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QINETIQ HOLDINGS LIMITED ('THE COMPANY')
WRITTEN RESOLUTION OF THE COMPANY
IN LIEU OF A GENERAL MEETING PASSED PURSUANT
TO SECTION 381A OF THE COMPANIES ACT 1985

We, the undersigned, being the Members of the Company entitled to attend and vote at a general meeting of the Company hereby **RESOLVE THAT** conditional upon admission of QinetiQ Group plc's ordinary share capital to the official list of the financial services authority and to trading on the London Stock Exchange's market for listed securities, the Regulations contained in the printed document attached to this written resolution, initialled by the company secretary for the purpose of identification, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the current Articles of Association of the Company.

Signed 

For and on behalf of QinetiQ Group plc

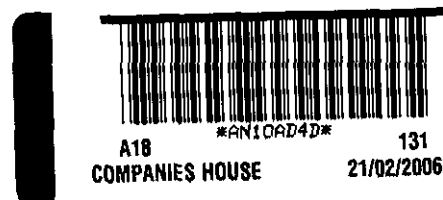
Date 25/01/2006

Signed Trevor Woolley

Trevor Woolley as holder of the

special share of £1 in the Company

Date 25/01/2006



ARTICLES OF ASSOCIATION

of

QINETIQ HOLDINGS LIMITED (the "Company")

(as adopted by special resolution passed on 24 January 2006)

PRELIMINARY

1.

- (1) The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended from time to time) (hereinafter called "Table A") shall apply to the Company save in so far as they are varied or excluded by or are inconsistent with these articles.
- (2) Regulation 1 of Table A shall apply to the Company as if references in it to 'these regulations' included references to these articles; and these articles shall also be interpreted as if the Interpretation Act 1978 applied to them in the same manner as, and to the same extent to which, it applies to Table A.
- (3) In these articles -
 - (a) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
 - (b) references to the seal are to the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of Section 40 of the Act, or either of them as the case may require.

2. (1) In these articles the following words bear the following meanings:

"**the Act**" means subject to paragraph (3) of this article, the Companies Act 1985;

"**address**" in relation to electronic communications, includes any number or address used for the purposes of such communications;

"**articles**" means these articles of the Company;

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which banks are open for the conduct of general banking business in England and Wales;

"**communication**" means the same as in The Electronic Communications Act 2000;

"**Compliance Committee**" means the Compliance Committee maintained under articles 16 to 21 (*Compliance Committee*);

"**Compliance Guidelines**" means the provisions of these articles and the guidelines, from time to time, which have been adopted by the board of directors 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 of directors, the Compliance Committee, the Compliance Implementation Director or the Compliance Audit Director (as each individual is described in

articles 16 to 21 (*Compliance Committee*) and which set out, among other things, guidelines establishing the grounds governing and procedure for determining whether an activity of the Company or of a member of the QinetiQ Controlled Group would be prohibited as constituting a conflict of interest;

"Compliance Principles" 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 and references to "**QinetiQ**" in this definition mean the Company and each other member of the QinetiQ Controlled Group, provided that in respect of members of the QinetiQ Controlled Group (other than the Company and its wholly-owned subsidiaries incorporated in the United Kingdom, in respect of which this proviso shall not apply and which shall be subject to an absolute obligation to adhere to the Compliance Principles) this shall only require the Company to do all that a reasonable person reasonably could do to 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 Share and/or a breach of the Compliance Principles;

"Compliance System" means:

- (a) the roles and responsibility of the board of directors 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" means, in relation to any person (the "**Controlled Person**"), the ability of another person (the "**Controller**") to ensure that the activities and business of the Controlled Person are conducted in accordance with the wishes of the Controller, and a person shall be deemed to have Control of a body corporate or partnership if that person possesses or is entitled to acquire (i) the majority of the

issued share capital in that body corporate; and/or (ii) the majority of the voting rights in that body corporate or partnership; and/or (iii) the right to receive the majority of the income of that body corporate or partnership on any distribution by it of all of its income or the majority of its assets on a winding up; and/or (iv) the right to appoint a majority of the directors (or equivalent officers) to the board (or equivalent body) of that body corporate or partnership, and/or (v) the right as a general partner of a limited partnership to conduct ordinary matters connected with the business of that limited partnership, and **"Controlled"** and **"Controlling"** shall be construed accordingly;

