

QinetiQ Group plc and Subsidiaries

Code of Conduct

December 2014



Message from the QinetiQ Group CEO

Dear colleagues,

At QinetiQ, trust is our most prized possession. Critical to ensuring we maintain that trust is our approach to ethics, integrity and reputation. This forms the foundation of how we do business and manifests itself in everything we do; our relationships with our customers and stakeholders, industry partners, and shareholders. It also drives how we work with each other.



Our approach to ethics is set out in this booklet; the Group Code of Conduct. It explains the values and standards we expect of ourselves and those around us, helping us to make the right decisions; whether serving our customers, winning new business, recruiting the right people or working together.

Having a robust set of business ethics is not only the right thing to do, it's critical to our ability to win and grow. When companies get it wrong – by paying bribes, cheating customers, or being negligent of their safety or environmental obligations – it can be very public and damaging to their reputation, with the loss of confidence with investors and customers, which is not something we want to see happen to us at QinetiQ.

Maintaining integrity and high ethical standards means being willing to make the difficult choice when it is the right one. On occasion this may mean having to forego business opportunities if the pursuit could compromise us. In the long run we will be better served by doing what is right and you have my utmost support in making these sometimes tough decisions.

I am committed to keeping our hard-earned reputation and expect you to be too. We all have a role to play in ensuring we remain focused on our customers' needs and deliver on our goal to increase market share. By taking action when something simply 'isn't right' we're showing our commitment to keeping QinetiQ safe and secure and working to build a better business and a stronger company.

We have much to be proud of and an exciting future. Your commitment to our Code of Conduct will help us move forward whilst continuing to define and distinguish QinetiQ in the marketplace.

Kind regards,

David Mellors
Acting Chief Executive Officer
QinetiQ Group plc

About this Code of Conduct

We believe that it is important we have a common framework of standards across our whole business. Therefore, all employees, directors, and officers worldwide of QinetiQ and its subsidiaries and operating groups (collectively known as the 'Company') and the Company's consultants must read and abide by this Code of Conduct. We will also share the code with suppliers, business partners, associates and other stakeholders, who are working with or on behalf of the Company.

This code provides an overview of our standards, commitments and expectations. It includes information on major areas of law and Company standards, as well as the resources available to help ensure we live up to our standards. But it is only a starting point.

To learn more about specific standards, laws, or regulations that apply to your job, ask your supervisor/line manager, other relevant local contacts or the Corporate Ethics Officer and review your local business operating frameworks. No Code of Conduct can identify every circumstance with which you may be faced. So, if you are in any doubt about issues which the Code of Conduct does not cover, please ask for advice.

Foster Miller Inc and its subsidiaries trades under the name, 'QinetiQ North America' (QNA) and are currently required by the US National Industrial Security Program to maintain facility security clearances and to be insulated from foreign ownership, control or influence. To comply with these requirements, certain members of QNA's Board of Directors, the US Department of Defense and others, have entered into a proxy agreement that regulates QinetiQ's ownership, management and operation of QNA.

We take the stringent requirements of the proxy agreement very seriously and understand that there are certain distinctions between QinetiQ Group and QNA business requirements. Therefore, this document is formatted to highlight that, in some instances, different requirements apply to QNA. Where there are differences, QNA employees must follow the requirements specific to them – these are clearly marked in shaded boxes, headed 'QNA Colleagues'.

This Code of Conduct will be periodically revised and redistributed.

Five points to remember

This Code of Conduct is full of useful information and advice and you do need to ensure you are familiar with it. There are five points that we really want you to remember:

1. Be prepared; read the Code of Conduct, make sure you know your local procedures
2. Act with integrity
3. Be aware of what's happening around you
4. Report anything you think is unethical
5. Know where to go for help, and get help when you're unsure



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Section 1: Overview

At QinetiQ, we are committed to acting in a professional and socially responsible manner. Specifically, we will:

For our employees: Work with you honestly and fairly, respect your dignity, and promote ethical conduct, commitment, teamwork and integrity in how we operate. We will not tolerate hostility or discrimination in our workplaces and will listen to the concerns you raise and take appropriate action.

For our customers and the marketplace: Compete lawfully and ethically. Be honest and fair in dealing with our customers. Stand behind our work. Select suppliers and teaming partners on the basis of price, service, technical leadership, quality and reliability. Work fairly with suppliers, subcontractors, business partners and all others who contribute to our work. We will abide by the laws of the countries in which we operate.

For our shareholders and the Company: Pursue sound growth and earnings objectives and be prudent in allocating the resources entrusted to us, operating in the best interests of our shareholders and the Company. We will be forthright about our operations and performance.

For our communities and the world around us: Actively participate in and improve the communities in which we do business. We will respect the human rights and dignity of individuals and endeavour to reduce our impact on the environment.

Our standards

Ethical business

Ethics is a set of principles that guide conduct. Our fundamental ethic is based on integrity, honesty, respect, care and trust. Behaving ethically goes beyond merely following the letter of the law, it means living our ethics and cultivating the professional attitudes that help us do so. No perceived gain, short-term or long-term, justifies violating our principles.

Act with integrity

Integrity means unwavering adherence to our values, commitments, and standards. We act with integrity when we consistently live up to our ethics. This means a daily and consistent commitment from all of us.

Follow the law

Each of us must observe the laws and regulations that apply to QinetiQ and its businesses. Failing to do so can harm our Company's reputation and impact our ability to do business. We have seen in recent years cases in which violations of law have led to significant penalties for corporations, as well as fines and prosecution for the people involved.

We must all be familiar with the basic legal requirements that apply to our jobs. We do a substantial amount of our business for governments and these contracts also have specific requirements of which you must be aware.

When operating abroad we must comply with the laws of the country in which we are doing business.

QinetiQ will provide the resources – training, manuals, updates and whatever else is necessary – for you to become familiar with the legal and regulatory requirements of your job. This Code of Conduct is intended to alert you to the kinds of issues and restrictions with which you must be familiar.

While the code addresses many applicable laws and regulations, it is not intended to be, and cannot be, all-inclusive. Instead, we must understand that we have an essential responsibility to abide by the law, that we must learn the basic laws and regulations that apply to our jobs and that we must ask questions of the experts when we are uncertain.

