

QinetiQ Group plc Directors' Remuneration Report 2017: Supplementary Note

This document constitutes a supplementary note for the purposes of section 454 of the Companies Act 2006 and the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

This supplementary note revises, solely in the respects set out below, the Directors' Remuneration Report (the 'Original Directors' Remuneration Report') set out on pages 68 to 91 of the QinetiQ Group plc Annual Report and Accounts for the year ended 31 March 2017 that was published on 13 June 2017 (the 'Annual Report and Accounts'). This supplementary note is to be treated as forming part of that Original Directors' Remuneration Report.

The Directors' Remuneration Report, as now revised by this supplementary note, has been prepared as at the date of 25 May 2017 on which the Original Directors' Remuneration Report was approved by the board of directors and not as at the date of the revision and accordingly does not deal with events between those dates.

Revisions to Directors' Remuneration Report

The table entitled *Element of remuneration* on page 85 of the Annual Report and Accounts is hereby deleted in its entirety and replaced with the following table:

Executive Director	Element of remuneration (£'000)											
	Salary/Fees (£'000)		Benefits (£'000)		Annual Incentives (£'000)		Long-Term Incentives (£'000)		Pension (£'000)		Single Figure (£'000)	
					Restated				Restated		Restated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Steve Wadey	568	520	33	31	1,105	999	–	–	113	104	1,819	1,654
David Mellors	332	456	21	26	–	850	–	–	66	91	419	1,423
David Smith	40	–	3	–	–	–	–	–	7	–	50	–

Summary of revisions

The Original Directors' Remuneration Report contained administrative errors as to the disclosure of the remuneration of David Mellors and David Smith, which was overstated in the manner explained below.

1. The **2017 Annual Incentives** figure for David Mellors is restated as zero on the basis that, in accordance with QinetiQ's Remuneration Policy, no bonus was paid to David Mellors for the financial year ended 31 March 2017 due to his resignation as CFO on 31 December 2016. (In the Original Directors' Remuneration Report, this figure was incorrectly stated as being £645,000.)

As a result of this revision, the **2017 Single Figure** for David Mellors is restated as £419,000. (In the Original Directors' Remuneration Report, this figure was incorrectly stated as being £1,064,000.)

2. The **Pension** figure for David Smith is restated as £7,000 on the basis that, due to an administrative error, David Smith was overpaid one month's worth of pensions contributions during the year ended 31 March 2017 and he has agreed to repay the overpayment. (In the Original Directors' Remuneration Report, this figure was incorrectly stated as being £15,000).

As a result of this revision, the **2017 Single Figure** for David Smith is restated as £50,000. (In the Original Directors' Remuneration Report, this figure was incorrectly stated as being £58,000.)

This supplementary note was approved by the board of directors of QinetiQ Group plc on 7 July 2017.

Michael Harper
Remuneration Committee Chairman
7 July 2017

Independent auditor's report to the members of QinetiQ Group plc

We have considered the revised directors' remuneration report for the year ended 31 March 2017 set out on page 1. The revised directors' remuneration report replaces the original directors' remuneration report approved by the directors on 25 May 2017 and consists of the attached supplementary note together with the original report which was circulated to members on 13 June 2017. The revised directors' remuneration report has been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 ("the Regulations") and accordingly does not take account of events which have taken place after the date on which the original directors' remuneration report was approved.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and as required by paragraph 9 of the Regulations. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in such an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for the preparation of the revised directors' remuneration report.

Our responsibility is to report to you whether the part of the revised directors' remuneration report to be audited has been properly prepared.

Basis of opinion

Our consideration has been directed towards forming an opinion as to whether the part of the revised directors' remuneration report to be audited has been properly prepared in accordance with the requirements of Part 3 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Opinion

In our opinion the part of the revised directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Anthony Sykes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square London, E14 5GL

7 July 2017