"Crown" means one or more of Her Majesty's Secretaries of State, another Minister of the Crown, the Lords Commissioners of Her Majesty's Treasury, the Treasury Solicitor, any body corporate wholly owned by any of the foregoing or any other person acting on behalf of the Crown and **"Crown representative"** shall be construed accordingly;

"electronic communication" means the same as in The Electronic Communications Act 2000;

"Group" means the Company and its subsidiary undertakings from time to time;

"holder" means in relation to shares, the member whose name is entered in the register of members as the holder of the shares;

"IAS 28" means International Accounting Standard 28 as published by the International Accounting Standards Board at the date of the adoption of these articles;

"IAS 31" means International Accounting Standard 31 as published by the International Accounting Standards Board at the date of the adoption of these articles;

"Ministry of Defence" means the Secretary of State for Defence (acting as the Ministry of Defence) and any Permitted Transferee of the Ministry of Defence;

"Permitted Transferee" means, unless otherwise agreed in writing between the Company and the Ministry of Defence, any Crown representative;

"QinetiQ Consolidated Group" means:

- (a) the Company 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 under IAS 31 would be accounted for as a joint venture, whether or not such arrangement is itself an entity;

"QinetiQ Controlled Group" means those entities and/or arrangements which are:

- (a) a member of the QinetiQ Consolidated Group;
- (b) an associate under IAS 28 of a member of the QinetiQ Consolidated Group; or
- (c) an entity Controlled by another entity or arrangement within (a) or (b) above;

"QinetiQ Limited" means a company registered in England and Wales as company number 3796233;

"**seal**" means the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;

"**Special Share**" means the special rights redeemable preference share of £1 issued in the Company's share capital;

"**Special Shareholder**" means any holder of the Special Share from time to time;

"**Strategic Assets**" means any assets which the Special Shareholder has agreed from time to time with the Company 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 benefits 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 (each as defined in article 10) 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 Special Shareholder and the Company or QinetiQ Limited in relation to any specific Strategic Asset as being the ancillary rights to be included in that Strategic Asset;

"**UK Government**" means the Government of the United Kingdom of Great Britain and Northern Ireland; and

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles have the same meaning as in the Act.
- (3) Except where otherwise expressly stated, a reference in these articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
- (4) In these articles, unless the context otherwise requires:
 - (a) words in the singular include the plural, and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- (5) In these articles:
 - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form but shall not for the avoidance of doubt include electronic communications;
 - (b) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
 - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and

- (d) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
- (6) The headings are inserted for convenience only and do not affect the construction of these articles.
- 3. Regulations 24, 54, 57, 64, 94 to 97 (inclusive), and 118 in Table A shall not apply to the Company.

SPECIAL SHARE

- 4. 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.
- 5. Amendment of the effect of, or removal of the following 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:
 - (a) in article 2(1) the definitions of "Compliance Committee", "Compliance Guidelines", "Compliance Principles", "Compliance System", "Control", "Crown", "QinetiQ Consolidated Group", "QinetiQ Controlled Group", "Special Share", "Special Shareholder" and "Strategic Assets";
 - (b) articles 4 to 15 (*Special Share*) and articles 16 to 21 (*Compliance Committee*); and
 - (c) any other reference in these articles to the Ministry of Defence, to the Special Share or to the Special Shareholder.
- 6. The Special Shareholder has the following rights:
 - (a) to require the Company 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 of directors 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:
 - (i) may result in circumstances which constitute unacceptable ownership, influence or control over the Company or any other member of the QinetiQ Consolidated Group contrary to the defence or security interests of the United Kingdom; or
 - (ii) would not or does not ensure the effective application of the Compliance Principles to and/or by all members of the QinetiQ Controlled Group or would be or is otherwise contrary to the defence or security interests of the United Kingdom;
 - (d) to require the board of directors 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 16 to 21 (*Compliance Committee*); and