How to get help

Points of contact

In most instances, you should first go to your supervisor or manager with any questions about business conduct. Your manager is often the person most familiar with your situation and may be able to give you the fastest, clearest response. You may also seek help from other people within the business with whom you feel most comfortable.

Some points of contact available to you are:

- Your supervisor/manager
- Your Human Resources representative
- Your senior management
- Your Legal Counsel
- Head of Commercial (in Australia)
- Internal Audit
- Chief Ethics Officer
- The Board of Directors

Ethics Officers

To ensure we adhere to QinetiQ values, commitments and standards of conduct, the following roles have been established:

- QinetiQ Group Chief Ethics Officer: the QinetiQ Group General Counsel, reporting directly to the QinetiQ Group Board of Directors
- QNA Chief Ethics Officer: required because of the proxy arrangements and reporting directly to QNA's Board of Directors

The Chief Ethics Officers and their office and/or teams have the following responsibilities:

- Work with the Company's senior management and the Board of Directors to develop, maintain and communicate the Company's ethical standards
- Train personnel on ethical standards and procedures, including the ways in which they can get help
- Manage the contact channels (such as the email advice whistleblowing services)
- Respond to requests for advice, assistance or reports of misconduct
- Monitor the overall effectiveness of this Code of Conduct

How to get help: Making contact

Here's how you can either report or get advice about an ethical issue:

- Email: contact.ethics@qinetiq.com
- In writing: you can send your question or concerns to the Group Chief Ethics Officer (the QinetiQ Group General Council), Building A1, Cody Technology Park, Ively Road, Farnborough, GU14 0LX
- In person: if you want to discuss an issue you can contact the Office of Corporate Ethics at the QinetiQ Group plc's Head Office in Farnborough at any time, either by making an appointment or just stop by any time during office hours
- Anonymously: if you feel that you cannot raise the issue directly within QinetiQ, you can use the externally provided confidential reporting system by:
 - Telephoning one of the following numbers (depending on your location (free from a landline):
 - Australia: dial **1800 881 011** followed by **888 484 6943**
 - Belgium: dial **0800 100 10** followed by **888 484 6943**
 - Canada: dial **888 484 6943**
 - Sweden: dial **020 799 111** followed by **888 484 6943**
 - UK: dial **0800 890 011** followed by **888 484 6943**
 - US: dial **1800 225 5288** followed by **888 484 6943**
 - If you are located in any other country, please look up your dialling prefix at www.att.com/esupport/traveler.jsp?tab=3 and then follow by **888 484 6943**
 - Using the online reporting tool (<http://qinetiqemea.alertline.com>). As QinetiQ web traffic is logged, you may wish to use an external internet connection, such as at home or an internet café, to ensure confidentiality

QNA colleagues

You can contact the Office of Corporate Ethics by:

- E-mail: Ethics@QinetiQ-NA.com
- Phone: (781) 684 4323
- In writing: 350 2nd Ave., Waltham, MA 02451
- In person: The office is located in Waltham, MA
- Anonymously: An unrelated third party operates the QNA Ethics Helpline and Alertline website, both of which are confidential. The toll-free phone number, accessible any time from within, as well as outside, the United States, is 1-888-400-4511. The website can be found at <http://qinetiq.alertline.com>. You may also want to use an external Internet connection to further ensure confidentiality

How things can go wrong

Not just 'good versus bad'!

The best way to ensure we meet our standards of conduct and ethical principles is to know what to watch out for. Here are some common pitfalls that may cause a violation in the law or the Company's standards and what you should do in these situations:

- **Lack of awareness:** Sometimes people get into trouble because they are not clear about a law or regulation they are expected to follow. We should each be aware of the rules that apply to our specific jobs. While no one can be an expert in everything, we should know when and whom to ask.
- **Pressure:** Some people violate standards because they think it will help the Company, perhaps to meet a performance goal. In no circumstances should you violate QinetiQ standards, nor should you feel pressured to do so. If you're ever in doubt about a situation, or if you have concerns, ask.
- **Uncaring attitude:** Some people know what the standards are, but they don't take them seriously. They think no one else cares, so they don't bother caring either. At QinetiQ, we care. If you see someone violating our standards, talk to them and report the problem.
- **Vengeance or greed:** A few people may intentionally set out to harm or steal from the Company; a fellow employee, a customer, or a partner. We have controls in place to prevent this but even the best controls are not infallible. If you come across controls or processes that you think could be improved please report the problem.

At QinetiQ, we want to do our best to help you avoid bad or 'no-win' situations. Since we can't always know if someone is in a difficult position, we're depending on you to assist each other whenever possible. We count on you to let a supervisor, someone in the management chain, or the Group or QNA Ethics Officer, know if help is needed.

Does the management team know?

Sometimes we may be aware of improper things that are going on and assume that 'someone upstairs must already know' or that the management team doesn't want to hear bad news. As a result, important information may not move up the chain and the senior leaders may remain unaware of a problem until it's too late. We all have an obligation and are expected to come forward if we believe something is going wrong or if inappropriate activities are being considered.

At QinetiQ, all of our Boards of Directors and senior management teams are dedicated to upholding the Company's standards. So, we want to know as soon as possible if something's broken. We hope that you will feel comfortable approaching your direct supervisor or any of the other points of contact.

Action required

As a Company we are committed to taking action against unlawful and unethical conduct and to standing by people who act in good faith and with integrity. QinetiQ will treat you with fairness and dignity by taking reports very seriously, notifying you of the outcome (to the extent possible) and protecting you against retaliation of any kind.

If an employee, customer, or supplier comes to you with an issue involving a potential violation of QinetiQ's ethical standards, you 'have the ball' and are required to notify the Ethics Officer or someone else listed on page number nine. Please remember that, although the individual should be kept informed as far as possible regarding the outcome of an investigation, we must also protect the privacy rights of others.

