

QINETIQ

Code of Conduct

The way we work



QinetiQ Group plc and subsidiaries
April 2018



Our values

Integrity,
Collaboration,
and Performance

must always be at the heart of what we do.

Message from Steve Wadey, Chief Executive Officer

As a business it is important for us to focus on what we need to achieve to be successful. Our vision is to be the chosen partner around the world for mission critical solutions, innovating for our customers' advantage. Our strategy, which focuses on UK Test & Evaluation, Innovation and International, ensures we have a clear remit on how to grow our company.

Being clear about what we do is critical. Just as important is how we do it: the behaviours we expect of each other to ensure we operate to the highest ethical standards. Our values – Integrity, Collaboration, Performance – must always be at the heart of what we do.

This Code of Conduct explains the values and standards we expect of ourselves and those around us. It helps us to make the right decisions; whether serving our customers, winning new business, recruiting the right people or working together.

It is our guide on how we are expected to behave, every day, without exception; it applies equally to me, our leaders, managers and all employees. Failing to operate with integrity, by paying bribes, cheating customers, or being negligent of safety or environmental obligations, can cause long-term damage to a business and its reputation; we must not be one of those companies.

There will be times when doing the right thing means we don't win an opportunity. Work that compromises our values or standards is not work we want to do. Have confidence that I will support you 100% if you do the right thing and walk away from this type of work; you are protecting QinetiQ.

Doing the right thing also means speaking up when you think something is wrong and is compromising our standards. Please talk to your manager, Human Resources, or our Chief Ethics Officer. If you don't feel comfortable doing so, you can call our external confidential reporting line. If you raise a concern in good faith, retaliation will not be tolerated.

The trust our stakeholders and customers have in us has been hard earned. It's up to all of us to ensure we continue to build a company of which we can all be proud.

Steve Wadey

Chief Executive Officer

Why have a Code of Conduct?

It's important to have a common framework of standards across our business, something we can all refer to and apply as needed; our Code acts as our ethical compass.

That's why all employees, leaders and directors across QinetiQ Group, including our subsidiaries and operating groups (collectively known as the 'Company') need to read and abide by this Code of Conduct. We also share the Code with suppliers, business partners, associates and other stakeholders.

A starting point

Designed to help us make informed decisions, the Code is an overview of our Company standards, commitments and expectations, whatever our role or our location. It includes information on areas of the law, resources available, and where to go for help or advice. It's a starting point.

We are a growing international business and business dealings may be complex so our judgement must be driven by our values and standards.

To learn more about specific standards, laws and regulations that apply to your own role or region, talk your line manager, review your local business operating frameworks, or contact our Chief Ethics Officer. It's impossible for any Code to identify every circumstance you may face. If you're in any doubt about any issue or situation, ask for advice.

Consequences

All employees are expected to comply with the principles and standards within this Code and with local policies. If we fall short and violate the spirit or letter of our standards, this can lead to disciplinary action and, in serious cases, termination of employment.

This Code of Conduct will be updated periodically to reflect best practice and the developing needs of our business.

QinetiQ North America

Foster-Miller, Inc. and its subsidiaries that trade under the name 'QinetiQ North America' (QNA) are required by the US National Industrial Security Program to maintain facility security clearances and be "insulated from foreign ownership, control or influence".

To comply, some members of the QNA 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 agreement very seriously and understand there are certain distinctions between QinetiQ Group and QNA business requirements.

This Code is formatted to highlight that, in some cases, different requirements apply to QNA. Where differences exist, QNA employees must follow requirements specific to them as marked in shaded boxes.

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Section 1:

The basics



Our values

Our values underpin who we are and what we do.

Integrity

Trusted to do the right thing at all times, we take pride in our decisions, and work to create a sustainable and responsible business.

We are responsible and accountable for all our actions. We take personal responsibility to do the right thing, demonstrating this individually and as an organisation in our decisions, behaviour and day-to-day actions. We actively support each other to meet the highest ethical and professional standards.

Collaboration

The chosen partner for customers and industry colleagues, we are a diverse and inclusive community with a common purpose; every contribution is valued.

Delivering value through partnership and teamwork, we actively collaborate with our colleagues, customers and industry partners to bring together the best thinking, the smartest talent and breadth and depth in capability to our work. We know that working together is the best way to meet our customers' needs.

Performance

Customer focused and highly responsive, providing operational excellence and assuring safe and secure delivery.

Our performance is measured by how we deliver for our customers; meeting their needs through flawless execution and delivery of the mission-critical solutions on which they depend. This includes being accountable for getting things right first time, safely, securely and in a cost effective way. Taking an innovative and responsive approach to create an outstanding customer experience, we try to go the extra mile and act with courage.

Setting the standard

QinetiQ Group and its subsidiaries are committed to acting in the most professional, respectful and ethical ways at all times.

For our people

We treat you honestly and fairly, respecting your dignity, and promoting ethical conduct and our values – integrity, collaboration and performance. We do not tolerate violence, harassment or unlawful discrimination. We listen to your concerns and take appropriate action.

For customers, partners and the market in general

We are honest and fair in all dealings with customers and industry partners, competing lawfully and ethically. We take responsibility, keep our promises and stand behind our work. We select suppliers and partners based on price, service, technical leadership, quality, ethical standards and reliability. We work fairly with suppliers, subcontractors, business partners and others who contribute to our work. We abide by the laws of countries in which we operate.