- (f) to demand a poll at any of the Company's meetings (even though it may have no voting rights except those given to it under articles 4 to 15);

provided that in respect of members of the QinetiQ Controlled Group (other than the Company and its wholly-owned subsidiaries incorporated in the United Kingdom, in respect of which this proviso shall not apply and which shall be subject to an absolute obligation to comply with such rights) this shall only require the Company to do all that a reasonable person reasonably could do to 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 Share and/or a breach of the Compliance Principles.

7. (1) 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 individuals is or may be contrary to the defence or security interests of the United Kingdom.
- (2) The board of directors 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.
- (3) The removal of the chairman of the Compliance Committee as such will take effect on the date the notice is delivered to the Company's registered office or produced at a meeting of the board of directors.
8. (1) The Special Shareholder may, subject to the provisions of the Act, require the Company to redeem the Special Share at par (such sum being payable on redemption) at any time by serving written notice on the Company and delivering the relevant share certificate to the Company.
- (2) Save as described in paragraph (1) of this article, the Special Share is not redeemable in any other way.
9. The written consent of the Special Shareholder is also required before the following events can take place:
- (a) (subject to article 10) 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 the Company or any other member of the QinetiQ Controlled Group (other than disposal of all or any part of a Strategic Asset by the Company or any other member of the QinetiQ Controlled Group in accordance with article 10(8)); and
 - (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 restricted by paragraph (a) of this article.
10. (1) In this article 10:
- "Completion"** means 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 10(2)) or either of them or (as applicable) of the exercise of the Pre-Emption Right (as described in article 10(3));

"Consideration" means the value of the Selected Strategic Assets as determined in accordance with agreements in writing between the Company and the Special Shareholder from time to time;

"Relevant Date" means any date that:

- (a) the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited 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 the Company and/or QinetiQ Limited and/or any other member of the QinetiQ Consolidated Group which has a subsisting interest in a Strategic Asset contrary to the defence or security interests of the United Kingdom; or
- (c) the Special Shareholder receives notice pursuant to agreements in writing between the Company 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 Special Shareholder; and

"Selected Strategic Assets" means such of the Strategic Assets as the Special Shareholder has notified the Company, in its written notification to the Company (pursuant to article 10(2) or 10(3), as being those Strategic Assets which the Special Shareholder wishes to acquire pursuant to its exercise of the Options (as described in article 10(2) or either of them or (as appropriate) the exercise of the Pre-Emption Right (as described in article 10(3)).

- (2) Without prejudice to the Special Shareholder's rights under articles 10(a) and 10(b), 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 10(14), exercisable by written notice served by the Special Shareholder on the Company at any time within 90 days from a Relevant Date.
- (3) Without prejudice to the Special Shareholder's rights under articles 9(a) and 9(b), the Special Shareholder has the right to purchase any Strategic Assets which the Company wants to sell or otherwise dispose of at any time (the "**Pre-Emption Right**").
- (4) If and on each occasion that the Company wishes to sell or otherwise dispose of any Strategic Asset, the Company 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 the Company 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 10 (as if the same had been set out in such notice) (an "**Offer Notice**").
- (5) The Company 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 defined in article 10(6)) 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**").
- (6) Following receipt of an Offer Notice or a Revision Notice, if the Special Shareholder shall by written notice to the Company so require (an "**Information Request**"), the Company shall within 21 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**").
- (7) 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 the Company at any time before the "**Last Exercise Date**", being the latest of:
 - (a) ninety days after the receipt of the Offer Notice by the Special Shareholder;
 - (b) (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 Special Shareholder of the Disposal Terms; and
 - (c) if a Revision Notice has been given, thirty five days after receipt of the Revision Notice by the Special Shareholder,and the Company 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.
- (8) 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 the Company written notice

that the Special Shareholder does not wish to exercise the Pre-Emption Right on that occasion, the Company 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).