QNA colleagues

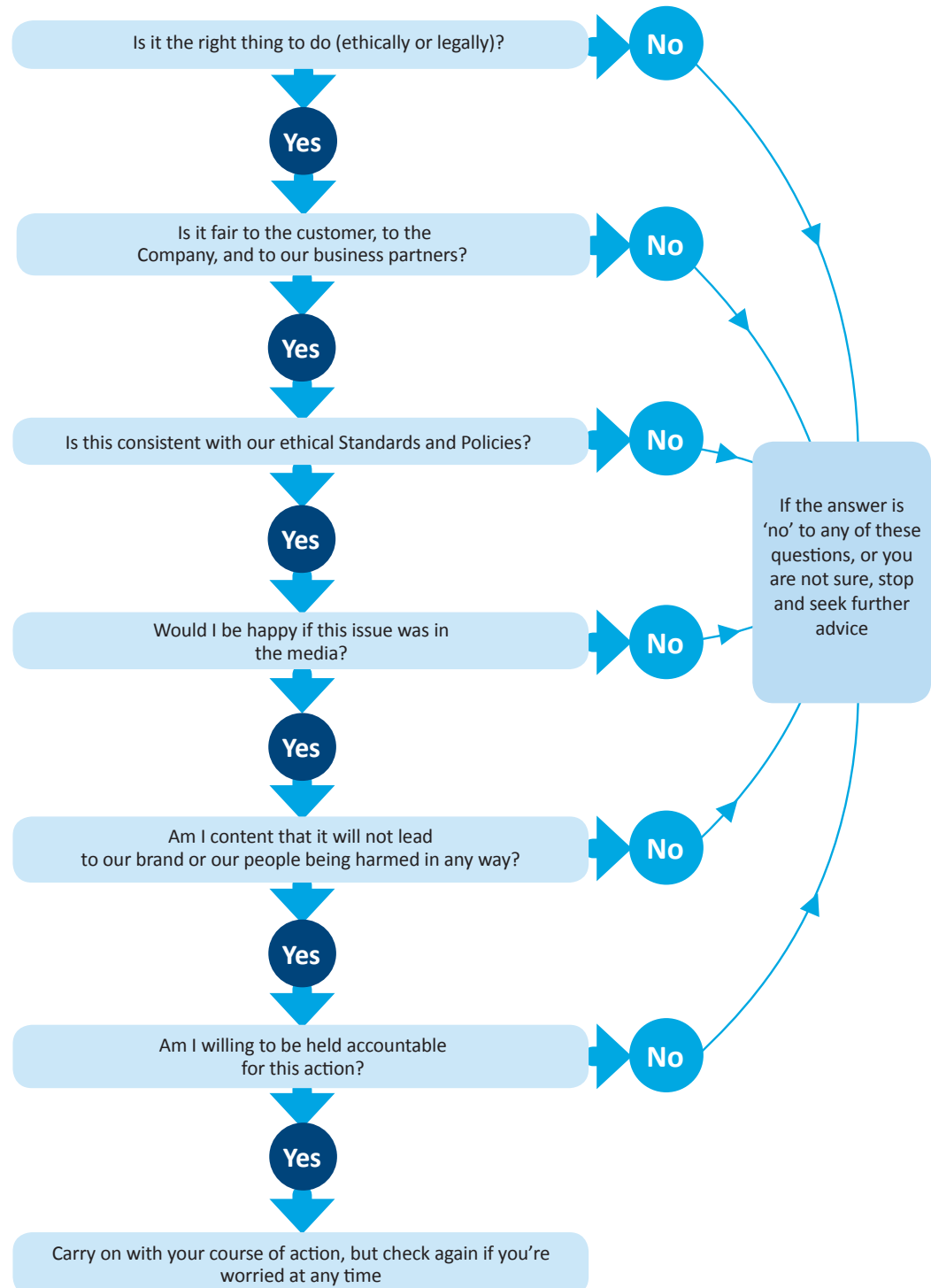
Even if you are able to respond to the employee's concern on your own, you must notify the QNA Office of Corporate Ethics so that they can better monitor the issues that arise in our workplace.



Ethical issues and decision making

Ethical action test

If you answer 'no' to any of these questions, you probably have an ethical issue. You should discuss it with your direct supervisor or any of the contacts listed on page nine.



Ethical decision making

If you have established there may be an ethical issue then you will need to take action. The following guidance may help you think about what needs to be done:

- **CLARIFY the facts:**

- Think about exactly what needs to be decided
- Do you have enough information to make a decision?
- Who are all the people who could be impacted by the issue and the outcome?
- Have you informed or consulted everyone necessary?
- What are the options available to you?

- **EVALUATE the solutions:**

- Is the action you think you should take in line with our policy and the law?
- Consider who will be affected by any action, such as employees, customers or suppliers
- Think about what may be influencing your ideas (e.g. personal views, pressure to meet targets)
- Consider whether you can defend this decision, could it be shared publically, is it the 'right thing to do' and does it meet our ethical standards?

- **ACT and REFLECT:**

- Ensure you implement your decision with the best possible outcome for all stakeholders, in line with our standard, policy and the law
- Consider how your decision turned out and what you have learnt

When to get help

Seeking advice

Our aim is to support you to speak up, ask questions and to bring your concerns into the open. Don't look the other way. This section describes some examples of situations where you may require help to ensure that QinetiQ standards are upheld.

Always seek advice when you are unsure about the legality or ethical propriety of a course of action. You may encounter situations where Company standards don't address an issue or are unclear, when legal requirements are complex, or when you have limited or no experience in dealing with the matter. Examples of this might include:

- Doing business overseas and concerns arise about what to do if you are asked to pay a bribe or facilitation payment to a foreign government official
- Being asked by a customer for assistance that is not related to the contract and you are unsure how to respond
- Receiving an invitation to a social event from a supplier and you do not know whether or not you may accept
- Preparing a proposal to the government and you are unclear about what pricing information should be included
- A new opportunity presents itself where there may be a conflict of interest with another part of the business
- Performing services that simultaneously benefited two separate government contracts and you are unsure how to bill the time
- Going to meet with a potential Company creditor and you are unsure what you should disclose about the Company's financial position
- Invited to a meeting with a competitor and you do not know what topics you are prohibited from discussing
- Preparing a proposal to the government and you are offered, or obtain access to, a competitor's proposal or price information from an unauthorised source
- Working with a customer or vendor employees and you are unsure whether sharing technical information with the individuals will violate export/import control laws such as ITAR controlled information

Remember, it is always better to ask than to risk getting it wrong.

