**QinetiQ Group plc**

**Section 430(2B) Companies Act 2006 Statement – Carol Borg**

As announced on 16 April 2024, Carol Borg, Group Chief Financial Officer of QinetiQ Group plc (“**QinetiQ**”), and the Board have together agreed that Carol will step down from her role as Group Chief Financial Officer with immediate effect.

The following remuneration arrangements have been agreed for Carol:

**Salary and benefits**

Carol will be paid in lieu of her 12 month notice period (the “**Notice Payment**”). The Notice Payment will be paid in quarterly instalments in accordance with the contract of employment and will include the value of the contractual benefits (calculated as the monthly cost to QinetiQ of providing such benefits) that Carol would otherwise have been entitled to receive during the notice period. Private medical insurance will be continued until the end of 2024 (or terminated earlier if Carol commences alternative employment which provides such benefits which are at the same level or better than QinetiQ’s private medical insurance).

If Carol obtains an alternative remunerated position during the period of quarterly payments then any remaining quarterly payments will be reduced by the amount received in respect of such employment or engagement.

QinetiQ will pay Carol in lieu of her accrued but untaken holiday entitlement.

**Variable remuneration for 2024 performance year**

Carol will be treated as a good leaver in relation to her annual bonus for QinetiQ’s financial year ended 31 March 2024 (the “**FY24 Annual Bonus**”), which she served in full.

The performance conditions applicable to the FY24 Annual Bonus will be assessed in accordance with the Annual Bonus Plan and, to the extent that those performance conditions are satisfied, subject to and in accordance with the terms of the Annual Bonus Plan, 70% of any bonus payable in respect of the FY24 Annual Bonus will be paid in cash at the time when bonus payments for QinetiQ’s FY24 are paid to other employees (in June 2024), and the remaining 30% will be deferred for two years (until June 2026) as shares through the grant of a deferred bonus award under the Annual Bonus Plan at the time when deferred bonus awards are granted to other employees.

No sums will be payable in respect of bonus for QinetiQ’s financial year ending 31 March 2025.

**Bonus Banking Plan**

Carol will be a good leaver in relation to the balance in her Plan Account under Element A of the 2017 QinetiQ Group plc Incentive Plan (the “**Bonus Banking Plan**”).

As a good leaver, Carol’s award under the Bonus Banking Plan will vest on the normal vesting date and the performance underpin will be measured on the usual timetable which is expected to be in May 2024. Provided that the performance underpin is met, the balance of Carol’s Plan Account will be settled in shares as soon as practicable after the performance underpin is measured, without time pro-rating.

The balance of Carol’s Plan Account and any shares settled in connection with Carol’s Plan Account shall at all times remain subject to the rules of the Bonus Banking Plan and the other terms on which the relevant awards were granted, including (without limitation) the applicable malus and clawback provisions.

**Share incentives**

*Compensation Share Award*

Carol will be a good leaver in relation to the conditional share award granted to her under the Compensation Share Plan in connection with her recruitment in 2021 (the “**Compensation Share Award**”) (see summary table below).

The Compensation Share Award will vest on the normal vesting date, subject to and in accordance with the terms of the QinetiQ Group plc Restricted Share Plan 2018 RSP, without time pro-rating.

*FY22 and FY23 Deferred Share Plan Awards*

Carol will be a good leaver in relation to the conditional share awards granted to her under Element B of the 2017 QinetiQ Group plc Incentive Plan (the “**Deferred Share Plan**”) (the “**DSP Awards**”) (see summary table below).

The DSP Awards and the number of shares under the DSP Awards will be reduced on account of time pro-rating. The performance underpin applicable to the DSP Awards will be assessed on the normal measurement date and, provided that performance underpin is met, the DSP Awards will vest on the normal vesting date, subject to and in accordance with the terms of the Deferred Share Plan.

Any shares settled in connection with the DSP Awards will remain subject to the two-year holding period from the vesting date.

*LPA Award (LTIP)*

The conditional share award granted to Carol under the QinetiQ Group plc Long Term Performance Award (the “**Long Term Performance Award Rules**”) (the “**LPA Award**”) lapsed upon the termination of Carol’s employment (see summary table below).

No award will be made under the Long Term Performance Award Rules for the 2025 performance year.

*Share incentives – summary table*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Type of award*** | ***Date of grant*** | ***Maximum number of shares under award\**** | ***Time pro-rated maximum number of shares under award\**** | ***Vesting date*** |
| Compensation Share Award | 5 January 2022 | 193,199 | 193,199 shares | 5 January 2025 |
| DSP Awards | 14 June 2022 | 49,299 | 37,489 | 14 June 2025 |
| 20 June 2023 | 163,256 | 83,360 | 20 June 2026 |
| LPA Award | 28 September 2023 | 338,489 | N/A - award lapsed | N/A - award lapsed |

\* The number of shares under award will be increased to reflect any applicable dividend equivalents in accordance with the RSP or the Deferred Share Plan (as applicable). The DSP Awards are subject to a performance underpin, the assessment of which will determine whether shares vest.

Carol is required to comply with QinetiQ’s post-employment shareholding policy as amended from time to time.

**Other payments**

Carol will receive a capped contribution of £10,000 plus VAT towards the cost of legal advice taken by her in connection with her departure.

**Further information**

Other than the amounts disclosed above, Carol will not be eligible for any remuneration payments or payments for loss of office.

In accordance with section 430(2B) of the Companies Act 2006, the information contained in this document will be made available on QinetiQ’s website until its next Directors' Remuneration Report is made available.