For shareholders and the Company

We operate in the best interests of the Company and its shareholders, pursuing sound growth and earnings objectives and being prudent in allocating our resources. We are open and clear about our operations and performance.

For our communities and the world around us

We engage with and work to improve the communities in which we live and work. We respect the human rights and dignity of individuals, and work to reduce our environmental impact.

An ethical business

QinetiQ is an ethical business, which means a set of standards guide our conduct.

Behaving ethically goes beyond simply following the letter of the law: it extends to our business culture and interactions, how we live our values and develop the attitudes and outlook so we can make the right choices.

No perceived short-term or long-term gain justifies violating our standards and values.

While this Code covers many laws and regulations, it cannot address them all. It starts from the principle that we all have a basic responsibility to abide by the law, meaning we need to know the basic laws and regulations that apply to our roles, and be unafraid to ask the experts if we're uncertain.



What does being responsible and accountable mean?

Ethics is a shared responsibility of all QinetiQ employees and other stakeholders as they support the success of our business.

Leaders and managers

Leaders and managers are role models for our values and standards at all times. They are responsible for promoting and upholding our standards, providing advice and guidance and ensuring employees have the right knowledge and resources to follow our standards and meet legal requirements. Managers are also responsible for monitoring the compliance of their teams (for example, annual mandatory business ethics training). Managers must maintain an environment that is safe for people to raise concerns in good faith.

Employees

Each of us is responsible and held accountable for ensuring our Company standards of conduct are met at all times.

We have to be familiar with and meet all standards and follow procedures that apply to our jobs. We're also responsible for seeking advice, raising concerns and reporting misconduct. We must take personal responsibility for acting professionally.

Third parties

The actions of third parties have the potential to impact on our business and reputation, so we expect appropriate standards from business partners, associates and others acting for the Company. Indeed, we may be liable for the actions of others – for example, the UK Bribery Act 2010 includes criminal charges against a company for the unlawful actions of those providing services on its behalf – so all third parties need to fully understand our standards and expectations.

Section 2:

If things go wrong



When to seek help

If you think something is wrong you should act as soon as possible. Don't look the other way.

Be aware of what's happening around you, ask questions and, if necessary, bring your concerns into the open. If we identify and deal with an issue early it can stop it becoming more serious.

Seek advice

Always seek advice when you're unsure about the legality or ethical propriety of a course of action. You may run into situations where Company standards don't address an issue or are unclear, when legal requirements are complex, or when you have limited experience in dealing with the matter. It's always better to ask for help than to risk getting it wrong.

Raise concerns

It's important to raise concerns or ask questions about risks before they become a problem. This could involve situations where you believe you or colleagues run the risk of violating standards. If you are concerned, it is better to raise an issue in good faith than say nothing, because you worry you might be wrong or it is none of your business.

Report misconduct

There's a clear expectation for you to report suspected or known violations of standards; you may have seen a violation, heard about one, or suspect one has taken place.

Managers

If you're a manager and are told about a breach of standards or possible ethics violation, you must contact the appropriate Ethics Officer or applicable helpline immediately. If appropriate, you should also inform your direct manager.

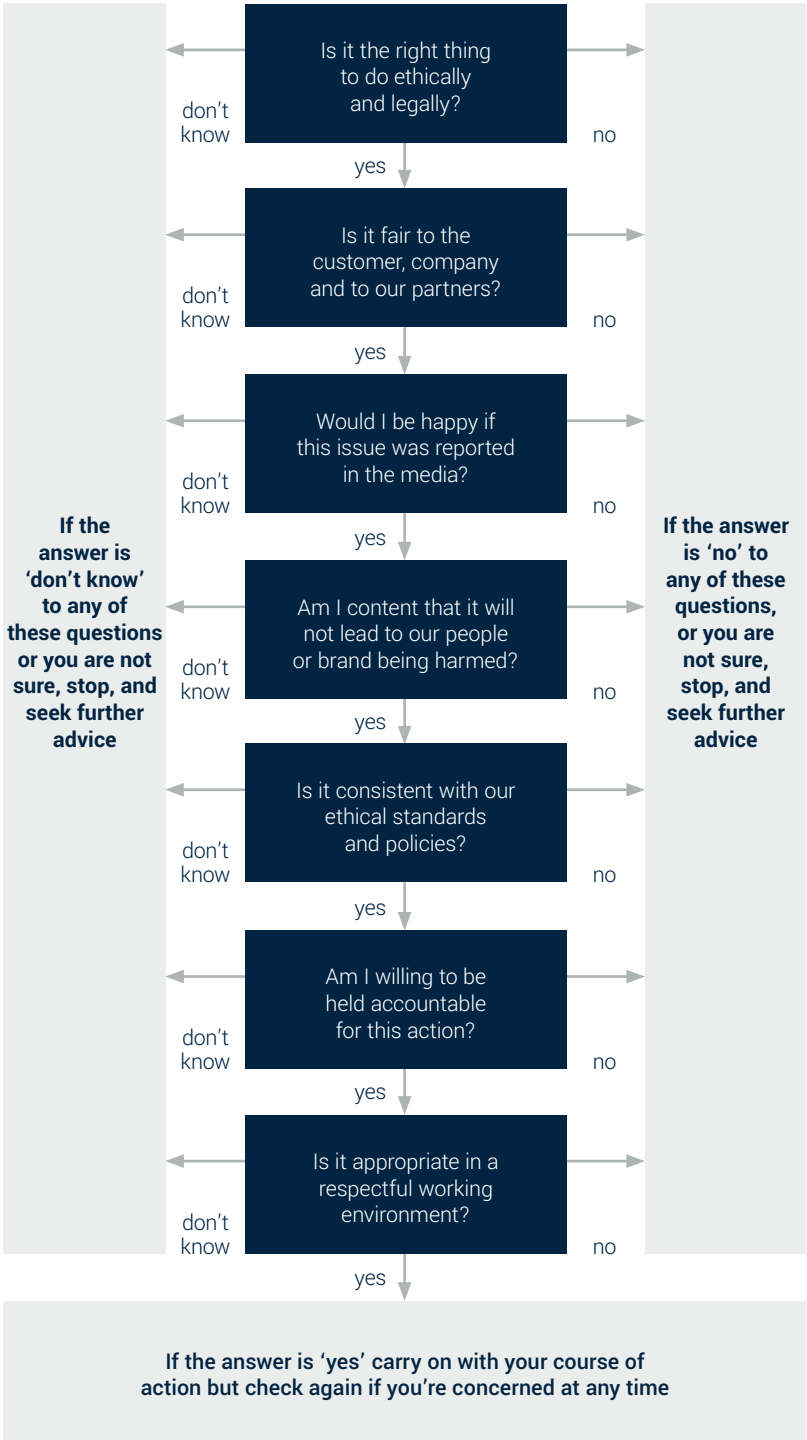
On page 17 we provide contact details and on page 19 there are details on confidentiality and non-retaliation.