Raising concerns

Raise your concerns about potential risks before they become actual problems. This may involve situations where you believe you or your colleagues may run the risk of violating standards. Examples include:

- Assigned to a project that you believe has deadlines that cannot be met
- Colleagues working in a new business area without understanding the potential risks involved
- Supervisor makes discriminatory remarks in your presence
- Concerns about the accuracy of a financial report because it was not prepared in the ordinary course of business

Reporting misconduct

You are expected to report suspected or known violations of QinetiQ's standards, such as those listed above. You may have observed a violation, heard about a violation, or suspect that a violation might have occurred.

Please act as soon as possible.

If you are a manager/supervisor and you are notified of an ethical violation, breach of standard, or other potential ethical problem, you must contact the appropriate Ethics Officer or the applicable Ethics Helpline immediately. When appropriate, you should also inform your direct supervisor.



Responsibility and accountability

Employee responsibility

Each and all of us are responsible, and will be held accountable, for ensuring that QinetiQ's standards of conduct are followed at all times. We are all responsible for becoming familiar with and following all the standards and procedures that apply to our jobs. Each of us is also responsible for seeking advice, raising concerns and reporting misconduct.

Management responsibility

Managers are responsible for promoting our standards, providing advice and guidance and for ensuring that employees have adequate knowledge and resources to follow the Company's standards and meet legal requirements. Managers are also responsible for monitoring their team's compliance (e.g. completing mandatory business ethics training) and upholding QinetiQ standards.

Responsibility of all others acting on behalf of QinetiQ

The actions of our business partners have the potential to impact the Company's reputation; therefore appropriate standards are expected from our business partners, associates and all others acting on behalf of QinetiQ. In addition, QinetiQ may be legally liable for the actions of others. For example, legislation such as the UK Bribery Act includes criminal charges against a company for the unlawful actions of those providing services on behalf of the Company. We need to ensure that our expectations with our partners are clear.

Enforcement

All employees are expected to comply with the principles and standards set out within this code and with their local policies. QinetiQ's standards of conduct will be strictly enforced. Any of us who violate the spirit or letter of these standards are subject to disciplinary action up to and including termination of employment. The following are examples of conduct that may result in disciplinary action:

- Doing something that violates a Company ethical standard
- Directing others to violate a Company ethical standard
- Failing to report on violations of QinetiQ standards of conduct
- Failing to cooperate with a Company investigation of a possible violation
- Retaliating against someone for reporting a concern or violation
- Failing to effectively monitor the actions of the people you supervise

Corporate commitment to employees

Confidentiality

All contact with the Group Ethics Officer or QNA Office of Corporate Ethics and their teams are treated on a confidential basis. We will use all possible means to protect your identity. However, reality dictates that in some situations, your identity may be revealed. For example, this might occur if you were the only person who could have made the call (for example, an employee reporting misconduct by a supervisor, where that employee is the only direct report).

Response

All contacts with the Group Ethics Officer or QNA Office of Corporate Ethics will receive a prompt response. If your question cannot be answered right away, every effort will be made to get back to you within five business days. If your call is one that requires an investigation, status reports may be provided as appropriate. Those who wish to remain anonymous will be provided a tracking number for monitoring the investigation.

Non-retaliation

Retaliation or victimisation against anyone who seeks advice, raises a valid concern, or reports misconduct will not be tolerated by QinetiQ. Retaliation is counter to our ethical principles and you may have protection under your local laws as well. Anyone who tries to undermine or penalise you solely for raising a concern in good faith will be subject to appropriate discipline. If any of us fears retaliation, we are then not operating with the openness and mutual trust that our standards require of us.

If you suspect you have been victimised, threatened or retaliated against, you should immediately contact the QinetiQ Group Ethics Officer (QinetiQ Group, excluding QNA) The QNA Office of Corporate Ethics (QNA).



Section 2: Employees

We know that it is our people who make us successful and for that reason we engage the best people within our industry. We believe that we enable you to deliver outstanding performance and reach your full potential. At QinetiQ we are committed to creating a working environment where everyone is respected and treated honestly and fairly, in an inclusive, safe and secure workplace. Each employee is responsible for ensuring that their behaviours and actions support these principles; you are an ambassador for QinetiQ both inside and outside of work.

Equality, diversity and inclusion

Discrimination will not be tolerated. As a global company, we employ and work with people from a range of backgrounds and cultures. QinetiQ is committed to a workplace that is free of discrimination and encourages equality, diversity and inclusion amongst its workforce. This is reflected in how we recruit, train, develop and promote our employees. It is also echoed in our conditions of employment. Please refer to your local policy for more information.

Bullying and harassment

QinetiQ will not tolerate bullying, discriminatory slurs or other remarks, jokes, or conduct that encourages or permits an intimidating, degrading, humiliating, offensive or hostile work environment or that violates the dignity of any employee. Similarly, implicit or explicit verbal threats, intimidation, unwelcome advances, or physical violence will not be allowed. We each have a personal responsibility to make sure we neither behave this way nor allow others to do so.

Privacy and Data Protection

We are committed to maintaining and respecting the confidentiality of employee records, personal data and privacy. Personal data means any recorded information that, either by itself or in combination with other information, tells us about an identifiable person. If you hold or use any personal data, it is your responsibility to ensure compliance with the data protection principles and local laws. This means that access to personal information will be limited to people with a clear business or legal need for this information. Employee information may only be transferred outside of QinetiQ Group when there is a valid business need to meet a legal requirement or for employment verification. All requests for personal data should be referred to your local Data Protection Officer.

Health and safety

QinetiQ is committed to providing a safe and secure work environment for all. We have in place policies and procedures as well as experts to manage these issues. We are all responsible for complying with applicable health and safety statutes and regulations, as well as with Company policies regarding employee health and safety. We expect everyone to take an active role in ensuring that the working environment is safe for themselves and for colleagues and to promptly report any concerns.

Drug, alcohol and substance abuse

Substance abuse of any sort can impair your ability to function effectively in the workplace. It can endanger your wellbeing and the wellbeing of others. Therefore, abuse of alcohol or abuse of legal or doctor-prescribed drugs while on Company business or on Company property is strictly prohibited.

