4.

39.6 The Special Shareholder is entitled to remove any Observer and appoint another person in his place. Appointments or removals of Observers under this Article must be by notice in writing, signed by or on behalf of the Special Shareholder. The appointment or removal will take effect on the earlier of the date the notice is delivered to QinetiQ Group's registered office and the date the notice is produced at a meeting of the Compliance Committee.

39.7 The Compliance Committee will meet quarterly during each financial year and additionally as required.

39.8 The Compliance Committee will report on the effectiveness of the Compliance System in ensuring the application of the Compliance Principles in the QinetiQ Group annual report and accounts.

39.9 For the avoidance of doubt, if at any time, a member of the QinetiQ Consolidated Group has established and continues to have an operating compliance committee with the same functions as those proscribed by this Article 39 that compliance committee shall be deemed to be the Compliance Committee for the purposes of these Articles.

40. **Secretary**

40.1 Regulation 99 of Table A applies.

40.2 The directors may appoint one or more persons to be an assistant or deputy secretary of QinetiQ Group.

41. **Seals**

41.1 The Board must make sure that every Seal is kept safely. A Seal can only be used with the Board's authority or the authority of a committee authorised for that purpose by the Board.

41.2 The Board can decide who will sign any document which is to be sealed with the common seal. But unless the Board decides otherwise, it must be signed by a director and the Secretary or by two directors.

41.3 Where an official seal is used which is not the common seal, no one needs to sign the documents unless the Board or Acts require them to.

41.4 QinetiQ Group can use all powers given by the Acts in relation to official seals, and those powers can be exercised by the Board.

41.5 The Board can decide that QinetiQ Group will not have a Seal.

42. **Documents without a seal**

42.1 A document signed by one director and the Secretary, or by two directors, which states that it has been executed by QinetiQ Group will have the same effect as if it had been sealed. This will not apply if the Acts say otherwise.

42.2 A document which clearly states that it is intended to be a deed must not be signed by QinetiQ Group without the Board's authority or the authority of a Board committee or an executive director of QinetiQ Group.

42.3 The Board can decide either generally or in a particular case or cases that any individual does not need to sign the document himself but that his signature can be printed on it or applied by some other way.

42.4 If a document is executed by QinetiQ Group as a deed, the document will not be treated as delivered by QinetiQ Group solely as a result of the document being executed.

43. **Using an official seal abroad**

QinetiQ Group can use all the powers given by the Acts relating to official seals for use abroad.

44. **Power to authenticate**

44.1 Any director or the Secretary or any person appointed by the Board for the purpose has power to authenticate any documents affecting QinetiQ Group's constitution and any resolutions passed by QinetiQ Group or the holders of any class of share of QinetiQ Group. This also applies to the authentication of any resolution of the Board or any

committee of the Board and any books, records, documents and accounts relating to QinetiQ Group's business. This includes a power to certify copies of those documents and other things, or extracts from them, as true copies or extracts.

44.2 Where a document which appears to be a copy of:

- (A) a resolution; or
- (B) the minutes of or an extract of the minutes of a meeting of the shareholders or the holders of any class of shares of QinetiQ Group or of the Board, or any committee of the Board,

is certified in the way set out in this Article 44 that will be conclusive evidence in favour of anyone who relies on that document in dealing with QinetiQ Group that the resolution has been validly passed or, as the case may be, that the minutes or extract is a true and accurate record of proceedings at a meeting.

45. **Dividends and other payments**

45.1 Regulations 102 - 108 of Table A apply.

45.2 QinetiQ Group or the Board cannot declare a dividend in respect of the Special Share.

46. **Reserves**

46.1 If the Board recommends it, QinetiQ Group's shareholders can pass an ordinary resolution stating that any sum described in this Article 46.1 should be changed into capital, and set aside as capital for the shareholders or the holders of any class of shares who would be entitled to it if it was distributed by way of a dividend. This must be done in proportion to the number of shares which they hold, and in the way that the resolution states. The sum which can be changed into capital is any sum which is all or part of any of QinetiQ Group's reserves or funds whether or not that sum is available for paying or providing for dividends. This includes the profit and loss account.

