

COOPERATION AGREEMENT

relating to

**THE PROPOSED ACQUISITION OF
ULTRA ELECTRONICS HOLDINGS PLC**

between

COBHAM ULTRA ACQUISITIONS LIMITED

and

COBHAM GROUP HOLDINGS LIMITED

and

ADVENT INTERNATIONAL CORPORATION

and

ULTRA ELECTRONICS HOLDINGS PLC

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This Agreement is made on 16 August 2021 between:

- (1) **Cobham Ultra Acquisitions Limited**, a private limited company incorporated in England and Wales whose registered office is at Tringham House, 580 Deansleigh Road, Bournemouth, Dorset, England, BH7 7DT with registered number 13552764 (“**Cobham**”);
- (2) **Cobham Group Holdings Limited**, a limited liability company formed and existing under the laws of the Cayman Islands, having its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman, registered with the Registrar of Companies of Cayman Islands under number with registered number MC-353292 (“**Cobham Parent**”);
- (3) **Ultra Electronics Holdings PLC**, a public limited company incorporated in England and Wales whose registered office is at 35 Portman Square, London, United Kingdom, W1H 6LR with registered number 02830397 (“**Ultra**”); and
- (4) **Advent International Corporation**, a company incorporated in Delaware (registered number 2044184) whose registered office is at c/o the Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA (AIC), solely for the purposes of Clause 3.8 and Clause 3.9 of this Agreement (“**AIC**”),

(Cobham, Cobham Parent, Ultra and AIC being the “**parties**” and each as a “**party**” to this agreement (the “**Agreement**”).

Whereas:

- (A) Cobham, an indirect subsidiary of Cobham Parent, which is a company indirectly owned by funds managed by AIC, proposes to announce, immediately following execution of this Agreement, a firm intention to make a recommended offer for the entire issued and to be issued share capital of Ultra on the terms and subject to the conditions set out in the Press Announcement (as defined below) (the “**Transaction**”).
- (B) The parties intend that the Transaction will be implemented by way of a scheme of arrangement between Ultra and its shareholders pursuant to Part 26 of the Act (the “**Scheme**”), but Cobham reserves the right, as set out in (and subject to the terms and conditions of) the Press Announcement and this Agreement, to elect to implement the Transaction by way of a contractual takeover offer as defined in Chapter 3 of Part 28 of the Act (the “**Offer**”).
- (C) The parties have agreed to take certain steps to effect completion of the Transaction and wish to enter into this Agreement to record their respective rights, commitments and obligations relating to such matters.
- (D) AIC is entering into this Agreement for the purpose of Clause 3.8, Clause 3.9 and Clauses 12 to 24 (inclusive) only.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

“**Acceptance Condition**” means, if applicable, the acceptance condition to the Offer as specified in Clause 7.2;

“**Act**” means the Companies Act 2006 as amended from time to time;

“**Additional UK Clearance**” means, insofar as the UK Competition and Markets Authority has requested submission of a Merger Notice under section 96 of the UK Enterprise Act 2002 or opened a formal investigation for the purposes of deciding whether to make a Phase 2 reference, pursuant to section 33 of the Enterprise Act: (i) the CMA having issued a decision that the Acquisition will not be subject to a Phase 2 reference (whether or not the Acquisition is subject to undertakings); or (ii) the period for the CMA to consider a Merger Notice under section 96 of the Enterprise Act having expired without a Phase 2 reference having been made;

“**Agreed Switch**” means where the Transaction is implemented by way of an Offer in accordance with: (i) Clause 7.1.1; or (ii) Clause 7.1.2 in circumstances where the Ultra Board Recommendation is given in respect of that Offer;

“**AIC Group**” means AIC and any company or business: (i) which is (directly or indirectly) controlled by funds and entities managed, advised or sub-advised by AIC; or (ii) in which any fund or entity managed, advised or sub-advised by AIC has a Significant Interest, in each case including each member of the Cobham Group (and “**member of the AIC Group**” shall be construed accordingly);

“**BEIS**” means the Department for Business, Energy and Industrial Strategy of the UK government;

“**Business Day**” means a day, other than a Saturday or Sunday or public or bank holiday, on which clearing banks in London are open for normal business;

“**Clearances**” means all approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Laws or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions; and any reference to any Clearance having been “**satisfied**” shall be construed as meaning that the foregoing has been obtained, or where relevant, made or expired;

“**Cobham Directors**” means the directors of Cobham from time to time;

“**Cobham Group**” means Cobham Parent and its subsidiaries and subsidiary undertakings from time to time (including Cobham, Cobham Limited and Cobham Group Limited), and “**member of the Cobham Group**” shall be construed accordingly;

“**Code**” means the UK City Code on Takeovers and Mergers issued, and as from time to time amended and interpreted, by the Panel;

“**Conditions**” means the conditions to implementation of the Transaction set out in Part A of Schedule 1 to the Press Announcement and “**Condition**” shall be construed accordingly;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between Cobham Limited and Ultra in relation to the Transaction dated 19 July 2021;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Meeting**” means the meeting of the holders of the Scheme Shares which are in issue as at the Scheme Voting Record Time (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Act for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme, including any adjournment thereof;

“**Day 60**” means where Cobham has elected to implement the Transaction by means of the Offer in accordance with Clause 7.1, the 60th day following the publication of the Offer Document or such later date as is set in relation to the Offer pursuant to Rule 31.3 of the Code;

“**Effective Date**” means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Cobham elects to implement the Transaction by way of the Offer in accordance with the terms of this Agreement, the Offer becomes or is declared unconditional in all respects;

“**FCA Handbook**” means the Financial Conduct Authority’s Handbook of rules and guidance as amended from time to time;

“**HM Government**” means the government of the United Kingdom of Great Britain and Northern Ireland;

“**Initial Provisions**” means Clause 1, Clause 2.1, Clause 10, Clauses 11.1.2, 11.2 and 11.3 and Clauses 12 to 24 (in each case, inclusive);

“**Interim Dividend**” means the interim dividend of 16.2 pence per Ultra Share announced by Ultra on 19 July 2021, which will be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appear on the register of members of Ultra as at 27 August 2021;

“**JDA**” means the joint defence agreement entered into between Ultra and Cobham dated 30 July 2021;

“**Law**” means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority;

“**Listing Rules**” means the listing rules promulgated by the Financial Conduct Authority pursuant to Part 6 of the Financial Services and Market Act 2000 and referred to in section 73A(2) of that act as set out in the FCA Handbook;

“**Longstop Date**” means 5 August 2022 or such later date as may be agreed by the parties in writing (with the Panel’s consent and as the Court may approve (if such consent and/or approval is/are required));

“**Notice**” has the meaning given to it in Clause 13.1;

“**Offer**” has the meaning given to it in Recital (B), and reference to Offer also includes any increased, renewed or revised offer;

“**Offer Document**” means, in the event Cobham elects to implement the Transaction by means of the Offer in accordance with Clause 7, the document setting out (among other things) details of the Transaction and the full terms and conditions of the Offer to be sent to (among others) the Ultra Shareholders, including any revised or supplementary offer document;

“**Panel**” means the UK Panel on Takeovers and Mergers of the United Kingdom;

“**Press Announcement**” means the press announcement to be released by Cobham pursuant to Rule 2.7 of the Code in relation to the Transaction, in substantially the form set out in Schedule 2 (*Press Announcement*);

“**Recipient**” has the meaning given to it in Clause 12.4;

“Regulatory Conditions” means the Conditions set out in paragraphs 3, 4 and 5 of Part A of Schedule 1 to the Press Announcement;

“Regulatory Information Service” means a regulatory information service as defined in the FCA Handbook;

“Relevant Authority” means any central bank, ministry, governmental, quasi-governmental, national, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment or national security review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any tribunal, court, trade agency, association, institution, employee representative body or any other body or person whatsoever in any jurisdiction, including the Panel, BEIS and any relevant Secretary of State;

“Relevant Third Party” has the meaning given to it in Clause 18.1;

“Remedies” means any conditions, obligations, measures, commitments, modifications, undertakings, remedies (including disposals and any pre-divestiture reorganisations) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and **“Remedy”** shall be construed accordingly;

“Resolutions” means: (i) such shareholder resolutions of Ultra as are necessary to approve, implement and effect the Scheme and the Transaction; and (ii) a shareholder resolution of Ultra to amend the articles of association of Ultra by the adoption of a new article under which any Ultra Shares issued or transferred after the Ultra General Meeting shall either be subject to the Scheme or (after the Effective Date) shall be immediately transferred to Cobham (or as it may direct) in exchange for the same consideration as would be due under the Scheme;

“Scheme” has the meaning given to it in Recital (B), and reference to Scheme also includes any modified, renewed or revised scheme;

“Scheme Condition” means the Condition relating to the Scheme becoming effective in accordance with its terms, set out in paragraph 2.3(i) of Part A of Schedule 1 to the Press Announcement;

“Scheme Court Hearing” means the hearing of the Court of the petition to sanction the Scheme pursuant to section 899 of the Act, including any adjournment thereof;

“Scheme Document” means the circular to be sent to (among others) Ultra Shareholders setting out (among other things) details of the Transaction, the full terms and conditions of the Scheme and the explanatory statement required pursuant to Part 26 of the Act and incorporating the notices convening the Court Meeting and the Ultra General Meeting, including any revised or supplementary circular;