QinetiQ forbids using, selling, storing, purchasing, transferring, or possessing any drug illegally while on Company property or while performing Company business. We are committed to maintaining a drug-free workplace.

It is gross misconduct to report for work under the influence of drugs and/or alcohol and breaches of these rules may result in dismissal. This is equally applicable to solvent abuse.

QNA colleagues

As a government contractor, failure to comply could result in the loss of contracts with the Federal Government. Any of us may be subject to drug testing. People providing services directly to the government, including employees who hold positions that require security clearances, may have a higher standard of conduct with respect to the use of controlled substances. You should contact the QNA Security Office if you have questions about the policy.

Online security and behaviour

We need you to keep yourself safe online. The following advice will help you.

- Choose a strong but memorable password and keep it secure.
- When sending emails, think before you press the 'send' button; are the recipients (including cc's) and the mailboxes authorised to receive the information?
- Be careful what information you give away, both on social media sites and during casual conversation; a useless snippet to you, may be gold dust to a cyber-attacker.
- Review your own internet footprint. Be aware of what is out there about you that an attacker could use, such as LinkedIn, Facebook, Twitter, YouTube, eBay etc.
- Don't make life easy for criminals; make sure you look after your IT equipment and don't allow anyone from outside QinetiQ to interfere with your machine and/or plug any devices into it.
- When working away from your normal workplace avoid reading, creating or processing sensitive information when there is a risk of being overlooked (e.g. trains, airports, internet cafes, hotels or customer sites). Take proper precautions during any trip; be aware of your surroundings, stay alert and be vigilant for unusual movements or behaviour of people around you.
- Keeping yourself safe in cyberspace is just as important at home as it is at work.

Occasional use of the Internet for personal reasons is permissible, as long as such use is reasonable, does not interfere with your job responsibilities and is otherwise in compliance with Company policy. When you use the Internet, abide by all security procedures and controls to protect the security of Company data and networks. Use of the Internet for inappropriate purposes is strictly prohibited. All users of the Company network must reference and comply with the relevant local policies, for example, guidance on social media for work and personal usage.



Section 3:

Customers and the marketplace

Our commitment to customers

No matter how fierce the competition may be, no matter how high the stakes may seem, QinetiQ is committed to competing lawfully and ethically. We will provide innovative solutions to our customers and be honest and fair in dealing with them. We will never promise what we know we cannot deliver and never deliver what we wouldn't buy or use ourselves.

Negotiating customer contracts

Reports, certifications, statements, proposals, claims, (including technical and management sections) made to customers must be truthful and accurate. We always respect the confidentiality of customer sensitive information. Where there is reason to believe the release or receipt of non-public information is unauthorised, do not obtain or accept such information from anyone. Everyone who participates in the preparation of a proposal must understand and accept this philosophy.

Additional restrictions regarding disclosing and obtaining source selection and other sensitive procurement information may apply to the QinetiQ companies in North America, in accordance with the Federal Acquisition Regulation, including all agency supplements (FAR).

Customer regulations

A significant proportion of our business is for government customers who have stringent regulations and requirements. For example, in the US, these include the FAR. While in the UK, the UK Ministry of Defence (MOD) operates under the Acquisition Operating Framework, including specialist requirements such as Defence Conditions (DEFCON). It is essential that you are aware of the regulations that apply to your business dealings and seek help if you are uncertain.

Performing customer contracts

Once awarded, all contracts must be performed in compliance with their terms. Accurately allocate costs to the proper contracts. Avoid all forms of mischarging, including improperly filling out time cards/sheets, charging unsupportable overhead costs, incorrectly classifying costs, or improperly shifting costs between contracts.

Trusted advisor

QinetiQ customers value our independence and our integrity and we should provide and always be seen as providing, impartial scientific and technical advice and support.

Safety and quality of products and services

We will ensure that we deliver products and services to customers that are high quality, adhere to safety standards, follow our own policies, processes, internal assurance programmes and relevant legislation, as well as the requirements of the applicable contract.

Sensitive and classified information

QinetiQ must ensure appropriate protection is afforded to all sensitive information assets and the equipment on which it is processed. Sensitive information should be taken to mean any of the following:

- It is classified
- Its release outside authorised circles could place lives at risk, pose a threat to business profits or survival, affect customer operations, damage a commercial competition, or undermine trust in the organisation
- It is personal to individuals, whereby its disclosure could cause embarrassment or may compromise individual security (e.g. identity theft)
- The contract terms prevent QinetiQ sharing the data
- It is otherwise shared on a clear basis of trust

Information must be correctly and clearly marked. Access to classified information is restricted to those having the relevant formal security clearances and a 'need to know'. Failure to properly protect sensitive and classified information is against the law and may significantly damage QinetiQ's reputation. In cases of national security, if the law is violated, the people involved may face substantial fines and imprisonment.

Export controls and sanctions

QinetiQ's commercial success depends on our ability to conduct business around the world. We must be vigilant in complying with all applicable import and export control laws and regulations, including embargoes, sanctions and anti-boycott rules. Key areas of legislation are:

- UK: Export Control Act of 2002, administered by The Department for Business Innovation and Skills (BIS)
- USA: Arms Export Control Act (AECA)
- International Traffic in Arms Regulations (ITAR)
- Export Administration Act of 1979 (EAA) and the Export Administration Regulations (EAR)
- Controls regarding exports, embargoes and sanctions are imposed under various legal authorities administered by various government departments including the US Office of Foreign Assets Control, Department of the Treasury

If these laws are violated, the people involved may face substantial fines and imprisonment. You are expected to understand any sanction import/export control requirements related to your work and to ensure that none are made contrary to those requirements (seeking advice where necessary).