- (9) If the relevant sale or disposal by the Company 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 10 will thereafter have effect in relation to the relevant Strategic Assets as if no Offer Notice had been served in respect thereof.
- (10) Upon service of a written notice exercising the Options or either of them, the Company 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.
- (11) 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 or (ii) such earlier date as the Special Shareholder may specify. Upon Completion, the Company 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:
 - (a) if the amount of the Consideration has been determined on or before Completion the Special Shareholder must pay to the Company the Consideration in same day funds to such bank account as the Company may specify; or
 - (b) if the amount of the Consideration has not been determined on or before Completion, the Company 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 the Company in accordance with paragraph (a) of this article; or
 - (c) 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 paragraphs (a) or (b) of this article (whichever shall apply) the Special Shareholder shall pay interest thereon (or on the unpaid part) from the date 30 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.
- (12) 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 the Company and the Special Shareholder.

- (13) The Company 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 10.
 - (14) 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.
 - (15) The Company 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 the Company and the Special Shareholder.
- 11. The rights of any third parties who contract with the Company will not be affected by any breach of article 6(a).
 - 12. If an attempt is made to change any of the provisions set out in article 5, to engage in any activity in breach of article 6 or to approve any of the events listed in article 9, 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 per cent. of the total votes cast.
 - 13.
 - (1) In relation to each entity or arrangement which is a member of the QinetiQ Controlled Group at the date of adoption of these articles, the Company will in relation to itself and any of its wholly-owned subsidiaries incorporated in the United Kingdom (and, in relation to any other member of the QinetiQ Controlled Group, will do all that a reasonable person reasonably could do to) 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 Share and/or a breach of the Compliance Principles.
 - (2) The Company will in relation to any of its wholly-owned subsidiaries incorporated in the United Kingdom (and, in relation to any other member of the QinetiQ Controlled Group, will do all that a reasonable person reasonably could do to) procure that any entity or arrangement which becomes a member of the QinetiQ Controlled Group after the date of adoption of these articles is established on terms which give the directors the right to require that the entity or arrangement conducts itself in accordance with articles 4 to 15 (*Special Share*) and articles 16 to 21 (*Compliance Committee*) and the Company will in relation to any of its wholly-owned subsidiaries incorporated in the United Kingdom (and, in relation to any other member of the QinetiQ Controlled Group, will do all that a reasonable person reasonably could do to) 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 Share and/or a breach of the Compliance Principles.

- (3) The Company shall not place work with a member of the QinetiQ Consolidated Group over which it does not have Control in order to avoid, or in an effort to avoid, the application of the Compliance Principles to that work.
14. Failure to comply with any of the rights contained in articles 4 to 15 (*Special Share*) will be deemed to be a variation of the Special Shareholder's rights.
15. Only the Special Shareholder has rights under articles 4 to 15 (*Special Share*) and articles 16 to 21 (*Compliance Committee*) and these rights are in addition to any rights contained elsewhere in these articles.

COMPLIANCE COMMITTEE

16. The Compliance Committee will be chaired by a non-executive director nominated by the board of directors and approved by the Special Shareholder. It will include its chairman and at least one other non-executive director nominated by its chairman.
17. The board of directors 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 other personnel of any member of the QinetiQ Controlled Group, to attend any part of a meeting of the Compliance Committee.
18. The Special Shareholder shall be entitled to appoint, by notice in writing to the Company, any one person to act as an observer to the Compliance Committee, and to remove and replace any person appointed by it as such an observer from time to time.
19. The Compliance Committee will meet quarterly during each financial year and additionally as required.
20. The Compliance Committee will report on the effectiveness of the Compliance System in ensuring the application of the Compliance Principles in the Company's annual report and accounts.
21. 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 these articles 16 to 21 that compliance committee shall be deemed to be the Compliance Committee for the purposes of these articles.