Ethical action test

Ethical issues can sometimes create real challenges in knowing what to do.

The following helps guide you through ethical decision making when the issue may seem 'grey'.

If you can answer 'NO' to any of these questions, you probably have an ethical issue and you should discuss it with your manager. If the answer is 'don't know' you need to seek advice.



What to do next

If you've decided there may be an ethical issue to report, you need to take action. This guidance can help you to decide what to do.

Clarify

- Do you have enough information to make a decision?
- Who are all the people who could be affected by the issue and any outcomes?
- Have you informed or consulted everyone necessary?
- Have you asked the opinion of a trusted colleague?
- What are the options available to you?

Evaluate

- Is the action you think you should take in line with Company policy and the law?
- Consider who will be affected by your action: employees, customers, suppliers
- Think about what may be influencing your ideas (e.g. personal views, pressure to meet targets)
- Can you defend this decision, could it be shared publicly, does it meet our ethical standards?

Act and reflect

- Implement your decision while considering the best outcomes for all stakeholders, in line with our standards, policies and the law.
- Consider how your decision turned out, and what you've learned.

Getting in touch: seeking advice and speaking up

There are a number of ways to seek advice or raise a concern – whatever route you choose, and wherever you are located around the world – we are committed to helping you.

In most cases, you should approach your manager first with questions or concerns about business conduct.

He or she is often the person most familiar with your situation and may be able to provide the fastest response.

You can also talk to other people in the business you feel comfortable with, such as Human Resources.

The following strategic roles have also been established:

- QinetiQ Group Chief Ethics Officer, Group General Counsel, reporting to the Board of Directors
- QNA Chief Ethics Officer, required due to proxy arrangements, reporting to QNA Board of Directors
- The Business Ethics committee, chaired by QinetiQ Group Chief Ethics Officer

QinetiQ Group contacts excluding QNA

To get advice, ask questions or report a concern.

The following details are for employees anywhere in the world.

Email: ethics@QinetiQ.com

Write to: Group Chief Ethics Officer (QinetiQ Group General Counsel), Building A1, Cody Technology Park, Ively Road, Farnborough, UK GU14 0LX

Speak up confidentially: if you feel you cannot raise an issue within the business, please use the externally provided confidential reporting system as follows:

Through the website at <https://QinetiQemea.alertline.com>; as QinetiQ web traffic is logged you may want to use an external internet connection to ensure confidentiality, such as from home or an internet café.

Or call 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**

USA

dial **1800 225 5288** followed by **888 484 6943**

All confidential reporting is managed strictly in line with our Confidential Reporting Group procedure (which is on the Operating Framework). The process is reviewed regularly by our Board Audit Committee.

**For employees in QinetiQ North America:
Getting in touch**

To get advice, ask a question or report an issue or concern:

Email

ethics@QinetiQ-NA.com

Call

(781) 684 4281

Write to/visit in person:

350 2nd Ave, Waltham,
MA 02451

Anonymously through Confidential Reporting

An independent third party runs the QNA Ethics Helpline and Alertline website. The toll free number, accessible any time from within and outside the USA, is 1-888-400-4511.

The website is <https://QinetiQ.alertline.com>.

You may want to use an external Internet connection to further ensure confidentiality.

Please note, employees from other parts of the QinetiQ Group must not use these contact details, as they require specific permissions under the proxy arrangements. The details on the previous pages must be used.