“Scheme Shares” has the meaning given to that term in the Press Announcement;

“Scheme Voting Record Time” has the meaning given to it in the Press Announcement or such other time and/or date as the parties may agree in writing;

“Secretary of State” means the UK Secretary of State for Business, Energy & Industrial Strategy and/or the UK Secretary of State for Defence (and/or such other or additional UK Secretary of State as is applicable);

“Significant Interest” means, in relation to a person, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Act) of such person;

“Switch” has the meaning given to it in Clause 7.1;

“Transaction” has the meaning given to it in Recital (A);

“UK NS&I Act” means the UK National Security and Investment Act 2021;

“Ultra Board Adverse Recommendation Change” means:

- (a) if Ultra makes an announcement prior to the publication of the Scheme Document that:
 - i. the Ultra Directors no longer intend to make the Ultra Board Recommendation or intend to adversely modify or adversely qualify such recommendation;
 - ii. other than where a Switch has occurred, it will not convene and hold the Court Meeting or the Ultra General Meeting; or
 - iii. other than where a Switch has occurred, it intends not to post the Scheme Document or (if different) the document convening the Ultra General Meeting;
- (b) if Ultra makes an announcement that it will delay the convening and holding of, or will adjourn, the Court Meeting or the Ultra General Meeting to a date which is later than the latest date permitted by Condition 2.1(ii) or Condition 2.2(ii) respectively, in each case without the consent of Cobham, except where:
 - i. Cobham has committed a breach of Clause 3 or Clause 6 which has not been caused by any prior breach of this Agreement by Ultra and such breach by Cobham has caused the relevant delay, provided that the duration of such delay is commensurate with such breach;
 - ii. a supplementary circular is required to be published in connection with the Scheme, and as a result, the Court Meeting and/or the Ultra General Meeting cannot be held by such date in compliance with the Code and any other applicable Law (but provided that Ultra has used all reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises); or
 - iii. such delay or adjournment is solely caused by logistical or practical reasons beyond Ultra’s reasonable control;
- (c) other than where a Switch has occurred, the Ultra Board Recommendation is not included in the Scheme Document;
- (d) the Ultra Directors publicly withdraw or adversely modify or adversely qualify the Ultra Board Recommendation;
- (e) except where Cobham has given its prior written consent to such transaction, the Ultra Directors announce the entry into by Ultra of any transaction which would constitute a class 1 transaction for, or a reverse takeover of, Ultra (each as defined in the Listing Rules); or
- (f) if, after the approval of the Resolutions, the Ultra Directors announce that they will not implement the Scheme (other than: (i) in connection with an announcement of an offer or

revised offer by Cobham for Ultra; or (ii) because a Condition to the Transaction has failed or become incapable of fulfilment or satisfaction),

provided that, in relation to paragraph (a)i. and paragraph (d) above, the issuance of: (1) any holding statement(s) by Ultra following a change of circumstances; and (2) any announcement(s) by Ultra that the Ultra Directors are considering a possible offer for Ultra by a third party, shall only, in any case, constitute an Ultra Board Adverse Recommendation Change if either: (x) any such statement or announcement fails to contain an express statement that the Ultra Board Recommendation is not withdrawn, modified or qualified, or (y) Ultra fails to announce, within 15 Business Days after the relevant statement or announcement, its reconfirmation or reinstatement of the Ultra Board Recommendation;

“**Ultra Board Recommendation**” means a unanimous and unqualified recommendation from the Ultra Directors to the Ultra Shareholders in respect of the Transaction: (i) to vote in favour of the Resolutions; or (ii) if Cobham elects to implement the Transaction by means of an Offer in accordance with the terms of this Agreement, to accept the Offer;

“**Ultra Directors**” means the directors of Ultra from time to time;

“**Ultra General Meeting**” means the general meeting of holders of Ultra Shares (including any adjournment thereof) to be convened and held in connection with the Scheme to consider, and if thought fit, approve the Resolutions;

“**Ultra Group**” means Ultra and its subsidiaries and subsidiary undertakings from time to time and “**member of the Ultra Group**” shall be construed accordingly;

“**Ultra Representative**” has the meaning given to it in Clause 12.4;

“**Ultra Share Plans**” has the meaning given to it in Schedule 1 (*Ultra Share Plans and Employee Related Matters*);

“**Ultra Shareholders**” means the registered holders of Ultra Shares from time to time; and

“**Ultra Shares**” means the ordinary shares of 5 pence each in the capital of Ultra from time to time.

1.2 In this Agreement, except where the context otherwise requires:

1.2.1 the expression “**group**”, in relation to a party, means that party together with its subsidiaries and subsidiary undertakings from time to time;

1.2.2 the expressions “**subsidiary**” and “**subsidiary undertaking**” shall have the meanings given in the Act;

1.2.3 the expression “**acting in concert**” shall be construed in accordance with the Code;

1.2.4 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;

1.2.5 references to one gender include other genders;

1.2.6 words in the singular shall include the plural and vice versa;

1.2.7 a reference to a “**person**” shall include a reference to an individual, an individual’s executors or administrators, a partnership, a firm, a body corporate, an unincorporated

association, government, state or agency of a state, local or municipal authority or government body, a joint venture or association (in any case, whether or not having separate legal personality);

- 1.2.8 a reference to a Recital, Clause or Schedule (other than to a schedule to a statutory provision) shall be a reference to a recital, clause or schedule (as the case may be) to this Agreement;
 - 1.2.9 references to times are to London time (unless otherwise specified);
 - 1.2.10 any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight, and any reference to a month shall mean a calendar month;
 - 1.2.11 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction;
 - 1.2.12 references to “**writing**” shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
 - 1.2.13 a reference to “**includes**” or “**including**” shall mean “includes without limitation” or “including without limitation” respectively;
 - 1.2.14 the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
 - 1.2.15 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
 - 1.2.16 references to “**£**”, “**pounds sterling**”, “**pence**” and “**penny**” are to the lawful currency of the United Kingdom;
 - 1.2.17 a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time; and
 - 1.2.18 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
 - 1.4 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.
2. **PUBLICATION OF THE PRESS ANNOUNCEMENT AND TERMS OF THE TRANSACTION**
 - 2.1 The obligations of the parties under this Agreement, other than the Initial Provisions, shall be conditional on the release of the Press Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement, or such later date and time and/or date as the

parties may agree (and, where required by the Code, the Panel may approve). The Initial Provisions shall take effect on and from execution of this Agreement.

- 2.2 The terms of the Transaction shall be as set out in the Press Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Transaction, which shall be at the sole discretion of Cobham) and, where required by the Code, approved by the Panel.
- 2.3 The terms of the Transaction at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Cobham elect to implement the Transaction by way of an Offer in accordance with Clause 7, the terms of the Transaction shall be set out in the announcement of the switch to an Offer and in the Offer Document.
- 2.4 Cobham acknowledges and agrees that Ultra Shareholders will be entitled to receive and retain the Interim Dividend without any reduction to the Consideration.

3. CLEARANCES

- 3.1 Each of Cobham and Cobham Parent shall take, or cause to be taken, all required, necessary or advisable steps (as applicable) to promptly secure the Clearances as soon as reasonably practicable following the date of this Agreement and, in any event, in sufficient time to enable the Effective Date to occur by the Longstop Date.
- 3.2 Notwithstanding any other provision of this Agreement to the contrary, each of Cobham and Cobham Parent acknowledges and agrees that its obligation to take or cause to be taken all required, necessary or advisable steps pursuant to Clause 3.1 requires it to promptly offer, agree and execute (and/or, if applicable, to procure the offer, agreement and execution of) any Remedies that are required, necessary or advisable, or can reasonably be expected to be required, necessary or advisable, to obtain the Clearances as soon as reasonably practicable and within any Phase 1 (or equivalent initial) review period, provided that to the extent that it is not possible to obtain a Clearance within a Phase 1 (or equivalent initial) review period, each of Cobham and Cobham Parent shall take or cause to be taken the steps set out in this Clause 3.2 to obtain the relevant Clearance within any Phase 2 (or equivalent additional or subsequent review period or periods), and provided always that each of Cobham and Cobham Parent shall take or cause to be taken the steps set out in this Clause 3.2 to obtain the Clearances as soon as reasonably practicable following the date of this Agreement and, in any event, in sufficient time to enable the Effective Date to occur by the Longstop Date.
- 3.3 Without prejudice to the generality of Clause 3.1, each of Cobham and Cobham Parent shall submit to the Relevant Authorities (in draft or in final form, as the case may be) any filings, notifications or submissions as are necessary in connection with the Clearances which it has a responsibility to make under applicable Law (or if otherwise required by a Relevant Authority) within any applicable mandatory time periods and, in any event, as regards the filings, notifications or submissions as are necessary or expedient to satisfy the Regulatory Conditions, as soon as reasonably practicable after the execution of this Agreement, unless otherwise agreed between the parties (acting in good faith) and, in respect of any such filing, notification or submission, shall (subject to Clause 3.1) take all required, necessary or advisable steps to avoid: (i) any declaration of incompleteness by any Relevant Authority; and (ii) any suspension of any review period by any Relevant Authority.
- 3.4 Except where otherwise required by applicable Law or a Relevant Authority, each of Cobham and Cobham Parent shall:
 - 3.4.1 after prior consultation with Ultra and having considered (acting in good faith) Ultra's reasonable requests in connection therewith (noting that, for the avoidance of doubt,