46.2 The resolution will also state how a sum which is to be changed into capital under this Article 46 can be used. This can be in any of the following ways:

- (A) to pay up in full any of QinetiQ Group's capital which has not already been issued to anyone. This can be in payment up of unissued shares, debentures or other obligations of QinetiQ Group which will then be allotted and distributed credited as fully paid-up in proportion to the number of shares which the shareholders hold;
- (B) to pay up some, or all, of any amount on any issued shares held by the shareholders which has not already been called up, or paid in advance,

or it can be done in any combination of these ways.

46.3 The Board must give effect to a resolution passed under this Article 46. However, a share premium account and a capital redemption reserve, and any reserve or fund which represents profits which cannot be distributed, can only be used in paying up unissued shares which are to be allotted to shareholders under Article 46.2(A) as if they were fully paid up.

47. **Accounting records**

47.1 The Board must make sure that proper accounting records which comply with the Acts are kept which give a true and fair view of QinetiQ Group's affairs, and show and explain its transactions in accordance with the Acts.

- 47.2 The accounting records must be kept:
- (A) at QinetiQ Group's registered office; or
 - (B) at any other place or places which the Board decides and the Acts allow.
- 47.3 QinetiQ Group's officers can always inspect the accounting records.
- 47.4 A shareholder of QinetiQ Group will not have any right to inspect any accounting record or book or document of QinetiQ Group unless:
- (A) he is also an officer;
 - (B) he is entitled by law;
 - (C) a court of competent jurisdiction makes an order;
 - (D) the Board gives him written authority; or
 - (E) the Members authorise him to do so by passing an ordinary resolution at a general meeting.

48. **Sending copies of accounts**

Copies of the following documents must be sent to everyone who the Articles or the Acts or any other regulations or arrangements which bind QinetiQ Group, require QinetiQ Group to send them to:

- (A) every annual accounts to be laid before QinetiQ Group in general meeting;
- (B) any other documents the law requires to be attached to the annual accounts; and
- (C) the Auditors' report and the directors' report,

and for these purposes, so far as the Acts allow, and where requested or authorised by a shareholder, copies may be sent or made available in an Electronic Communication.

49. **The duties of auditors**

The appointment and duties of QinetiQ Group's Auditor will be governed by the Companies Act. QinetiQ Group's Auditor is entitled to attend any general meeting and to receive notices of and any other communication relating to any general meeting which any shareholders are entitled to receive. The Auditor will also be entitled to speak at any general meeting on any business which concerns him as Auditor.

50. **Serving and delivering notices on shareholders**

- 50.1 Any notice or other document (including a share certificate) can be served or delivered by QinetiQ Group on or to a shareholder:

- (A) personally;
- (B) by posting it (with the postage paid) to the address given for the shareholder in the register of Members; or
- (C) by leaving it at the address given for the shareholder in the register of Members addressed to that address; or

- (D) in an Electronic Communication (except for share certificates) to an address notified by the shareholder in writing for such purpose.

50.2 If a notice or other document is to be given to joint shareholders, it will be enough to serve or deliver the notice or other document to only one of the joint holders. This will be treated as having been given to all of the joint holders.

51. **Notice to shareholders outside the United Kingdom**

Any shareholder whose address on the register of Members is outside the United Kingdom can give to QinetiQ Group a United Kingdom address where notices can be served on him. If he does, he will be entitled to have notices served on him at that address. Otherwise, he is not entitled to receive any notices from QinetiQ Group.

52. **When notices are treated as being served**

52.1 If a notice or other document is sent through the post first class, it will be treated as being served or delivered 2 business days after it was posted, if through the post second class, 3 business days after it was posted, and if it is sent in an Electronic Communication it will be treated as being served or delivered 24 hours after it was sent, if it can be proved that:

- (A) the letter or Electronic Communication containing the notice or document was properly addressed; and
- (B) (in the case of a notice or other document sent through the post) it was put into the postal system with the postage paid.

52.2 Any notice or other document which is delivered to or left at a registered address (or sent to an address notified pursuant to Article 50.1(D)) in a way other than as specified in this Article 52 will be treated as having been served or delivered on the day that it was actually sent, delivered or left there.