ALLOTMENT OF SHARES

22. Subject to the provisions of the Act and these articles, the unissued shares in the Company shall be at the disposal of the directors, who may issue, offer, allot, grant options over or otherwise dispose of them to such persons and on such terms, subject to such rights or restrictions, as the directors think fit.
23. Sections 89(1) and 90(1) to (6) (inclusive) of the Act, in their application to allotments by the Company of equity securities, are hereby excluded.

SHARE CERTIFICATES

24. Regulation 6 in Table A shall apply to the Company as if the words "shall be sealed with the seal and" were omitted.

TRANSFER OF SHARES

25. The directors may in their absolute discretion, and without giving any reason, decline to register any transfer of any share (other than the Special Share), whether or not fully paid.

NOTICE OF GENERAL MEETINGS

26. Notice of every general meeting shall be given to all members (other than any who, under the provisions of these articles or any restrictions attached to any shares, are not entitled to receive such notice) and to the auditors. The last sentence of Regulation 38 in Table A shall not apply to the Company.

PROCEEDINGS AT GENERAL MEETINGS

27. Where the Company has only one member, Regulation 40 in Table A shall apply to the Company as if the reference to two persons were a reference to one, and the word "each" were omitted.

VOTES OF THE MEMBERS

28. Subject to any rights or restrictions attached to any shares, on a show of hands every member (other than the Special Shareholder) who is present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote (provided that if he is present in more than one capacity he shall not have more than one vote on a show of hands), and on a poll every member (other than the Special Shareholder) shall have one vote for every share of which he is the holder.

DELIVERY OF PROXIES

29. Regulation 62 in Table A shall apply to the Company as if, after the words "in a manner so permitted", there were inserted the words "or in such other manner as the directors may determine".

DIRECTORS

30. Unless otherwise determined by ordinary resolution the number of directors shall not be subject to any maximum or minimum.

APPOINTMENT RETIREMENT AND REMOVAL OF DIRECTORS

31. Regulations 73 to 80 (inclusive) and the last sentence of Regulation 84 in Table A shall not apply to the Company.
32. A member or members holding a majority in nominal value of the issued shares in the Company may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may remove from office any director however appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members concerned or, in the case of a corporate member, by its duly authorised representative, and delivered to the office or tendered at a meeting of the directors or a general meeting of the Company.
33. The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
34. The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director and, without prejudice to the provisions of the Act, may by ordinary resolution remove a director from office.

35. The removal of a director under these articles shall be without prejudice to any claim the director may have for breach of any contract of service between him and the Company.
36. No person shall be disqualified from being or becoming a director by reason of his attaining or having attained the age of 70 or any other age, nor shall it be necessary by reason of his age to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director.

PROCEEDINGS OF DIRECTORS

37. A director who has duly declared his interest (so far as he is required to do so) may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he is interested, directly or indirectly. If he does, his vote shall be counted; and whether or not he does, his presence at the meeting shall be taken into account in calculating the quorum.
38. Where the Company has only one director, that director may exercise all the powers conferred on the directors by Regulation 70 in Table A or otherwise by virtue of these articles, notwithstanding any restriction in Regulation 89 (as to the quorum for the transaction of the business of the directors) or Regulation 90 (as to the purposes for which a sole continuing director may act).
39. A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:
 - (a) to hear the other participating directors addressing the meeting; and
 - (b) if he so wishes, to address each of the other participating directors simultaneously, whether directly, by conference telephone or by any other form of communication equipment (whether in use when this article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

DIVIDENDS

40. Regulation 106 in Table A shall apply to the Company as if, after the words "to the order of", there were inserted the words "or to".

INDEMNITY

41. Subject to the provisions of the Act, the Company may:
 - (a) indemnify any person who is or was a director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
 - (b) purchase and maintain insurance for any person who is or was a director against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

For the purposes of this article, "associated company" has the same meaning as in section 309A of the Act.