Cobham shall be under no obligation to accept any such requests), determine the strategy for obtaining the Clearances and (if applicable) the Additional UK Clearance, including:

- (a) the timing and sequencing for: (i) contacting and corresponding with the Relevant Authorities; and (ii) offering to, or agreeing with, the Relevant Authorities any Remedies required, necessary or advisable in order to secure a Clearance or (if applicable) the Additional UK Clearance;
 - (b) determining any Remedies required, necessary or advisable in order to secure a Clearance or (if applicable) the Additional UK Clearance;
 - (c) determining to the extent reasonably practicable the content of any material communications with, and any material submissions to, any Relevant Authority with respect to the Transaction; and
 - (d) the defence and settlement of any litigation, action, suit, investigation or proceeding brought by or before any Relevant Authority in connection with the Clearances and (if applicable) the Additional UK Clearance;
- 3.4.2 subject to Clause 3.4.1, lead all meetings and communications (including negotiations) with any Relevant Authority in connection with obtaining the Clearances and (if applicable) the Additional UK Clearance;
- 3.4.3 subject to Clause 3.4.1, control the defence and settlement of any litigation, action, suit, investigation or proceeding brought by or before any Relevant Authority in connection with the Clearances and (if applicable) the Additional UK Clearance;
- 3.4.4 promptly contact, correspond and maintain appropriate regular and ongoing dialogue with the Relevant Authorities in relation to the Clearances and (if applicable) the Additional UK Clearance, including submitting and preparing, with the reasonable assistance of Ultra in accordance with this Agreement, all necessary filings, notifications and submissions;
- 3.4.5 be responsible for the payment of all filing fees required in connection with the Clearances and (if applicable) the Additional UK Clearance; and
- 3.4.6 to the extent necessary to obtain the Clearances, submit a mandatory notification under the UK NS&I Act within four Business Days after the date on which the UK NS&I Act comes fully into force.
- 3.5 Save to the extent prohibited by applicable Law or a Relevant Authority:
- 3.5.1 Ultra shall provide Cobham and Cobham Parent, and each of Cobham and Cobham Parent shall provide Ultra, in each case as soon as reasonably practicable and in any event before any deadline or due date imposed by applicable Law, all such information (that is in the possession of, or reasonably obtainable by, the relevant party) and reasonable assistance as may reasonably be required for:
 - (a) Cobham and/or Cobham Parent to determine in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority may be necessary or expedient in addition to those required for the Clearances, provided always that Cobham and Cobham Parent agree that any such additional filings would not be considered material for the purposes of the Code;

- (b) inclusion in any filings, notifications or submissions to any Relevant Authority for the purposes of obtaining the Clearances, or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
 - (c) the purposes of obtaining the Clearances, including assistance in connection with the pre-notification contacts with the Relevant Authorities, and the identifying, structuring and preparation of any Remedies; and
- 3.5.2 Ultra shall provide Cobham and Cobham Parent, and Cobham and Cobham Parent shall provide Ultra, as soon as reasonably practicable such information and access to their respective management and employees as Cobham, Cobham Parent, Ultra or any Relevant Authority may reasonably require for the purposes of making a filing, notification or submission to any Relevant Authority in connection with the Clearances.
- 3.6 Save to the extent prohibited by applicable Law or a Relevant Authority, each of Cobham and Cobham Parent undertakes to Ultra (and Ultra undertakes to Cobham and Cobham Parent) to:
 - 3.6.1 provide, or procure the provision of, to the other party (and/or its legal advisers) draft copies of all filings, notifications, submissions, material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications), other than those of a purely administrative nature intended to be submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance or (if applicable) the Additional UK Clearance, at such time as will allow the other party (and/or its legal advisers) reasonable opportunity to review and comment thereon;
 - 3.6.2 take into account reasonable comments made by the other party (and/or its legal advisers) on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 3.6.1;
 - 3.6.3 as soon as reasonably practicable provide, or procure the provision of, to the other party (and/or its legal advisers) copies of all filings, notifications, submissions, material correspondence and material communications in the form finally submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance or (if applicable) the Additional UK Clearance (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);
 - 3.6.4 as soon as reasonably practicable notify the other party (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) received from any Relevant Authority in connection with obtaining the Clearances and (if applicable) the Additional UK Clearance;
 - 3.6.5 give the other party (and/or its legal advisers) reasonable notice of any meetings, hearings or scheduled telephone calls, other than those of a purely administrative nature, with any Relevant Authority in connection with obtaining the Clearances and (if applicable) the Additional UK Clearance, and allow the other party (and/or its legal advisers) to attend and make reasonable oral submissions during any such material meetings, hearings or telephone calls (provided, to the extent practicable, such oral submissions have been discussed by the parties in advance) and, where such attendance and participation is not permitted by applicable Law or the Relevant Authority, to provide, to the extent so permitted, the other party with a written summary of such

meeting, hearing or telephone call as soon as reasonably practicable following the meeting, hearing or telephone call;

3.6.6 keep the other party (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to obtaining of any of the Clearances; and

3.6.7 not to withdraw a filing, submission or notification made to any Relevant Authority in connection with obtaining any of the Clearances without the prior written consent of the other party.

3.7 If a provision of this Agreement obliges Cobham, Cobham Parent or Ultra (the “**Disclosing Party**”) to disclose any information to another party:

3.7.1 that is personally identifiable information of a director, officer or employee of the Disclosing Party, unless that information can be reasonably anonymised (in which case the Disclosing Party shall provide the relevant information on an anonymous basis);

3.7.2 which the Disclosing Party reasonably considers to be commercially or competitively sensitive;

3.7.3 which the disclosing party is prohibited from disclosing by applicable Law or the terms of an existing contract;

3.7.4 where such disclosure would result in the loss of privilege that subsists in relation to such information, including legal professional privilege; or

3.7.5 where such disclosure would result in the relevant information being required to be disclosed to a competing bidder pursuant to Rule 21.3 of the Code,

the Disclosing Party shall, to the extent permitted by applicable Law (and, if relevant, the Code), disclose the relevant information to the other party:

3.7.6 on an outside counsel basis pursuant to the JDA; or

3.7.7 where disclosure to the other party would reasonably be expected to have a material adverse effect on the Disclosing Party’s legitimate business interest, directly to the Relevant Authority (and in such circumstances, the Disclosing Party shall provide, or procure the provision of, a non-confidential version of such information to the other party), but provided always that nothing in this Agreement shall oblige the Disclosing Party to disclose any information where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege).

3.8 Except with the prior written consent of Ultra, until the Effective Date: (a) Cobham and Cobham Parent shall not, and shall procure that each member of the Cobham Group shall not; and (b) AIC shall procure that the funds comprising Advent GPE IX do not, and shall not cause any member of the AIC Group to, in each case, directly or indirectly:

3.8.1 take, or permit or cause to be taken, any action; or

3.8.2 acquire or commit to acquire any business, the acquisition of which would,

in either case, be reasonably likely to preclude, impede, prejudice or materially delay receipt of the Clearances or satisfaction of the Regulatory Conditions or prevent, impede, prejudice or materially delay completion of the Transaction at the earliest practicable date and, to the extent

that: (i) the approval of any member of the AIC Group is required in respect of any such action and/or acquisition (as applicable), it shall exercise its rights (insofar as it is able to do so), directly or indirectly, to procure that such approval is not provided; and/or (ii) any member of the AIC Group is entitled to exercise voting rights in connection with the approval of such action and/or acquisition (as applicable) it shall procure (insofar as it is able to do so) that such voting rights are voted against such action and/or acquisition (as applicable).

- 3.9 AIC undertakes to exercise all of its rights and powers to cause the relevant member or members of the Cobham Group to agree, execute and implement any Remedy that is required by any Relevant Authority to be offered, agreed or implemented in connection with obtaining the Clearances as soon as reasonably practicable following the date of this Agreement and in sufficient time so as to enable the Effective Date to occur prior to the Longstop Date, including by the giving of undertakings in respect of the Cobham Group and/or the Ultra Group or any of their respective business(es) to the extent required to enable Cobham and Cobham Parent to comply with their obligations under clause 3.1 and 3.2 of this Agreement.
- 3.10 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a party (or any person acting in concert or deemed to be acting in concert) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the Ultra Group, or any combination thereof, that is not conditional on completion of the Transaction, except as otherwise agreed by the parties and with the consent of the Panel (if required).