Anti-bribery and Anti-corruption

There is a wide range of regional and international anti-bribery legislation that is relevant to our business. Two key pieces of legislation are:

- The US Foreign Corrupt Practices Act (FCPA) prohibits bribes to government officials and applies to QinetiQ, its employees, agents, and representatives in its operations worldwide. This law forbids giving, offering, or promising anything of value to a government official (directly or indirectly) with the intent of influencing an official act, or causing an official to commit an unlawful act or omit any act ordinarily required in carrying out his or her lawful duty.
- The UK Bribery Act 2010 has four offences:
 1. To offer, promise or give a bribe (financial or other advantage)
 2. To request, agree to receive or accept a bribe
 3. Bribery of foreign public officials
 4. Failure of a commercial organisation to prevent bribery by persons working on behalf of the organisation

The first three offences may be committed by an individual or a company, whilst the fourth is a corporate offence committed by a company only.

This act applies to UK-incorporated companies and their affiliates, operating anywhere in the world and so it applies to all employees in QinetiQ Group, in any country and any subsidiary.

Just two key pieces of legislation are described here. QinetiQ employees and all consultants, agents and representatives are expected to comply fully with all applicable anti-bribery laws.

All of us need to be aware that bribery may not just take the form of cash payments. It is also possible for gifts and hospitality or other forms of inducement to be used as bribes. Facilitation payments (i.e. payments to government officials designed to secure or expedite performance of a routine government action) may be considered bribes under applicable law and are prohibited by the Company.

Further advice on gifts and hospitality is given on pages 24 and 33.

Bribery is unlawful and involvement of employees in giving, offering, requesting or accepting bribes constitutes gross misconduct and would result in dismissal as well as risk of prosecution and fines.

Offering gifts and hospitality

Exchanging courtesies such as modest gifts, meals and entertainment is a common practice meant to create goodwill and establish trust in business relationships. If we use good judgment and act with moderation, the occasional exchange of entertainment or gifts of nominal value may be appropriate, as long as such courtesies are not specifically intended to influence any procurement or sales decisions and are otherwise in compliance with applicable law and Company policy. Before offering or providing a gift, hospitality or entertainment to a customer, you should discuss the situation with your supervisor. These courtesies should always be in compliance with QinetiQ policy and processes, all applicable laws, local country customs, as well as the recipient's policies. There are some slight regional differences in how we need to manage this issue, based on legal requirements and customer expectations (for example where the customer is the US Federal Government, the law provides that the value of any single gift or meal may not exceed \$20 per incident or \$50 to any individual, in a year).

Additional restrictions apply when conducting international business activities. Please refer to page 23 for information regarding important anti-bribery legislation. You must also be aware of the rules regarding accepting and reporting gifts and hospitality discussed in section six.

Reporting gifts and hospitality

Expenses associated with any gifts or hospitality you provide must be fully and properly documented in accordance with applicable QinetiQ policy. It is also good practice to make a record of any gifts or hospitality that you have offered, even if it has been declined. This ensures that we are transparent in our approach which can help us if there was ever an accusation of impropriety. You should refer to your applicable policies.

Anti-trust and Anti-competition laws

'Anti-trust' and 'Anti-Competition' laws are blanket terms for a range of laws that protect the free enterprise/market systems by addressing agreements and practices which restrict or distort competition, or abuse a dominant market position. There are also laws that bar pricing that is intended to run a competitor out of business; disparaging, misrepresenting, or harassing a competitor; stealing trade secrets; bribery and kickbacks. You must ensure our contracts and practices are legally compliant (seeking advice where necessary) and never discuss or enter into agreements with our competitors regarding prices or sharing of markets and customers.

Disparaging competitors

We do not disparage competitors and their products. We may, carefully and prudently, make fair and factually based comparisons of attributes such as price and performance.

Gathering competitive intelligence

It is entirely proper to gather public information about the marketplace, including information about our competitors and their products and services. However, because we must compete fairly and avoid even the appearance of improper agreements and understandings with our competitors, we should not seek or accept any non-public information about their products, prices, terms, or marketing plans.

We may gather information about our competitors from legitimate outside sources, such as published articles, advertisements, publicly-distributed brochures, surveys by consultants, conversations with customers and other non-proprietary sources. In addition, we may accept competitive information when there is a clear and reasonable belief that both receipt and use of the information is lawful.

We must never attempt to acquire a competitor's trade secrets or other proprietary information through unlawful means, such as theft, spying, disclosures by the competitor's current or former employees, breach of a competitor's non-disclosure agreement by another party, or asking a newly-hired employee to reveal non-public information about a prior employer.

Advertising

QinetiQ promotes its products and services fairly, honestly and candidly. We do not engage in advertising that is untrue, misleading, deceptive, fraudulent, or falsely disparaging of competitors. Our promotional claims must always be truthful. All advertisements and other promotional material must be approved prior to release by your Marketing and Communications departments.

Insider information

QinetiQ Group plc is a publicly-traded company on the London Stock Exchange. Most of us have heard of restrictions on 'insider trading' but may not be sure exactly what it means. Basically, people are prohibited from using 'insider information' to purchase or sell financial securities (such as shares, stocks, bonds or options). Insider information is information that is not generally known and that, if known, would be likely to affect the value of a security or an investor's decision to buy or sell securities in that company. Examples of insider information may include any of the following, prior to their being announced to the general public: tender offers; anticipated acquisitions or disposals; trading results; earnings forecasts (both at mid-year and full year); and large sales or contract wins.

The law requires that you do not use insider information to profit or reduce losses from buying or selling securities. This means that you may not use insider information to trade, directly or indirectly, in the securities of any company, not just QinetiQ Group plc. Not only may you not trade but if you are in possession of insider information, you are precluded from passing on that inside information to any other person who may use it to trade.

Financial reporting

The consolidated financial statements of the QinetiQ Group must be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and for the Company under UK Generally Accepted Accounting Principles (GAAP), in accordance with applicable UK law and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

All subsidiaries of QinetiQ Group plc will also have to prepare (and submit to Group) financial information in accordance with IFRS (International Financial Reporting Standards) as adopted by the EU. They must also meet all relevant local filing requirements in response to financial and tax reporting.

Customer billing

It is vital to our reputation that we accurately record time, cost and materials. We may only charge those costs to customers that are allowable under the contract and any relevant laws. You should refer to your applicable policies.

Hiring government employees

Employment of ex-government officials can be subject to additional scrutiny to ensure compliance with applicable law.