Our commitment to you

We want you to be confident in sharing concerns and asking questions regarding conduct and ethics.

The following is what we do to support our people.

Your confidentiality

All contact with the Group Ethics Officer or QNA Office of Corporate Ethics is treated as confidential. We use all possible means to protect your identity. However, in some situations this may not be possible, such as if you were the only person who could have made a call or are reporting misconduct by a manager with only one direct report.

Getting back to you

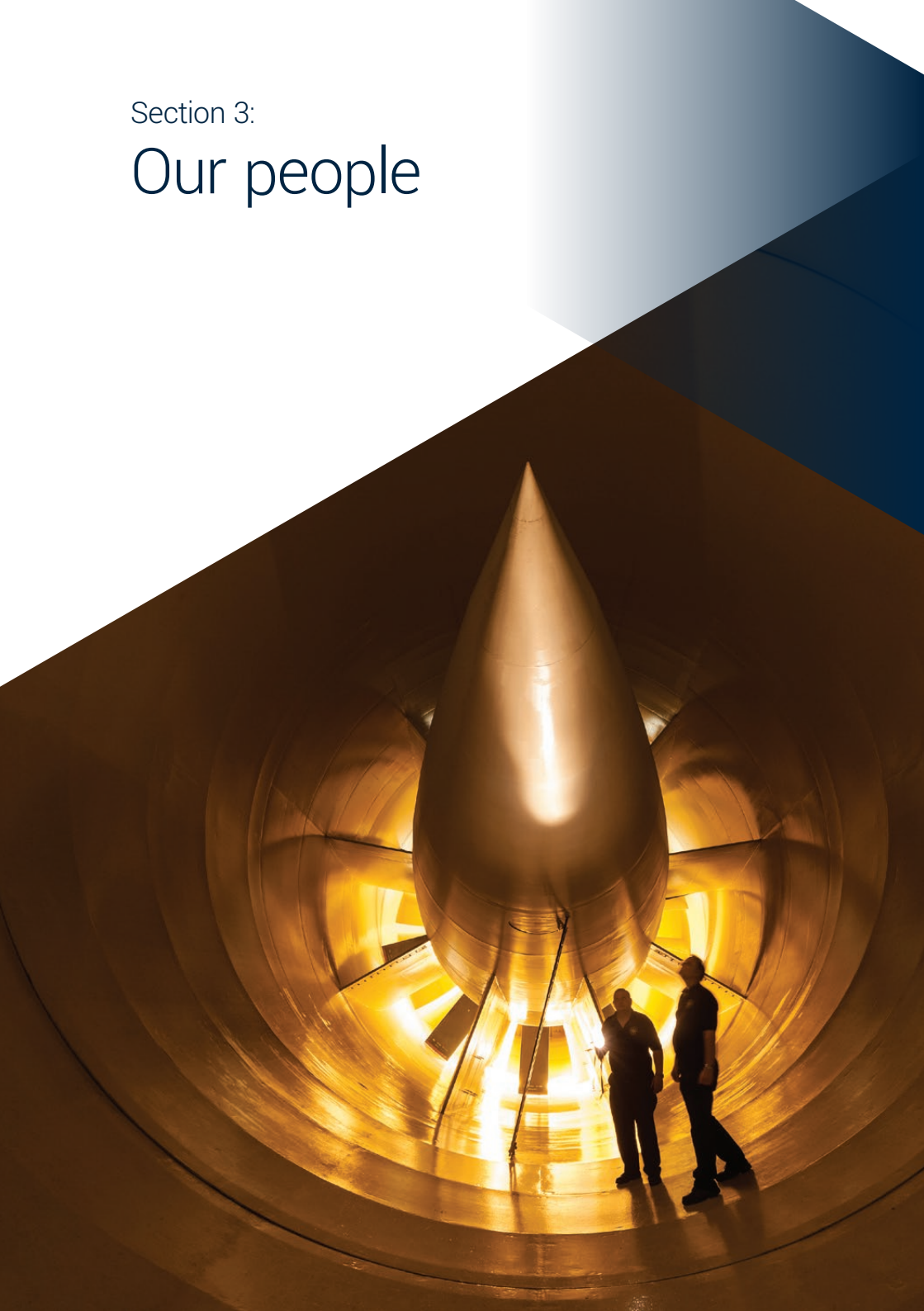
All contact with the Group Ethics Officer, QNA Office of Corporate Ethics or the externally provided confidential reporting system will receive a prompt response. If your concern requires an investigation, status reports may be provided, and people wanting to remain anonymous are given a tracking number to follow progress.

Non-retaliation

Retaliation or victimisation against people who seek advice, raise a concern or report misconduct in good faith will not be tolerated. Retaliation is counter to our ethical standards and individuals may also have protection under local laws. Anyone who tries to undermine or penalise an individual solely for raising a concern in good faith will be subject to disciplinary action. If you suspect you've been victimised, threatened or retaliated against, immediately contact the QinetiQ Group Ethics Officer (QinetiQ Group excluding QNA) or the QNA Office of Corporate Ethics (QNA).

Section 3:

Our people



This section of the Code outlines the Company's commitments to you, and describes the conduct and behaviour expected from our people to ensure a respectful and inclusive environment.