4. SCHEME DOCUMENT

4.1 Cobham agrees to:

- 4.1.1 as soon as reasonably practicable, provide to Ultra (and/or its legal advisers) all such information about itself, the Cobham Directors, AIC and any other person acting in concert with Cobham (including any information required by the Code or under other applicable Law, including in relation to the intentions of Cobham) as may be reasonably requested and which is reasonably required by Ultra and/or its legal advisers, having regard to the Code and other applicable Law, for inclusion in the Scheme Document;
- 4.1.2 as soon as reasonably practicable, provide all such other assistance and access (including to personnel) as may be reasonably required for the preparation of the Scheme Document and any other document required by the Code or other applicable Law to be published in connection with the Scheme, including access to, and procuring that reasonable assistance is provided by, Cobham's relevant professional advisers; and
- 4.1.3 procure that the Cobham Directors (and any other person connected with Cobham and/or AIC, as required by the Panel) accept responsibility, in the terms required by the Code, for all the information in the Scheme Document, and any other document required by the Code or other applicable Law to be published in connection with the Scheme, relating to:
- (a) themselves (and their close relatives (as defined in the Code), related trusts and companies and other persons connected with them), Cobham, AIC, Cobham's concert parties (as defined in the Code);
 - (b) the financing of the Transaction;
 - (c) information on Cobham's intentions and future plans for the Ultra Group and its business, places of business, management, employees and pension schemes;

- (d) any statements of the opinion, belief, intention or expectation of Cobham or the Cobham Directors in relation to the Transaction or the Ultra Group following the completion of the Transaction; and
- (e) any other information in the Scheme Document for which a bidder and/or its directors are required to accept responsibility under the Code or other applicable Law.

5. BINDING COMMITMENTS

5.1 Each of Cobham and Cobham Parent hereby agrees that it will offer to HM Government legally binding commitments, with respect to the period following completion of the Transaction, that will cover the following matters and areas:

- 5.1.1 safeguarding and supporting the UK's national security, including appropriate protections for sovereign UK capability, continuity of supply and critical capabilities in the UK, and appropriate board composition and national security clearance arrangements;
- 5.1.2 investing in Ultra's UK work force by protecting existing and creating new UK manufacturing and engineering jobs and apprenticeships and maintaining a UK headquarters;
- 5.1.3 increasing investment in innovation, and research and development in the UK, including by continuing to develop UK-registered intellectual property rights for use in the UK and through investment in new regional technology centres of excellence and funding of academic institutions; and
- 5.1.4 accelerating Ultra's ESG ambitions, including enhanced commitments on net carbon emissions, diversity and the community investment programme.

5.2 Ultra acknowledges and agrees that:

- 5.2.1 the form, nature and detail (including duration) of any commitments to be entered into between Cobham and HM Government following Cobham's offer to HM Government pursuant to Clause 5.1 will be agreed in discussions between Cobham and HM Government; and
- 5.2.2 without prejudice to the obligations of the parties under Clause 3, any decision by HM Government not to accept, or any failure by HM Government to accept, any commitment offered to it by Cobham pursuant to Clause 5.1 shall not constitute a breach of Clause 3 or this Clause 5.

5.3 For the purposes of engagement with HM Government pursuant to Clause 5.1, Cobham undertakes that it shall:

- 5.3.1 contact and correspond with HM Government in relation to its offer of commitments pursuant to Clause 5.1; and
- 5.3.2 keep Ultra informed as soon as reasonably practicable as to the progress of its discussions with HM Government or any other party in relation to its offer of commitments pursuant to Clause 5.1.

5.4 In Clause 5.1 references to Ultra shall be deemed to comprise references to the Ultra Group.

5.5 For the avoidance of doubt, the obligations of the parties under this Clause 5 are separate from, and shall not in any way limit, the respective obligations of the parties under Clause 3.

5.6 The parties agree and acknowledge that the commitments set out in Clause 5.1 are not, and are not intended to form the basis of, post-offer undertakings under Rule 19.5 of the Code and nothing in this Clause 5 shall be construed as requiring Cobham to agree to enter into such post-offer undertakings.

6. IMPLEMENTATION OF THE SCHEME

6.1 Where the Transaction is being implemented by way of the Scheme, Cobham undertakes to deliver a notice in writing to Ultra on the Business Day prior to the Scheme Court Hearing, confirming either:

6.1.1 the satisfaction or waiver of all Conditions (other than the Scheme Condition); or

6.1.2 its intention to invoke one or more Conditions (if permitted by the Panel), and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Cobham reasonably considers entitles it to invoke each such Condition or treat it as unsatisfied or incapable of satisfaction, together in each such case, with an explanation as to why Cobham considers such event or circumstance to be of material significance to it in the context of the Transaction such that the Panel should permit it to invoke such Condition(s).

6.2 Where the Transaction is being implemented by way of the Scheme, Cobham shall instruct counsel to appear on its behalf at the Scheme Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Cobham and, to the extent that all the Conditions (other than the Scheme Condition) have been satisfied or waived prior to or on the date of the Scheme Court Hearing, Cobham shall provide such documentation or information as may reasonably be required by Ultra's counsel and/or the Court in relation to such undertaking.

6.3 Cobham agrees that if it intends to seek the permission of the Panel to invoke a Condition, it will, as far in advance as is reasonably practicable and prior to approaching the Panel, notify Ultra of its intention and provide Ultra with reasonable details of the ground on which it intends to invoke the relevant Condition.

7. SWITCHING TO AN OFFER

7.1 The parties intend that the Transaction will be implemented by way of the Scheme. However, Cobham shall be entitled, with the consent of the Panel (if required), to elect at any time to implement the Transaction by way of the Offer, rather than the Scheme (a "**Switch**"), only if:

7.1.1 Ultra provides its prior written consent;

7.1.2 a third party announces a firm intention to make an offer (whether or not subject to the satisfaction or waiver of any pre-conditions) under Rule 2.7 of the Code for the entire issued, and to be issued, share capital of Ultra; or

7.1.3 an Ultra Board Adverse Recommendation Change occurs.

7.2 In the event of an Agreed Switch, unless otherwise agreed with Ultra or required by the Panel, the parties agree that the Acceptance Condition shall be set at 75 per cent. of the Ultra Shares (or such other percentage as may be agreed between the parties in writing after (to the extent

necessary) consultation with the Panel, being in any case more than 50 per cent. of the voting rights attaching to the Ultra Shares to which the Offer relates).

- 7.3 In the event of an Agreed Switch, unless otherwise agreed with Ultra or required by the Panel, the parties agree that:
- 7.3.1 Cobham will consult with Ultra in a timely manner as to the form and content of any announcements (and the related form of acceptance) relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch;
 - 7.3.2 Cobham shall prepare the Offer Document and shall consult reasonably with Ultra in relation thereto and shall allow Ultra a reasonable opportunity to consider the draft Offer Document for review and comment, and shall consider in good faith comments proposed by Ultra;
 - 7.3.3 Cobham agrees to seek Ultra's approval of the contents of the information on Ultra contained in the Offer Document before it is published, and to afford Ultra sufficient time to consider such document in order to give its approval of information for which Ultra or the Ultra Directors are taking responsibility (such approval not to be unreasonably withheld or delayed). Cobham shall only publish the Offer Document once the information in the Offer Document for which Ultra or the Ultra Directors are taking responsibility is in a form satisfactory to Cobham and Ultra (both acting reasonably), provided that if Ultra does not approve the Offer Document within 28 days from the date of the Agreed Switch, Cobham shall be entitled to publish the Offer Document containing only information required by Rule 24 of the Code and excluding such information as may be approved by the Panel;
 - 7.3.4 Cobham shall not take any action which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of any Condition, prior to midnight on Day 60 (including, without limitation, by publishing any acceptance condition invocation notice under Rule 31.6 of the Code or specifying in the Offer Document an unconditional date which is earlier than Day 60) and Cobham shall ensure that the Offer remains open for acceptance until such time;
 - 7.3.5 Cobham shall not, without the prior written consent of Ultra, make any acceleration statement (as defined in the Code) unless: (i) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver); (ii) the acceleration statement contains no right for Cobham to set the statement aside (except with Ultra consent); and (iii) Cobham undertakes to Ultra not to take any action or step otherwise to set the acceleration statement aside;
 - 7.3.6 if at any time following the publication of the Offer Document it is reasonably expected that any outstanding Regulatory Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Cobham shall, before the 30th day after the publication of the Offer Document (or such later date as Ultra may agree), consult with Ultra as to whether the offer timetable should be suspended in accordance with Rule 31.4 of the Code (or, if applicable, further suspended) and, if required by Ultra, shall request such suspension to a date agreed with Ultra and the Panel, in each case with the effect of extending Day 60 in accordance with Rule 31.3 of the Code, provided always that the date as extended (as, if applicable, it may be further extended) shall be no later than the Longstop Date;
 - 7.3.7 Cobham shall ensure that the Offer is made on the same terms as those set out in the Press Announcement and the only conditions of the Offer shall be the Conditions (subject to replacing the Conditions in paragraph 2 of Part A of Schedule 1 to the Press

Announcement with the Acceptance Condition referred to in Clause 7.2), unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and

7.3.8 Cobham shall keep Ultra informed, on a regular and confidential basis and in any event as soon as reasonably practicable following any request, of the number of holders of Ultra Shares that have: (i) validly accepted the Offer; (ii) withdrawn their acceptance of the Offer; and/or (iii) incorrectly submitted their acceptance or withdrawal, together with, in each case, the identity of such shareholders and the number of Ultra Shares held by such shareholders.

7.4 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as set out in this Clause 7.

7.5 Cobham hereby represents that it is not, at the date of this Agreement, and undertakes that (for so long as the Agreement is in force) it shall not become, following the date of this Agreement, required to make a mandatory offer for Ultra under Rule 9 of the Code, unless Clause 7.1.2 applies and an Ultra Board Adverse Recommendation Change occurs.

8. **ULTRA SHARE PLANS AND EMPLOYEE RELATED MATTERS**

8.1 The parties agree that the provisions of Schedule 1 (*Ultra Share Plans and Employee Related Matters*) with respect to certain employee-related matters shall be implemented in accordance with that Schedule.