Certain prohibitions on any QinetiQ company, wherever located, engaging in discussions with US Government employees or officials regarding non-federal employment are set forth in the Federal Acquisition Regulation (FAR). These prohibitions include, but are not limited to, periods of time a government official must wait before discussing employment by a company that solicits the official's former agency/department for business.

US regulatory affairs and contracting with the US Government

QNA and the other QinetiQ companies in North America operate in a highly-regulated environment and have numerous dealings with governmental agencies. We make every effort to comply with regulatory and reporting requirements at the federal, state and local levels of government. On a regular basis, we are required to record, compile, maintain and submit substantial information to these governmental agencies. QNA and the other QinetiQ companies in North America require all of their employees who prepare or submit information to governmental agencies to do so diligently and with the highest degree of accuracy and integrity.

US Government Federal Acquisition Regulation (FAR) requires that only allowable costs be charged to government contracts. For such costs to be allowable and reimbursable under government contracts, they must be reasonable in amount and allocable to government contracts either directly to the contract or indirectly through overhead.

For contracts with the US Government, certain costs are expressly disallowed. The extensive and complex regulations regarding allowable and unallowable costs require care and diligence for proper compliance. It is extremely important for all costs to be properly documented and accurately described.

Defective pricing is contract pricing that has been inflated by the failure of the contractor to disclose current, accurate and complete cost and pricing data. We must make sure our proposals comply with Company policy and current laws and regulations. Although not all of us will prepare the cost data to support proposals, it is nevertheless essential that we all understand the need for complete, current and accurate data to support such proposals. Each of us must feel free to question any element of cost, making sure it is adequately supported, so that the Company will not be subject to the allegation of 'defective pricing' at some future date. The US Truth in Negotiations Act requires certification by a contractor (such as QinetiQ) during negotiation of government contracts that cost data is accurate, current and complete. When we participate in a contract as a subcontractor, the prime contractor may require certification of cost and pricing data submitted, usually to a government auditor. In that case, treat the submission and certification with the same care as if dealing directly with the government. The government has the right to examine supporting data after the fact. It may assert that nondisclosure, inaccurate data or incomplete data submission constitutes fraud and could warrant fines or criminal prosecution.

We are required to inform the US Government and pass along any cost changes that have developed between the time a US Government proposal was submitted and the signing of the Certificate of Current Cost or Pricing Data.

The False Claims Act (FCA) provides that any person who knowingly submits false or fraudulent claims (such as contract invoices) to the US Government or causes another to submit a false claim to the Government or knowingly makes a false record or statement to get a false claim paid by the government, is liable for severe penalties that can include treble the government's damages plus a penalty for each false claim. Knowledge of false information is defined as being: (1) Actual knowledge; (2) Deliberate ignorance of the truth or falsity of the information; (3) Reckless disregard of the truth or falsity of the information.

We ensure that all invoices and claims submitted to the government are accurate and complete.



Section 4: Shareholders and the Company

QinetiQ is committed to pursuing sound growth and profit objectives and to exercising care in the use of its assets and resources. We operate in the best interests of our shareholders and the Company as a whole.

Books and records

We will ensure that all Company reports, including time sheets, vouchers, bills, payroll and service records, performance evaluations and other essential data, whether computerized or paper, are accurate and proper. There are specific requirements on QinetiQ Group as a publically-traded company listed on the London Stock Exchange. Accordingly, to the best of our abilities:

- We must follow all laws, regulations and our policies and procedures for carrying out, reporting and recording business transactions
- We must comply with all internal and external accounting controls and records management requirements
- We must never create a false or misleading report or record

Company time

While meeting our obligations to our customers and shareholders, we will make the best use of our time and that of our colleagues and suppliers. We must truthfully and accurately report our work hours.

Company property

We are responsible for protecting the Company's assets and preventing their misuse. Company assets are intended to help us achieve business goals and should not be used for personal gain. Carelessness, theft, inefficient use, and waste of Company assets hurt our profitability and can put our jobs at risk. Using Company funds or assets for any unlawful or improper purpose is strictly prohibited.

Company funds

We must properly use and protect Company cash and its equivalents, including currency, postage, charge cards, bills, vouchers and reimbursement claims. This includes making sure that all claims, vouchers, bills and invoices are accurate and proper. Corporate charge cards, like all corporate assets, are to be used only for Company business.

Intellectual Property

Intellectual Property laws enable us to protect valuable assets, including patents, trademarks, copyrights, trade secrets and proprietary information. Many Company documents, whether or not marked as such, are proprietary in nature. These include, but are not limited to: proposals, marketing plans, sales and marketing data, financial information, customer and employee records, research and technical data, strategies, and information pertaining to new products and services. Safeguard all proprietary documents and information. Record promptly and fully what you have created. Tell your supervisor about any new works of authorship, technological advances, technical drawings, or unique solutions to business problems created on behalf of the Company or its customers.

This will enable us to take measures to protect these inventions or new works under applicable patent, trademark, copyright, or proprietary information laws and regulations. Properly identify the Company's trademarks and service marks by using symbols such as '®', '™' or 'SM' when using our marks in text. Copyrighted works should contain the notice '© (year of creation) QinetiQ' (or FMI or other subsidiary, as applicable).

Be aware that under Freedom of Information legislation, records may be requested from government and so correct marking is important to protect intellectual property.

Computer and network security

Computers and their associated software, data and operations are the backbone of our network and operations infrastructure. These systems contain information vital to operating our communications and information networks, billing customers and conducting our communications and marketing functions. We must protect and maintain the security of information used to access our networks, including IDs, passwords and pass codes, building access key/swipe cards, computer systems, including corporate data and application software.





Section 5:

The public and community

We are committed to actively participating in and improving the communities in which we do business. We follow the laws of the countries in which we operate and apply the more stringent standard when legal requirements conflict.

Public and media relations

When the media call, you should immediately refer them to your regional point of contact for external communications. This will help ensure that we are delivering consistent, accurate and non-confidential information. All press releases, interviews, and contributed articles issued on behalf of the Company must be coordinated with your communications team.

Political activity

The countries in which QinetiQ performs business have laws governing corporate contributions to political campaigns and parties and QinetiQ will ensure it abides by all relevant laws.