This is a people business. That's why QinetiQ is committed to providing a respectful and inclusive working environment where everybody is treated honestly and fairly, in safe and secure workplaces, with a culture that supports everyone. We are all responsible for ensuring our behaviours and actions support our standards.

Conflicts of interest

These are situations when competing interests may impair our ability to make unbiased decisions. We need to avoid any relationship, influence or activity that might impair our ability to make fair and objective decisions when performing our job. If we believe there is, or may be, a conflict of interest, we have to report it to the responsible manager. Many problems in this area can be resolved in a simple and mutually acceptable way.

For more advice on specific issues which may cause a conflict of interest please see sections on; Outside employment, Personal business relationships, Personal investment and Personal relationships at work (all on page 24) and UK MOD Compliance on page 33

Drugs, alcohol and substances

Using drugs, alcohol and substances limits our ability to work safely, which puts people at risk. We must never work while under the influence of alcohol, illegal drugs and/or prescription medication that can impair our ability or that creates an unsafe working environment. If alcohol is served during work events, we need to exercise moderation and good judgement.

QinetiQ North America: additional information on drugs, alcohol and substances

As a Government contractor, failure to comply with Company policies and the Code of Conduct could result in the loss of contracts with the US Federal Government. Any employee 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.

Equality, diversity and inclusion

We are committed to a workplace free of discrimination that supports equality, diversity and inclusion amongst our people. Working in a respectful environment means unlawful discrimination will not be tolerated. We recruit, select and develop our people based on merit and irrespective of their race, colour, religion, gender, age, sexual orientation, marital status, disability or any other characteristic.

Harassment and bullying

We do not tolerate violence, bullying, harassment or unlawful discrimination of any kind towards employees, workers, contractors, suppliers, customers or anyone else we deal with. For example, using abusive or inappropriate language during performance reviews is prohibited. At the same time, conversations and reviews that raise the need for performance improvements or changes in behaviour do not generally constitute harassment or abuse.

Freedom of Association

We recognise and respect our people's rights of freedom of association, for example being members of our Employee Engagement Group, a works council or a Union.

Health and safety

We are committed to providing a safe, healthy and secure working environment, for our employees, contractors, customers and anyone who may be affected by our activities. We have established appropriate policies and procedures and access to expert in-house advice to manage issues which may arise. We all share responsibility for complying with relevant health and safety laws and regulations, and Company policies on health and safety, so everyone is encouraged to play an active role in ensuring our environment is safe and to report concerns promptly. The Safe for Life programme has been introduced to focus on our behaviours and our safety culture.

Online behaviour and cyber security

Occasional use of the internet for personal reasons is allowed if such use is reasonable, doesn't interfere with job responsibilities and complies with Company policy. Using the internet for inappropriate purposes is strictly prohibited.

It's also important that you stay safe online. When you use the internet, you're expected to follow all security procedures and controls to protect the security of our data and networks. Indeed, all users of the Company network need to reference and comply with relevant local policies including, for example, guidance on social media for work and on personal usage.

Outside employment

You may, in certain cases, be allowed to work for another employer so long as this does not compromise or impede your obligations to QinetiQ and its customers. You must tell your manager so they can assess the situation. 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 falls within the scope of products or services the Company offers, or you're engaged in any business that's competitive with or in conflict with the interests of QinetiQ, you need to obtain written approval from your manager and the Chief Ethics Officer before engaging in such employment.

Personal business relationships

Business transactions e.g. with customer or supplier involving close family members and close personal friends can constitute a conflict of interest and must be declared to your manager and the Chief Ethics Officer via ethics@QinetiQ.com.

Personal investments

Having a substantial investment directly or indirectly in a competitor, customer or supplier could be a conflict of interest. Such relationships might be viewed as improper. A substantial interest exists when you own more than 1% of a company's value. If you have an interest like that, you're obligated to report it to the Chief Ethics Officer.

The same reporting requirement applies to 'material' investment interests in a competitor, customer or supplier, even if they're not substantial. Any employee involved in a business transaction where he or she has a direct or indirect interest in the other company has to inform the regional Ethics Officer of the relationship.

Personal relationships at work

If you form a personal relationship with somebody at work that might lead to a conflict of interest or loyalty, it needs to be declared to your local Head of HR. An example could be if one party has a supervisory role or authority over the other relating to appraisal, salary or promotion prospects.

Privacy and Data Protection

We are all responsible for keeping personal data secure, observing the privacy of individuals and respecting the personal data of all Company stakeholders. We collect and process large volumes of data in written and electronic format, including personal data relating to customers, suppliers and individuals, and including past and present employees. This is mainly held by individual group companies in line with applicable laws and Company policies to meet business needs and legal requirements. We must delete data we do not need.

Storage and transmission of data

We all have to take extreme care in the proper use, storage and transmission of data and take appropriate technical and organisational measures to protect data from accidental or unlawful destruction and accidental loss, alteration, unauthorised disclosure or access.

The Company monitors all messages sent and received via the internet. All email messages, and associated attachments are subject to interception and monitoring for lawful business purposes and compliance to Company policy. The Company may periodically review and monitor facilities and records for security and other lawful business purposes. If you are unclear about any of these obligations, contact your local Data Protection Officer.