8.2 Cobham and Ultra agree that if the Transaction is implemented by way of the Scheme, the timetable for its implementation shall be fixed so as to enable options and awards under the relevant Ultra Share Plans that are exercised and/or vest upon the sanction of the Scheme by the Court to be exercised or vest in sufficient time to enable the resulting Ultra Shares to be bound by the Scheme on the same terms as the Ultra Shares held by Ultra Shareholders.

9. **DIRECTORS' AND OFFICERS' INSURANCE**

9.1 If and to the extent such obligations are permitted by applicable Law, for six years after the Effective Date, Cobham shall procure that the members of the Ultra Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, and to provide all reasonable assistance to the current directors and officers of Ultra and each member of the Ultra Group to the extent they need to make a claim against the existing Ultra directors' and officers' insurance policy (including any associated run-off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.

9.2 Cobham acknowledges and agrees that Ultra may purchase, at any time prior to or following the Effective Date, directors' and officers' liability insurance cover for both current and former directors and officers of the Ultra Group, including directors and officers who retire or whose employment is terminated as a result of the Transaction, for acts and omissions up to and including the Effective Date, in the form of run-off cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of quantum and scope, substantially equivalent to that provided under the Ultra Group's directors' and officers' liability insurance as at the date of this Agreement.

10. **CODE AND APPLICABLE LAW**

- 10.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code and any other applicable Law. Any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.
- 10.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Ultra to take or not take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded, and neither Ultra nor the Ultra Directors shall have any obligation to take or not take any such action.
- 10.3 Nothing in this Agreement shall oblige Ultra or the Ultra Directors to recommend an Offer or a Scheme proposed by Cobham and/or any other person acting in concert with it.

11. TERMINATION

- 11.1 Subject to Clauses 11.2 and 11.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease immediately if one or more of the following occurs:
- 11.1.1 if agreed in writing between the parties, at any time prior to the Effective Date;
- 11.1.2 if the Press Announcement is not released via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement (unless, prior to that time, the parties have agreed a later time and/or date in accordance with Clause 2.1);
- 11.1.3 upon service of written notice by Cobham to Ultra, if one or more of the following occurs:
- (a) prior to the Longstop Date, a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Ultra under Rule 2.7 of the Code, which is publicly recommended by the Ultra Directors; or
 - (b) an Ultra Board Adverse Recommendation Change occurs other than an Ultra Board Adverse Recommendation Change set out in limb (b) of that definition;
- 11.1.4 upon service of written notice by Cobham on Ultra or by Ultra on Cobham, if one or more of the following occurs:
- (a) prior to the Longstop Date, any Condition has been invoked by Cobham (where the invocation of the relevant Condition is permitted by the Panel);
 - (b) prior to the Longstop Date, a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Ultra under Rule 2.7 of the Code, which completes, becomes effective or is declared or becomes unconditional in all respects;
 - (c) if the Transaction is withdrawn, terminated or lapses in accordance with its terms prior to the Longstop Date and, where required, with the consent of the Panel (other than: (i) where such lapse or withdrawal is as a result of the exercise of Cobham's right to effect a Switch from the Scheme to the Offer; or (ii) it is otherwise to be followed within five Business Days (or such other period as Ultra and Cobham may agree) by an announcement under Rule 2.7 of the Code made by Cobham or any person acting in concert with Cobham (or

deemed to be acting in concert with the Cobham) to implement the Transaction by a different offer or scheme on substantially the same or improved terms);

- (d) except following as a result of a Switch, if the Scheme is not approved by the requisite majority of holders of Scheme Shares at the Court Meeting and/or Ultra Shareholders at the Ultra General Meeting, or the Court definitively refuses to sanction the Scheme; or
- (e) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred by the Longstop Date.

11.2 Termination of this Agreement shall be without prejudice to the rights of any party that have or may have arisen at or prior to termination.

11.3 This Clause 11 and Clause 1, Clause 9 and Schedule 1 (*Ultra Share Plans and Employee Related Matters*) (but only in circumstances where this Agreement is terminated on or after the Effective Date), Clause 9.2, Clauses 12 to 21 (inclusive), and Clauses 23 and 24 shall survive termination of this Agreement.

11.4 The parties agree that paragraph 8 (Standstill) of the Confidentiality Agreement shall be terminated entirely with effect from termination of this Agreement in accordance with its terms and the parties agree and acknowledge that no party to the Confidentiality Agreement (and no third party beneficiary) shall have any further rights or obligations under that paragraph 8 (save in respect of any breach occurring prior to termination). Subject to the foregoing, the parties agree that the Confidentiality Agreement shall remain in full force and effect in accordance with its terms.

12. WARRANTIES AND UNDERTAKINGS

12.1 Each party warrants to the other on the date of this Agreement that:

12.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;

12.1.2 this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and

12.1.3 the execution and delivery of, and performance of its obligations under, this Agreement shall not:

- (a) result in a breach of any provision of its constitutional documents;
- (b) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
- (c) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.

12.2 No party shall have any claim against the other for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

12.3 Cobham warrants to Ultra that, as at the date of this Agreement:

12.3.1 each of it, Cobham Limited and Cobham Group Limited is an indirect subsidiary of Cobham Parent, which is controlled by the funds comprising Advent GPE IX which are managed by AIC;

12.3.2 no shareholder resolution of Cobham is required to implement the Transaction; and

12.3.3 it is not aware of any matter or circumstance which would or could reasonably be expected to result in any of the Regulatory Conditions not being satisfied.

12.4 Cobham acknowledges and agrees that any information and/or assistance provided by any of the Ultra Directors, officers, employees or advisers (each an “**Ultra Representative**”) to it and/or any other person acting in concert with either of them, and any of their respective directors, officers, employees or advisers (each a “**Recipient**”), whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Ultra or any member of the Ultra Group under or otherwise in connection with this Agreement; or (ii) in connection with the Transaction, shall in each case be (and have been) given on the basis that the relevant Ultra Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any of the Recipients may suffer as a result of the provision of any such information and/or assistance, save, in each case for loss or damage resulting from the fraudulent misrepresentation of the relevant Ultra Representative.

13. NOTICES

13.1 A notice under or in connection with this Agreement (a “**Notice**”) shall only be effective if it is:

13.1.1 in writing;

13.1.2 in the English language; and


13.1.3 delivered personally or sent by first class post pre-paid recorded delivery (and air mail if overseas) and also (or exclusively) by email to the party due to receive the Notice at the address specified in Clause 13.2 (or to another address specified by that party by not less than seven days’ written notice to the other party).

13.2 The address referred to in Clause 13.1.3 is:

13.2.1 in the case of Cobham and Cobham Parent:

Address: Tringham House
580 Deansleigh Road
Bournemouth
Dorset, BH7 7DT
United Kingdom

Email: 

marked for the attention of 



and a copy to each of (but such copy shall not constitute Notice):

Address: Kirkland & Ellis International LLP
30 St Mary’s Axe
London, EC3A 8AF
United Kingdom

Email: [REDACTED]

marked for the attention of [REDACTED]

13.2.2 in the case of AIC:

Address: Prudential Tower
800 Boylston Street
Boston, MA 02199-8069
United States

Email: [REDACTED]

marked for the attention of [REDACTED]

13.2.3 in the case of Ultra:

Address: Ultra Electronics Holdings PLC
35 Portman Square
London, W1H 6LR
United Kingdom

Email: [REDACTED]

marked for the attention of [REDACTED]

and a copy to (but such copy shall not constitute Notice):

Address: Slaughter and May
One Bunhill Row
London
EC1Y 8YY

Email: [REDACTED]

marked for the attention of [REDACTED]

13.3 A party may change its notice details on giving Notice to the other party of the change in accordance with Clauses 13.1, 13.2 and 13.4.

13.4 Unless there is evidence that it was received earlier, a Notice is deemed given:

13.4.1 if delivered personally, when left at the address referred to in Clause 13.2;

13.4.2 if sent by post, except air mail, two Business Days after posting it;

13.4.3 if sent by air mail, six Business Days after posting it;

13.4.4 if sent by email, when sent, provided that the sender does not receive a notice of non-delivery.

Any Notice sent outside of the hours of 9.00 a.m. to 5.30 p.m. shall be deemed to be given at the start of the next Business Day.

13.5 The provisions of this Clause 13 shall not apply in relation to the service of any claim form, application notice, order, judgment or other document relating to any proceedings, suit or action arising out of or in connection with this Agreement, whether contractual or non-contractual.

14. **REMEDIES AND WAIVERS**

14.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by applicable Law or under this Agreement shall affect that right, power or remedy or operate as a waiver of it.

14.2 The single or partial exercise of any right, power or remedy provided by applicable Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

14.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by applicable Law.

14.4 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach by any party of the provisions of this Agreement and each party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by a party hereto, and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

14.5 Nothing in this Agreement shall oblige Ultra to pay an amount in damages which the Panel determines would not be permitted by Rule 21.2 of the Code.

15. **VARIATION**

No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the parties.