53. **Giving notice to QinetiQ Group**

Any summons, notice, order or other document can be sent to or served on QinetiQ Group, or on any QinetiQ Group officer, by:

- (A) sending it to the registered office by letter, with postage paid, addressed to QinetiQ Group, or the QinetiQ Group officer; or
- (B) leaving it at or delivering it to the registered office addressed to QinetiQ Group, or the QinetiQ Group officer; or
- (C) if the Board decides to accept any such document delivered in an Electronic Communication, delivered in the way that it specifies.

54. **Sending notices using details on the register**

If QinetiQ Group sends out notices or other documents to shareholders, it may use the names and addresses listed in the register of Members at any time up to 10 clear days before the notice or document is sent. The notice or other document will still have been validly served on or delivered to any shareholder, even if the details on the register of Members change after this time. QinetiQ Group is under no obligation to resend the notice or document to any person entered on the register of Members or who has any interest in the share.

55. **Notice provisions in the Articles must comply with the Acts**

Any provisions in the Articles in relation to notices must comply with any requirements of the Acts.

56. **QinetiQ Group can destroy documents**

56.1 QinetiQ Group can destroy:

- (A) all cancelled share certificates, after one year from the date they were cancelled;
- (B) any dividend payment instructions, including any instructions to vary or cancel these, and notifications of a change of name or address, after two years from the date these were recorded by QinetiQ Group; and
- (C) any forms for a transfer of shares that have been registered, and any other documents which were the basis for making an entry in the register of Members, after six years from the date of registration.

56.2 If QinetiQ Group destroys a cancelled share certificate after the one year period, it is conclusively treated by QinetiQ Group as being a valid certificate which was properly cancelled.

56.3 If QinetiQ Group destroys a transfer form after the six year period, the form is conclusively treated by QinetiQ Group as having been properly registered, valid and effective.

56.4 Every other document which QinetiQ Group has destroyed under this Article 56 will be conclusively treated by QinetiQ Group as having been a valid and effective document in accordance with the details of that document which were recorded in QinetiQ Group's book of records.

56.5 However:

- (A) the provisions of this Article will only apply to documents which are destroyed in good faith, and will not apply if QinetiQ Group has received express notice that the documents may be relevant to a claim;
- (B) this Article should not be read as making QinetiQ Group liable for destroying a document earlier than the time referred to in this Article; and
- (C) this Article applies equally whether a document is destroyed or disposed of in some other way.

57. **The Board can present a petition**

57.1 Subject to Article 7, the Board can on behalf of QinetiQ Group and in QinetiQ Group's name present a petition to a court for QinetiQ Group to be wound up.

58. **Distribution of assets other than cash on liquidation**

58.1 If QinetiQ Group is wound up (whether this is voluntary or not) the liquidator can distribute some or all of QinetiQ Group's assets between the shareholders or it can transfer them to be managed by trustees for the shareholders' benefit. The liquidator must act with the approval of an extraordinary resolution of the shareholders and must act in accordance with any relevant provisions of the Acts.

58.2 Where any assets are going to be distributed among the shareholders, the liquidator will decide the values of the assets as he thinks fit and decide how they will be divided

between the shareholders or the different classes of shareholders. The liquidator can distribute the assets themselves or something equal in value to them. Where assets are transferred to trustees the liquidator can decide on the nature of the trusts. No shareholder will be obliged to accept any shares or other assets where there is any liability associated with them.

58.3 The liquidator can make any provision which is referred to in and sanctioned in accordance with the Acts.

58.4 The liquidation of QinetiQ Group can then be completed and it can be dissolved.

59. **Officers have a right to an indemnity**

59.1 Every director, alternate director, Secretary and all other QinetiQ Group officers are entitled to require QinetiQ Group to indemnify them against all the costs, charges, losses, expenses and liabilities which they incur:

- (A) in carrying out their duties;
- (B) in trying to carry out their duties;
- (C) in relation to anything they do or do not do; or
- (D) in relation to anything it is alleged that they have done or not done,

as an officer of QinetiQ Group.

59.2 This includes any liability incurred in defending any proceedings, criminal or civil, relating to any of these things. In the case of any liability incurred in defending any proceedings, judgment must be given in favour of the individual (or the proceedings must be dealt with in such a way that he is neither found guilty of nor admits to any material breach of his duties) or he must be acquitted, or the court must give relief in connection with any application under any statute for relief from liability. This Article only applies as far as the Acts allow.