Security Culture

Security culture and good security behaviour and practice are essential for QinetiQ to demonstrate to our customers that we understand our responsibilities in terms of the appropriate handling of sensitive and classified information and personal security. It is also mandated as part of our accreditation and regulatory requirements. The Security Handbook articulates how QinetiQ expects people to behave in order to protect themselves and QinetiQ information, assets and property.

Section 4:

Our customers and other partners



This section of the Code describes how we're expected to behave in our relationships with customers, industry partners, suppliers and the wider marketplace.

Our business is focused on delivering the right outcomes for customers; to meet current needs and identify and recommend solutions to help them tomorrow. With every customer contact, we have to live our values and apply the highest ethical standards. The marketplace expects nothing less.

Anti-bribery and corruption

We operate a zero tolerance approach to bribery and corruption in any form: we do not offer, promise, give or receive bribes or any other form of inducement, regardless of value, for any purpose, whether directly or through a third party. We don't make facilitation payments, another form of bribery, nor allow third parties to do so on our behalf. The definitions are simple:

- A bribe includes any payment, benefit or gift that's offered, promised, given or received with the purpose of improperly influencing an outcome or decision to gain a business advantage
- A payment may not necessarily be of a large value and may not be in the form of cash; it could be lavish hospitality.

Facilitation payments are usually small unofficial payments to government officials to speed up a routine action we are legally entitled to, for example a customs official requesting a payment or gift to release imported goods or to process a visa application faster.

The safety of our people is paramount and we should never refuse to make a payment if we are faced with a threat of or fear of violence or loss of liberty. In this situation, where the payment is clearly unavoidable, we should make the payment and report it as soon as practicable to your manager.

Bribery is unlawful and involvement of any employee in giving, offering, requesting or accepting bribes constitutes gross misconduct and would result in dismissal and potentially prosecution and fines. You must report any instances of suspected bribery or fraud immediately.

Commercial intermediaries

Using any commercial intermediary, representative or agent to act on behalf of the Company, including resellers or distributors, needs prior approval from the QinetiQ Business Ethics Committee. We have to follow our strict internal controls on appointing and monitoring intermediaries at all times.

Gifts and hospitality

Exchanging modest gifts, meals and entertainment can be a common practice meant to create goodwill and establish trust. But such exchanges can also be seen as an attempt to improperly influence someone. You need to think carefully before giving or receiving, especially if that gift could be seen in any way as an attempt to influence independence, objectivity or judgement. We have to ensure that any gifts or hospitality given or received are clearly for business purposes and are reasonable and appropriate. Gifts of cash, stocks, bonds or lavish hospitality are never permitted.

Any exchange of gifts or hospitality has to comply with our policies and local laws, and you must record gifts or hospitality offered or received, even if declined, as defined in local Company policies. Some governments have stricter requirements, so please ensure you understand rules and regulations applying to the country you're dealing with. If in doubt, ask for advice. If we use good judgement and act with moderation, the occasional exchange of entertainment or gifts of nominal value may be appropriate, providing they are neither offered nor received too frequently or at inappropriate times (e.g. during contract negotiations).

Customer billing

It's vital to our relationship with customers and for our wider reputation that we accurately record the time, costs and materials used for customer billing. We only charge costs to customers that are allowable under the contract and any relevant laws. Please refer to the policies that are relevant to you.

Customer regulations

It's essential to be aware of regulations applying to your specific business dealings and to ask for help if uncertain. This is because a major part of our business covers government customers who maintain stringent regulations and requirements. In the US, this includes Federal Acquisition Regulations (FAR). In the UK, the Ministry of Defence (MOD) operates under the Acquisition Operating Framework, including specialist requirements like Defence Conditions (DEFCON).

Disparaging competitors and gathering competitive intelligence

We do not denigrate or belittle competitors, their people and products. However, we may – carefully and prudently – make fair and fact-based comparisons of attributes including price and performance.

We do not seek or receive competitive intelligence by illegal or unethical means.

Carrying out customer contracts

Once awarded, all contracts must be performed in compliance with their terms. This includes accurately allocating costs to contracts in the right ways, for example ensuring we always correctly charge time sheets and overhead costs.

Export controls and sanctions

Our commercial success in part depends on our ability to conduct business around the world. This means we have to comply with all applicable import and export control laws and regulations including embargoes, sanctions, and anti-boycott rules.

You're expected to understand any sanction, import and export control requirements relating to your work and ensure decisions and activities are in line with those requirements.

Ask for advice if you're unsure. If the following regulations and other laws are broken, an individual can face gross misconduct and would risk dismissal as well as substantial fines and imprisonment. Some key examples are:

- **UK:** Export Control Act 2002 , including the Export Control Order 2008 (ECO 2008) as amended.
- **USA:** Arms Export Control Act (AECA) of 1976, including the International Traffic in Arms Regulations (ITAR) as amended.
- **USA:** Export Administration Act (EAA) of 1979, including the Export Administration Regulations (EAR) as amended.
- **Australia:** Customs Act 1901, including the Defence Trade Control Act (DTCA) 2012 as amended.
- **Canada:** Export and Import Permits Act (EIPA)1985 as amended.

Controls regarding trade and financial embargoes and sanctions are imposed under various legal authorities administered by government departments including DIT, HM Treasury, US Office of Foreign Assets Control (OFAC) and with all local regimes.