16. **INVALIDITY**

16.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the applicable Law of any jurisdiction, that shall not affect or impair:

16.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

16.1.2 the legality, validity or enforceability under the applicable Law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

17. **ENTIRE AGREEMENT**

17.1 Save for the Confidentiality Agreement, the JDA and any other agreements or communications that are agreed by or on behalf of the parties as being included in this Clause 17 (which, in each case, this Agreement shall not supersede and the provisions of Clauses 17.1.1 to 17.1.3 shall not affect or apply to):

- 17.1.1 this Agreement constitutes the whole and only agreement between the parties relating to the Transaction, and supersedes any previous agreement whether written or oral between the parties in relation to the Transaction;
- 17.1.2 except in the case of fraud, each party acknowledges that it is entering into this Agreement in reliance upon only this Agreement and that it is not relying upon any pre-contractual statement that is not set out in this Agreement; and
- 17.1.3 except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against any other party arising out of or in connection with any pre-contractual statement, except to the extent that it is repeated in this Agreement.
- 17.2 For the purposes of this Clause 17, “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement (but excluding, for the avoidance of doubt, the agreements and communications referenced in the opening provisions of Clause 17.1).
- 18. THIRD PARTY RIGHTS**
- 18.1 Each of:
- 18.1.1 the current and/or former directors and officers of the members of the Ultra Group to which Clause 9.1 and/or Clause 9.2 applies; and
- 18.1.2 the Ultra Representatives to which Clause 12.4 applies,
- (each such person being a “**Relevant Third Party**”) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clauses 9.1, 9.2 and/or 12.4 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or variation of Clause 9.1, 9.2 and/or 12.4 shall require the consent of the affected Relevant Third Party); and (ii) the other terms and conditions of this Agreement.
- 18.2 Paragraphs 9 to 11 (inclusive) in Part 1 of Schedule 1 (*Ultra Share Plans and Employee Related Matters*) and paragraph 4 of Part 2 of Schedule 1 (*Ultra Share Plans and Employee Related Matters*) confer a benefit on the members of the Ultra Remuneration Committee (as defined in Schedule 1 (*Ultra Share Plans and Employee Related Matters*)), who may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Cobham’s agreement in those paragraphs of Schedule 1 (*Ultra Share Plans and Employee Related Matters*).
- 18.3 The parties agree and acknowledge that Clause 11.4 confers a benefit on Cobham Limited, AIC and their respective Standstill Affiliates (as such term is defined in the Confidentiality Agreement) and each of them shall be entitled to enforce Clause 11.4 under the Contracts (Rights of Third Parties) Act 1999.
- 18.4 Except as set out in Clauses 18.1, 18.2 and 18.3 above, the parties do not intend that any term of this Agreement should be enforceable by, or confer a benefit on, any person who is not a party to this Agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 19. NO PARTNERSHIP**

No provision of this Agreement creates a partnership between any of the parties or makes a party the agent of another party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for another party in any way or for any purpose.

20. ASSIGNMENT

No party shall be entitled to assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of in any manner whatsoever, the benefit of this Agreement (or any part of it) or sub-contract in any manner whatsoever its performance under this Agreement, without the prior written consent of the other parties.

21. COSTS AND EXPENSES

Save as expressly provided otherwise, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and implementation of this Agreement and any matter contemplated by it (including the costs of preparation and/or submission of any filings and/or notifications).

22. FURTHER ASSURANCE

Each party shall, at the cost of the requesting party, use reasonable endeavours to, or use reasonable endeavours to procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as the requesting party may reasonably be required to give effect to this Agreement to the requesting party.

23. COUNTERPARTS

23.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.

23.2 Delivery of an executed counterpart signature page of this Agreement by email (pdf) shall be as effective as manual delivery. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page on the final text of this Agreement, such counterpart signature page shall take effect with such final text as a complete authorised counterpart.

24. GOVERNING LAW AND JURISDICTION

24.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

24.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual.

24.3 Each of Cobham Parent and AIC hereby appoints Law Debenture Corporate Services Limited of 8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG to be its agent for service of process in England and Wales in connection with any claim form, application notice, order, judgment or other document relating to any proceedings, suit or action arising out of or in connection with this Agreement, whether contractual or non-contractual. If the agent at any time ceases for any reason to act as such, each of Cobham Parent and AIC shall appoint a

replacement agent having an address for service in England or Wales and shall notify Ultra of the name and address of the replacement agent. Failing such appointment and notification, Ultra shall be entitled by notice to each of Cobham Parent and AIC to appoint a replacement agent to act on their behalf. The provisions of this Clause 24.3 applying to service on an agent apply equally to service on a replacement agent.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

EXECUTED BY)
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 acting for and on behalf of)
 Cobham Ultra Acquisitions Limited)

EXECUTED BY)
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 acting for and on behalf of)
 Cobham Group Holdings Limited)

EXECUTED BY)
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 acting for and on behalf of)
 Advent International Corporation)

EXECUTED BY)
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 acting for and on behalf of)
 Ultra Electronics Holdings plc)



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 Advent International Corporation)



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 Ultra Electronics Holdings plc)


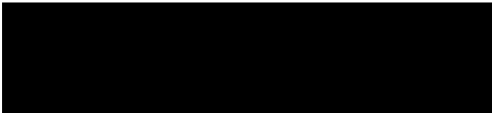
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Cobham Group Holdings Limited)

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Advent International Corporation)

EXECUTED BY)
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 acting for and on behalf of)
Ultra Electronics Holdings plc)

SCHEDULE 1
ULTRA SHARE PLANS AND EMPLOYEE RELATED MATTERS

Ultra and Cobham intend that the following arrangements and acknowledgements will, subject to the Scheme becoming effective in accordance with its terms, apply to the Ultra Share Plans and the Ultra Employees.

In the event that there is an Agreed Switch and the Transaction is implemented by way of an Offer, references to the date of the Scheme Order (“**Court Sanction Date**”) and the Effective Date will be read as if they referred to the date on which the Offer becomes or is declared unconditional in all respects.

The acknowledgements in paragraphs 2, 4-7, 9-17 and 19 of Part 1 (*Ultra Share Plans*) (inclusive), and paragraphs 1 and 3 to 6 of Part 2 (*Employees*) (inclusive) of this Schedule 1 do not impose contractual restrictions or obligations on any member of the Ultra Group or their boards of directors.

In this Schedule 1, each of the following words and expressions shall have the following meanings:

“ 2021 Financial Year ”	means the Ultra financial year ending on 31 December 2021;
“ 2022 Financial Year ”	means the Ultra financial year ending on 31 December 2022;
“ CSOP ”	means the Ultra Electronics Company Share Option Plan 2007;
“ ESOS ”	means the Ultra Electronics Executive Share Options Scheme 2007;
“ International SAYE ”	means the Ultra Electronics International Savings Related Share Option Scheme 2007;
“ LTIP ”	means the Ultra Electronics Long Term Incentive Plan 2017;
“ Qualifying Termination ”	has the meaning given to it in Part 2, paragraph 8 of this Schedule 1;
“ Retention Awards ”	has the meaning given to it in Part 2, paragraph 5 of this Schedule 1;
“ SAYE ”	means the Ultra Electronics Savings Related Share Option Scheme 2007;
“ Scheme Order ”	means the order of the Court sanctioning the Scheme pursuant to section 899 of the Companies Act;
“ SIP ”	means the Ultra Electronics Share Incentive Plan;
“ Trust ”	has the meaning given to it in Part 1, paragraph 18 of this Schedule 1;

“Ultra Directors’ Remuneration Policy”	means the directors’ remuneration policy approved by Ultra Shareholders from time to time;
“Ultra Employees”	means the employees of Ultra and the employees of members of the Ultra Group from time to time;
“Ultra Remuneration Committee”	means the remuneration committee of the board of directors of Ultra; and
“Ultra Share Plans”	means each of the CSOP, ESOP, LTIP, SIP, SAYE and International SAYE.

PART 1

ULTRA SHARE PLANS

General

1. As at 12 August 2021, the following options and awards were outstanding under the Ultra Share Plans:

Ultra Share Plan	Form of award(s)	Number of Ultra Shares subject to outstanding awards/options
CSOP	Options	48,450
ESOS	Options	303,260
LTIP	Options and Conditional Awards	1,277,623
SIP	Partnership Shares	149,864
SAYE	Options	252,536
International SAYE	Options	143,143

2. Cobham acknowledges Ultra's current intention that additional Ultra Shares will be delivered on vesting of certain outstanding options and awards under the LTIP by way of dividend equivalent under the rules of the LTIP.
3. Ultra confirms that no additional options or awards have been granted since 22 June 2021.
4. Cobham acknowledges that, before the Effective Date, Ultra may continue to operate the Ultra Share Plans in accordance with the rules of the relevant plan, Ultra's normal practice and, where applicable, the Ultra Directors' Remuneration Policy. For the avoidance of doubt, the operation of the Ultra Share Plans includes (without limitation): granting awards, determining the extent to which awards vest and satisfying the vesting of awards and exercise of options.
5. Cobham and Ultra acknowledge that:
 - (A) The Scheme Record Time (as defined in the Press Announcement) shall take place after the Court Sanction Date, to allow those participants in Ultra Share Plans who acquire Ultra Shares on or before the Court Sanction Date to have those Ultra Shares acquired by Cobham and dealt with through the Scheme.
 - (B) Ultra may amend the rules of the Ultra Share Plans if the Ultra Directors (or the relevant committee) are of the opinion that such amendments are necessary to implement the Scheme and the treatment set out in this Agreement, to facilitate the administration of the Ultra Share Plans and/or to obtain or maintain favourable tax treatment for participants or for Ultra.