You are free, in a personal capacity, to engage in political activity. If you choose to be involved with political activities, you must make sure that by doing so you do not give the impression that you are speaking or acting on behalf of QinetiQ.

No employee may receive any direct or indirect reimbursement or offsetting refund of any kind for political contributions made by them. No employee should ever be forced to make a political contribution by any other employee.

Being a responsible business

The community is an important stakeholder and we are committed to contributing to the community through a number of initiatives that serve local interests. One of the ways in which we achieve this is by encouraging employees to commit their time and expertise to support local and wider society issues. In addition to fundraising activities for a range of good causes, we are proud of our work with schools and students where we aim to inspire the next generation of scientists and engineers.

QinetiQ receives a large number of requests from charities for support. Do not commit to any donations unless you have the authority from the appropriate person. It is important that any corporate giving is in line with strategy, clearly recorded in our records, reported and does not result in a conflict of interest.

QinetiQ has an impact on the environment, through the resources we use (such as energy) and the waste we produce. We are increasingly putting steps in place to reduce our impact on the environment. Ensure you are aware of local initiatives and play your part in supporting them.



Section 6: Conflicts of Interest

Actual, perceived, or potential conflicts of interest in our employment and investment activities can be detrimental to the Company. We are committed to fair competition, and to the sense of responsibility required of a good customer, employer, and supplier.

Conflicts of Interest and the Duty to Report

A conflict of interest arises when an individual or the Company is involved with multiple interests, one or more of which might possibly influence the motivation for an act in the other. Even the appearance of a conflict of interest can be damaging to your reputation, and to QinetiQ's. Many conflicts of interest can be resolved in a simple and mutually acceptable way.

In this section, there are a number of possible scenarios.

Outside employment

It may be permissible for you to work for another company as long as doing so does not compromise your obligations to QinetiQ or our customers; you should inform your line manager so they can assess any conflict of interest.

If the outside employment is with a company that is a customer, supplier, or provider of goods or services to QinetiQ, or if the work to be performed falls within the scope of products or services the Company offers, or you are engaged in any business which is competitive with or in conflict with the interests of QinetiQ, you must obtain the written approval of your direct supervisor and the Office of Corporate Ethics prior to engaging in such employment and comply with your local policies.

UK Ministry of Defence compliance regime

In the UK business, QinetiQ operates in accordance with the Ministry of Defence (MOD) Generic Conflict of Interest Policy, which specifies how potential conflicts of interest, when QinetiQ is involved on an opportunity the UK defence Supply Chain, should be detected and managed. To discharge this responsibility, QinetiQ has introduced a Compliance Cell to both provide support to the Company when making a compliance declaration and to assure the adherence to the policy.

Additionally, there is a requirement that all our subsidiaries (including overseas) should declare to the MOD when they are involved in opportunities that could relate to UK MOD programmes to determine whether their involvement could cause a conflict with any activities being undertaken within the UK business.

Conflicts of Interest

Personal investments

You should not have a substantial investment, either directly or indirectly, in our competitors, customers, or suppliers. Such relationships may be viewed as improper and could result in loss of objectivity in your business decisions on behalf of QinetiQ. A substantial interest in a competitor, customer, or supplier exists when you own more than one percent of that company's value. If you have a substantial interest in a competitor, customer, or supplier, you are obligated to report this information to the Ethics Officer. The same reporting requirements apply to 'material' investment interests in a competitor, customer, or supplier, even if these are not substantial. Materiality is based on the specifics of the situation. Any of us involved in a business transaction, where we have a direct or indirect interest in the other company, should inform your regional Ethics Officer of this relationship.

Personal relationships

Business transactions with close family members and close personal friends can also constitute a conflict of interest. Examples include; selecting products supplied by a friend or family member or offering employment to a friend or family member (this is different from recommending QinetiQ as a great place to work). Such situations might influence your objectivity in making decisions on behalf of the Company, or create the impression that your objectivity may be influenced.

Disclosure of an actual or potential conflict may permit you or the Company to enter into a transaction that might otherwise appear to present a conflict of interest.

QNA colleagues

In QNA, the Company prohibits hiring anyone who would report to a close family relative.

Accepting gifts, gratuities and entertainment

Generally speaking, employees may only accept gifts, hospitality or entertainment of nominal value in connection with business. While it is difficult to define nominal by means of a specific cash amount, a common sense determination should tell you what would be considered lavish, extravagant, or frequent. It is your responsibility to ensure that accepting gifts, hospitality or entertainment could not reasonably be construed in any way as an attempt to influence your independence, objectivity, or judgment. This is particularly important if you are making decisions about contract placement.

Anti-bribery and corruption legislation (such as the US Foreign Corrupt Practices Act and the UK Bribery Act, see page 23) make accepting, soliciting, offering or giving a bribe a serious offence which may result in prosecution and fines. Bribes are not just cash but may be a range of financial or non-financial advantages, such as:

- Commission to a person connected with a client or customer
- Lavish corporate hospitality
- Travel and shopping trips
- Summer placements
- School fees
- Political or charitable donations
- Other benefits or services

You may never accept a gift of cash, stocks, bonds, or similar items in connection with business.

You must also be aware of the rules regarding offering gifts and hospitality to customers discussed in section 3 'Customers and the marketplace'.

Reporting gifts, gratuities and entertainment

If you are offered a gift or an invitation to an event, even if you decline it, it is good practice to record through the appropriate channels as defined in your local policies.

Abbreviations

AECA	Arms Export Control Act
BIS	UK Government Department for Business, Innovation and Skills
DEFCON	Defence Conditions (UK MoD)
EAA	Export Administration Act
EAR	Export Administration Regulations
FAR	Federal Acquisition Regulation (and agency supplements) (US Government)
FCA	False Claims Act
FCPA	Foreign Corrupt Practices Act
FMI	Foster-Miller, Inc. (operates under proxy agreement)
FOIA	Freedom of Information Act
GAAP	Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standards
ITAR	International Traffic in Arms Regulations
MOD	Ministry of Defence
QNA	QinetiQ North America

Notes

Notes



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The QinetiQ logo, featuring the word "QinetiQ" in a bold, blue, sans-serif font. The letter "Q" is stylized with a thick stroke and a small tail.