Hiring Government employees

We have to be aware that the employment of ex-Government people may be subject to additional scrutiny to ensure we are complying with applicable laws. If in doubt, ask for advice.

Inside information

QinetiQ Group plc is a publicly traded company on the London Stock Exchange, with 'inside trading' rules that mean employees are prohibited from using 'inside information' for buying or selling financial securities including shares, stocks, bonds and options. 'Inside' information is information not generally known and that, if known, would be likely to affect the value of a security or influence an investor's decision to buy or sell securities.

Examples include any of the following, prior to information being announced to the public: tender offers; anticipated acquisitions or disposals; trading results; earnings forecasts at mid-year and full year; and large sales or contract wins.

The law requires that you do not use inside information to profit or reduce losses from buying or selling securities; you cannot use inside information to trade, directly or indirectly, in the securities of any company, not only QinetiQ Group. You are also unable to pass inside information to any other person.

Complying with Anti-trust and Anti-competition law

These are blanket terms for laws that protect free enterprise and market systems by addressing agreements and practices that restrict or distort competition, or abuse a dominant market position. Laws exist to bar pricing intended to run a competitor out of business, against disparaging, misrepresenting or harassing a competitor, theft of trade secrets, bribery, and kickbacks. We have to ensure our contracts and practices are legally compliant at all times, and never discuss or enter into agreements with competitors regarding prices or market sharing, or the sharing of commercial information relating to our pricing, markets and customers. Always seek advice if you're unsure or have any questions.

Negotiating customer contracts

Reports, certifications, statements, proposals and claims made to customers, including technical and management sections, must be truthful and accurate. Additional restrictions on disclosing and obtaining source selection and other sensitive procurement information can apply to QNA and our other business in the US, in line with Federal Acquisition Regulations including all agency supplements.

Safety and quality: products and services

We have to ensure our products and services are of the appropriate quality, adhere to all necessary safety standards and follow our own policies, processes, internal assurance programmes and relevant legislation, as well as the requirements of the applicable customer contract.

Sensitive and classified information

It's vital to ensure appropriate protection for all sensitive data and information, and the assets and equipment on which it is processed and stored. Data and information must be correctly and clearly marked. Access to classified information is restricted to individuals with relevant formal security clearances and on a 'need to know' basis. Failing to protect sensitive and classified information is against the law and could significantly damage the Company's reputation. In cases of national security, if laws are broken, the individuals involved can also face substantial fines and imprisonment.

Sensitive information covers:

- Classified information
- Information which if released 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 our organisation
- Data or information which is personal to individuals and where its disclosure could cause embarrassment or may compromise individual security (e.g. through identity theft)
- Contract terms which prevent us from sharing any data or information
- Information which has been shared on a clear basis of trust

Sponsorship and advertising

We must always promote our products and services fairly, honestly and candidly. To support this, all advertising and promotional materials must be approved before release by your appropriate Marketing and Communications departments. If in doubt, ask for advice. Sponsorship is part of our overall marketing strategy and all requests need to be approved. This ensures our brands are associated with initiatives relevant to our business and aligned to our strategy.

Suppliers

When seeking new suppliers and other partners we conduct thorough due diligence. We know our success depends on supplier relationships built on trust. We have introduced a supplier code of conduct to provide guidance on what we expect from them.

Trusted advisor

Customers and industry partners value our expertise, independence and integrity. We provide and should always be seen as providing impartial business, scientific and technical advice and support.

UK Ministry of Defence (MOD) compliance

In the UK, we work in accordance with the Ministry of Defence Generic Conflict of Interest Policy, which specifies how potential conflicts of interest should be detected and managed when we're involved in an opportunity within the UK defence supply chain. We have a Compliance Cell to support the Company in making compliance declarations and to assure adherence to the policy. There's an additional requirement that all subsidiaries, including overseas, must declare to the MOD when they're involved in opportunities that could relate to UK MOD programmes, to determine if that involvement could cause a conflict with any activities being undertaken within the UK business. Seek advice if you have questions or need more information.

US Regulatory Affairs and US Government contracting with QNA

QNA and the other QinetiQ companies in North America operate in a highly regulated environment and have numerous dealings with governmental agencies. We 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.

Section 5:

Our company and shareholders



This section of the Code explains how we operate and report our business in the best interests of our shareholders and the Company as a whole.

Open and honest about our operations and performance, we are committed to pursuing sound business growth and profit objectives, in using our assets and resources carefully, and in maintaining the highest professional, ethical and financial standards.

Books and records

QinetiQ Group plc is a publicly traded company listed on the London Stock Exchange, meaning specific requirements apply to us. We have to ensure that all Company reports including time sheets, vouchers, bills, payroll and service records, performance evaluations and other essential data, whether electronic/digitised or hard copy, are accurate and proper.

To the best of our abilities, we must:

- Follow all necessary laws, regulations and our policies and procedures to carry out, report and record business transactions
- Comply with all internal and external accounting controls and records management requirements
- Never create a false or misleading report or record

Company funds

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

Company property

We're also responsible for protecting Company assets and preventing misuse; using Company funds or assets for any unlawful or improper purpose is strictly prohibited. Our assets are intended to help us achieve business goals and shouldn't be used for personal gain, while carelessness, theft, inefficient use and waste can hurt our profitability.