- (C) Cobham and Ultra intend to jointly write to participants in the Ultra Share Plans on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding conditional awards and options under the Ultra Share Plans (“Awards”), the extent to which their Awards will vest and, in the case of options, become exercisable as a result of the Scheme and any actions they may need to take in connection with their Awards as a result of the Scheme.
 - (D) Ultra Shareholder approval will be sought for an amendment to the articles of association of Ultra so that any Ultra Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Cobham in exchange for the provision by Cobham of the same consideration payable per Ultra Share under the Scheme (or such other consideration as may be agreed between Cobham and Ultra and disclosed in the Scheme Document).
- 6. Cobham acknowledges and agrees that if, for any reason, Ultra Shares cannot be issued or transferred (including by way of market purchase) when Awards vest and, in the case of options, are exercised under any of the Ultra Share Plans (or the Ultra Remuneration Committee considers that it is inconvenient or costly to do so), such Awards may be settled by Ultra in cash.
 - 7. Cobham acknowledges that Ultra may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 1, having consulted with Cobham before making any such submission, and Cobham agrees to co-operate as soon as possible and in good faith in the making of any such submission.
 - 8. Cobham confirms that none of the Awards will be exchanged for, converted into or replaced by any options or awards issued or granted by Cobham or any member of the Cobham Group in respect of the shares in Cobham or any member of the Cobham Group.

LTIP

- 9. Cobham acknowledges that all unvested Awards granted under the LTIP will vest on the Court Sanction Date subject to the Ultra Remuneration Committee’s discretions under the LTIP rules to: (i) assess the achievement of performance conditions (where applicable); and (ii) apply or disapply pro-rating. Options granted under the LTIP will be exercisable until the earlier of one month after the Court Sanction Date and the expiry of the normal exercise period.
- 10. Cobham acknowledges that:
 - (A) based on the information available to the Ultra Remuneration Committee as at the date of this Agreement, it is the current expectation of the Ultra Remuneration Committee that performance conditions will be satisfied such that all unvested Awards vest as to 100% (where applicable); and
 - (B) it is the current intention of the Ultra Remuneration Committee to determine that all unvested Awards granted under the LTIP will vest in full with no application of time pro-rating;and Cobham agrees to that outcome.

11. Cobham acknowledges that:
- (A) subject to the consent of the Panel, Ultra currently intends to make further Awards under the LTIP in the ordinary course of business and in accordance with its usual practice for the 2022 Financial Year (the “**2022 LTIP Awards**”), if the Acquisition has not completed by the date in 2022 on which Ultra would usually make Awards under the LTIP;
 - (B) the Ultra Remuneration Committee currently intends to determine that any 2022 LTIP Awards (if granted) vest in connection with the Acquisition subject to both time pro-rating and the assessment of applicable performance conditions by the Ultra Remuneration Committee; and
 - (C) the satisfaction of performance conditions in respect of any 2022 LTIP Awards (if granted) will be assessed by the Ultra Remuneration Committee on, or shortly prior to, the Court Sanction Date.

CSOP

12. Cobham acknowledges that all options under the CSOP will be exercisable until the earlier of 20 days after the Effective Date and the expiry of the normal exercise period.

ESOS

13. Cobham acknowledges that all options under the ESOS will be exercisable until the earlier of one month after the Court Sanction Date and the expiry of the normal exercise period.

SAYE and International SAYE

14. Cobham acknowledges that options granted under the SAYE and International SAYE which would not otherwise have been exercisable prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants’ contractual rights under the SAYE or International SAYE) be exercisable from the Court Sanction Date until the earlier of: (i) 20 days after the Effective Date (in the case of the SAYE) or six months after the Court Sanction Date (in the case of the International SAYE); and (ii) the expiry of the normal exercise period, and will be exercisable over less than the full number of Ultra Shares than would otherwise be the case on maturity of the relevant savings contracts. Cobham therefore agrees that it will make (or procure the making of) a one-off cash payment (the “SAYE Payment”) to those participants in the SAYE and International SAYE who exercise their options conditional on the Effective Date of an amount calculated in accordance with Part 1, paragraph 15 below, provided that no such cash payment will be made in respect of options granted under the SAYE or International SAYE after the date of this Agreement.
15. Cobham acknowledges that any such SAYE Payment made or procured by Cobham in accordance with Part 1, paragraph 14 above in relation to options exercised under the SAYE or International SAYE shall, after taking account of the participants’ liability to income tax and employee’s social security deductions thereon, provide them with an amount after deductions for income tax and employee’s social security deductions equal to the amount of gain they would have received had they exercised their option on the maturity of the relevant savings

contract, and had the Ultra Shares acquired upon such exercise been acquired on the terms of the Scheme.

SIP

16. Cobham acknowledges that the acquisition of “Partnership Shares” (as such term is defined in Schedule 2 to ITEPA) under the SIP may continue until the last normal purchase date before the Effective Date.
17. Cobham acknowledges that the SIP shares will participate in the Scheme on the same terms as other Ultra Shareholders.

Employee Benefit Trust

18. As at 12 August 2021 the Ultra Employee Trust (the “**Trust**”) held approximately 41,134 Ultra Shares.
19. Cobham and Ultra acknowledge that the expectation is that the trustee of the Trust will be requested to use the Ultra Shares that it holds to satisfy outstanding Awards as far as possible.

PART 2

EMPLOYEES

Ultra Employees: ordinary course of business arrangements

1. Cobham acknowledges and agrees that Ultra will carry out annual (or other periodic) pay reviews and appraisals and promotion rounds in the ordinary course of business.
2. Cobham agrees, in respect of each Ultra Employee (as identified immediately prior to the Effective Date) who remains in employment within the Ultra Group, that for the 12-month period immediately following the Effective Date it shall, or shall cause the relevant employing entity in the Ultra Group to, maintain at least the same base salary and benefits (including pension) as were provided to each such Ultra Employee immediately prior to the Effective Date.
3. Cobham acknowledges that Ultra is in the process of recruiting employees for certain senior management positions and Cobham agrees that it is supportive of such recruitment.

Annual bonus

4. Cobham acknowledges that:
 - (A) Ultra operates annual bonus arrangements that are conditional on financial and individual performance;
 - (B) bonus determinations for the 2021 Financial Year will be undertaken by Ultra and determined in line with its usual processes to verify and approve bonuses and in accordance with the Ultra Directors' Remuneration Policy (where applicable) and consistent with normal Ultra practice. Provided that the relevant individual was either an Ultra Employee on the last date of the 2021 Financial Year or their employment ended before that date in circumstances amounting to a Qualifying Termination (as defined in Part 2, paragraph 8 below), such bonuses will be paid by Ultra on the earlier of: (i) the normal bonus payment date; and (ii) as soon as reasonably practicable after the Effective Date. For the avoidance of doubt, any bonus determination in respect of a bonus payable to a former Ultra Employee (whose employment terminated in circumstances amounting to a Qualifying Termination) shall be prorated to reflect the period from the start of the 2021 Financial Year up to and including the date of termination of employment Cobham agrees that the bonus pool for the 2021 Financial Year available to be awarded to Ultra Employees below the level of the Executive Committee will be at least £23 million;
 - (C) for the 2022 Financial Year:
 - (i) Cobham agrees that the bonus pool for the 2022 Financial Year available to be awarded to Ultra Employees below the level of the Executive Committee will be at least £27 million;
 - (ii) if the Effective Date occurs prior to the start of the 2022 Financial Year, the arrangements in Part 2, paragraph 4(D) below will apply;

- (iii) if the Effective Date occurs during the 2022 Financial Year:
 - (a) bonus determinations for the period from the start of the 2022 Financial Year up to and including the Effective Date will be undertaken by the Ultra Remuneration Committee on or around the Effective Date based on existing performance conditions and, provided the relevant individual was an Ultra Employee on the Effective Date, paid by Ultra in cash with no deferral on the earlier of: (i) the normal bonus payment date; or (ii) as soon as reasonably practicable after termination of employment;
 - (b) bonus determinations for the period from the day after the Effective Date to the end of the 2022 Financial Year will be undertaken shortly after the end of the 2022 Financial Year based on existing performance conditions (or, where existing performance conditions are no longer appropriate after the Effective Date, such performance conditions as are agreed between Ultra and the relevant Ultra Employee) and paid by Ultra on the earlier of: (i) the normal bonus payment date; and (ii) if the relevant Ultra Employee's employment ends in circumstances amounting to a Qualifying Termination (as defined in Part 2, paragraph 8 below), as soon as reasonably practicable after termination of employment;

provided always that any bonus determination in respect of a bonus payable to a former Ultra Employee (whose employment terminated in circumstances amounting to a Qualifying Termination) shall be prorated to reflect the period from the start of the 2022 Financial Year up to and including the date of termination of employment; and

- (iv) if the Effective Date occurs after the 2022 Financial Year ends, bonus determinations for the 2022 Financial Year will be undertaken by Ultra and bonuses will be paid by Ultra in accordance with the Ultra Directors' Remuneration Policy (where applicable) and consistent with normal Ultra practice, with payment being made on the earlier of: (i) the normal bonus payment date; and (ii) as soon as reasonably practicable after the Effective Date.
- (D) for financial years starting after the Ultra financial year in which the Effective Date occurs, Ultra Employees will be eligible to participate in bonus arrangements operated by Cobham in respect of Ultra in accordance with applicable policies and practices from time to time.