Company time

When meeting our obligations to customers, colleagues and shareholders, we need to make the best use of our time and that of our colleagues, partners and suppliers. Our commitment includes reporting work hours truthfully and accurately.

Financial reporting

We provide a true and fair view of our Company's assets, liabilities, financial position and profit or loss. Consolidated financial statements for QinetiQ Group have to comply with International Financial Reporting Standards (IFRS), and for the Company under UK Generally Accepted Accounting Principles (GAAP), in line with UK law. All subsidiaries have to prepare and submit to Group their financial information in accordance with IFRS, and meet all relevant local filing requirements covering financial and tax reporting.

Intellectual Property

We protect valuable Company intellectual assets, including patents, trademarks, copyrights and design rights in accordance with intellectual property laws. We must also safeguard trade secrets and proprietary information through confidentiality arrangements and by ensuring proprietary documents and information are marked as confidential and kept securely. This includes sales proposals, marketing plans, sales and marketing data, financial information, customer and employee records, research and technical data, strategies and information on new products and services.

It also includes recording, promptly and fully, what we create, new works of authorship, technological advances, technical drawings and unique solutions to business problems created on behalf of the Company or customers. This enables us to take measures to protect these inventions or new works under intellectual property laws.

IT: Computer and network security

We have to remain vigilant regarding internal and external threats, and taking responsibility to protect and maintain the security and integrity of Company data and information, including authorisation rights and information used to access essential networks and systems. This includes IDs, passwords and pass codes, building access key/swipe cards, and computer systems in general including corporate data and applications software. Our computer systems and software, data and other assets are the backbone of our operations infrastructure and vital to our information and communications networks, allowing us to collaborate effectively, work securely, market our business, and to serve (and bill) customers.

Tax Evasion

We do not tolerate any form of tax evasion and strictly comply with the local tax laws wherever we operate. Tax evasion deprives countries of resources and has a negative impact on society. Employees and others who work on our behalf must not behave dishonestly to deliberately facilitate tax evasion either for personal gain or for the benefit of others. Please seek advice if you are in any doubt and ensure that you report instances of suspected tax evasion immediately.

Section 6:

Our communities and the public



This section of the Code covers the bigger picture; how we interact with the world around us, and the communities in which we operate.

We are committed to participating in and improving the communities where we live and work, from supporting charities to respecting basic human rights. We have relevant policies and follow the laws of the countries in which we operate. Where appropriate we apply our own standards if they are more stringent.

Charities

We have a small number of chosen charities that we support, directly and via employee donations where we provide matched funding. Any further requests from other charities should be referred to the Sponsorship and Donation Committee for review to determine whether there is alignment with our strategy and to avoid conflict of interest.

Communities

The community is an important stakeholder in our business and we're committed to contributing through local and, in some cases, national initiatives. Examples include providing time for employees to use their expertise to support local and wider issues, such as working with schools and students to inspire the next generation of scientists and engineers. We also undertake fundraising for our agreed local charities.

Environment

Like any organisation, we have an impact on our environment through resources we use and the waste we produce. We also consider climate change and how we can reduce our greenhouse gas emissions. We have a range of measures in place to reduce our impact and we support a number of conservation initiatives on the sites that we operate, so please make yourself aware of local initiatives and support them.

Forced labour and child labour

QinetiQ Group does not make use of any form of forced or compulsory labour. We employ people under the age of 18 (apprentices, for example) in compliance with local laws and we will not employ children under the age of 16. We pay particular attention to the training and development needs of young people.

Modern slavery and trafficking

We do not tolerate slavery and have taken steps to ensure that modern slavery and human trafficking are not taking place in any part of our business or in our supply chains. This includes Company policy, risk assessment, due diligence, training and providing access to confidential reporting.

Political activity

The countries in which we operate have laws governing corporate contributions to political campaigns and parties: we must abide by all relevant laws. You are free in a personal capacity to engage in political activity. If you do, you must ensure you do not give the impression you're speaking or acting on behalf of the Company, or that QinetiQ endorses your views. You cannot use Company resources for political activity, and no employee can receive any direct or indirect reimbursement or offsetting refund of any kind for political contributions.

Press and media relations

If a representative from the media gets in touch, immediately refer them to your point of contact for external communications. We need to ensure consistency and accuracy in our external messages, and make sure we don't inadvertently share confidential information. All press releases, interviews and contributed articles issued on behalf of the Company must be co-ordinated with your local communications contacts.

Afterword

Five important points to keep in mind

This Code of Conduct is designed to be a practical guide, with useful information and advice to help us work in the most ethical and professional ways. It's an enabler of business and you need to ensure you are familiar with it.

Training

The Code is supported by annual Business Ethics training, which everyone across the Company needs to complete. This training requires you to confirm that you have read and will abide by the Code.

In summary, here are five main takeaways:

- 1. Be prepared;** read the Code and make sure you know local policies and procedures
- 2. Live our values** and always act with integrity
- 3. Be aware** of what's happening around you
- 4. Report anything** that you think is unethical
- 5. Know where to go for help** and always seek help if you're unsure

QINETIQ

QinetiQ

Cody Technology Park
Ively Road, Farnborough
Hampshire, GU14 0LX
United Kingdom

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