Recruitment and Retention arrangements

5. Cobham acknowledges that, for the purpose of protecting the business to be acquired pursuant to the Acquisition, Ultra may make cash retention awards, up to a maximum in aggregate of £6 million, to Ultra Employees or prospective Ultra Employees (in each case excluding the executive directors) whose recruitment and/or retention is considered critical for the business (the "Retention Awards"). Cobham further acknowledges that the Retention Awards will be paid: (i) before or within 90 days after the Effective Date, provided the employee remains in employment on that date, and not serving a period of notice (other than a period of notice in

relation to circumstances amounting to a Qualifying Termination); or (ii) if the relevant Ultra Employee's employment ends earlier than 90 days after the Effective Date in circumstances amounting to a Qualifying Termination (as defined in Part 2, paragraph 8 below), as soon as reasonably practicable after termination of employment.

6. Cobham acknowledges that it intends to develop a retention and incentivisation programme for Ultra Employees that will apply after the Effective Date and will communicate it as appropriate.

Severance arrangements

7. Cobham agrees that, where any Ultra Employee is served with (or serves) notice of a Qualifying Termination (as defined in Part 2, paragraph 8 below) or is otherwise subject to a Qualifying Termination at any time during the period of twelve months from the Effective Date, such Ultra Employee will:

- (A) receive a bonus in respect of the financial year in which their employment terminates, pro-rated to the date of termination;
- (B) be subject to the leaver provisions of any incentive arrangement in which they participate as at the date of termination;
- (C) receive reasonable and appropriate outplacement support commensurate to their seniority, provided (if requested by Cobham) on termination of employment they enter into a settlement or severance agreement on terms materially consistent with Ultra's standard form (which include a comprehensive waiver of claims);
- (D) receive a reasonable and appropriate contribution towards legal fees if, on termination of employment, they enter into a settlement or severance agreement on terms materially consistent with Ultra's standard form (which include a comprehensive waiver of claims); and
- (E) receive a severance payment calculated in accordance with either: (i) the practices used by Ultra historically, as notified to Cobham prior to entry into this Agreement; or (ii) any other policy or arrangement agreed between Ultra and Cobham, such policy or arrangement to be no less favourable on an individual basis than the formula referred to under Part 2, paragraph 7(E)(i), in each case provided (if requested by Cobham) on termination of employment they enter into a settlement or severance agreement on terms materially consistent with Ultra's standard form (which include a comprehensive waiver of claims).

8. In this Agreement, a "**Qualifying Termination**" is:

- (A) any termination by the employer: (i) other than by reason of the Ultra Employee's misconduct or poor performance (provided, in the reasonable opinion of Ultra's Chief HR Officer or, if that person is no longer in role, the Ultra Employee responsible for HR activities within Ultra at the relevant time, an appropriate and reasonable disciplinary process or performance improvement plan was implemented and followed prior to termination); or (ii) other than where the employer is entitled pursuant to the employment contract to dismiss the Ultra Employee summarily without notice (or payment in lieu of notice);

- (B) any termination by reason of the Ultra Employee's ill health, injury, disability, death or retirement;
- (C) if the Ultra Employee ceases to be an employee of the Ultra Group, Cobham Group or the AIC Group by reason of: (i) his or her employing entity ceasing to be a member of the Ultra Group, Cobham Group or the AIC Group; or (ii) the business or part of the business in which he or she works being transferred to a person that is not a member of the Ultra Group, Cobham Group or the AIC Group;
- (D) a termination by reason of the Ultra Employee's resignation in circumstances amounting to constructive dismissal; or
- (E) a termination by reason of the Ultra Employee's resignation where, without the Ultra Employee's express written consent: (i) the Ultra Employee's role and/or reporting level and/or status has been materially diminished; or (ii) there is a material reduction in the Ultra Employee's base salary or wage, or cash compensation opportunities, taken as a whole, or a material reduction in the Ultra Employee's benefits and allowance package, taken as a whole; or (iii) an Ultra Employee's normal place of work is moved more than 25 miles from their previous place of work. In the event of any dispute about whether (i) or (ii) applies to a particular Ultra Employee, the decision shall be referred to Ultra's HR Director (or, if that person is no longer in role, the Ultra Employee responsible for HR activities within Ultra), who shall, acting reasonably, determine the position,

in each case, save where the Relevant Ultra Employee continues employment with another member of the Ultra Group or the Cobham Group.

SCHEDULE 2
PRESS ANNOUNCEMENT

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

16 August 2021

RECOMMENDED CASH ACQUISITION

of

Ultra Electronics Holdings plc

by

Cobham Ultra Acquisitions Limited

(a wholly-owned indirect subsidiary of Cobham Group Holdings Limited)

**to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

Summary

- The boards of directors of Ultra Electronics Holdings plc (“Ultra”) and Cobham Ultra Acquisitions Limited (“Cobham”), a wholly-owned indirect subsidiary of Cobham Group Holdings Limited (“Cobham Group Holdings”), are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash acquisition of the entire issued, and to be issued, ordinary share capital of Ultra (the “Acquisition”).
- Under the terms of the Acquisition, each Ultra Shareholder will be entitled to receive:

for each Ultra Share: £35.00 in cash
- In addition, Ultra Shareholders will be entitled to receive, without any consequential reduction in the Consideration, the interim cash dividend of 16.2 pence per Ultra Share as announced by Ultra on 19 July 2021, which is due to be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appear on the register of members of Ultra as at 27 August 2021 (the “Interim Dividend”).
- The price of £35.00 per Ultra Share, together with the Interim Dividend, values Ultra’s entire issued, and to be issued, ordinary share capital at approximately £2.57 billion on a fully diluted basis, and represents a premium of approximately:

- 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
- 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share.
- If, on or after the date of this Announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of value is announced, declared, made or paid by Ultra (other than the Interim Dividend), Cobham reserves the right to reduce the Consideration payable under the terms of the Acquisition for the Ultra Shares by an amount equal to the aggregate amount of such dividend, distribution or other return of value. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution or other return of value.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Background to and reasons for the Acquisition

- Cobham and Ultra both have a history as innovators and share advanced complementary capabilities, delivering mission critical solutions to the US, UK and other key allies.
- Cobham considers that customers will benefit significantly from the combination, driven by the complementary design, engineering and manufacturing capabilities of the two groups, which will enable the delivery of more integrated and higher performance solutions to our mutual customers and wider stakeholders, including across the “five-eyes” nations.
- Cobham sees strong industrial logic for a combination with Ultra, which will facilitate accelerated revenue growth in both businesses, expansion on current shared platforms and programmes and wins on combined enhanced positions on platforms and programmes of the future.

Binding commitments to HM Government

- Cobham recognises the specific importance of Ultra’s contribution to the UK’s economy and national security and therefore Cobham and Cobham Group Holdings have agreed with Ultra in the Cooperation Agreement that they will offer legally binding and enforceable commitments to HM Government in respect of the Ultra Group.
- Following this Announcement, Cobham will, with Ultra’s support and involvement, engage proactively and collaboratively with HM Government to agree the detailed terms, duration, nature and form of these commitments, which would apply immediately from completion of the Acquisition to protect the Ultra businesses and stakeholders following closing.

- The commitments, which will apply immediately from completion of the Acquisition, will cover the following matters and areas:
 - safeguarding and supporting the UK's national security, including appropriate protections for sovereign UK capability, continuity of supply and critical capabilities in the UK, and appropriate board composition and national security clearance arrangements;
 - investing in Ultra's UK work force by protecting existing and creating new UK manufacturing and engineering jobs and apprenticeships and maintaining a UK headquarters;
 - increasing investment in innovation, and research and development in the UK, including by continuing to develop UK-registered intellectual property rights for use in the UK and through investment in new regional technology centres of excellence and funding of academic institutions; and
 - accelerating Ultra's ESG ambitions, including enhanced commitments on net carbon emissions, diversity and the community investment programme.
- Cobham also intends to establish a forum between it and the relevant representatives of HM Government to enable ongoing dialogue, co-operation and monitoring to ensure that HM Government has full visibility of Cobham's delivery of the commitments.
- Further details are set out at paragraph 10 (*Binding commitments to HM Government*) of this Announcement below.

Ultra UK DB Pension Scheme

- Cobham is delighted to confirm that it has entered into a legally binding Memorandum of Understanding with the trustee of the Ultra UK DB Pension Scheme, which sets out the parties' agreement with respect to the future funding of the Ultra UK DB Pension Scheme.

Ultra Recommendation

- The Ultra Directors, who have been so advised by J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Ultra Directors. Numis is providing independent financial advice to the Ultra Directors for the purposes of Rule 3 of the Code.
- In addition to the financial and other terms of the Acquisition, the Ultra Directors have carefully considered the legally binding and enforceable commitments Cobham has agreed with Ultra, as part of the Cooperation Agreement, to offer to HM Government to safeguard the interests of Ultra's key stakeholders, which would apply immediately from completion of the Acquisition.
- Accordingly, the Ultra Directors intend to recommend unanimously that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as the Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control,

totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

Information on Cobham

- Cobham is a wholly-owned indirect subsidiary of Cobham Group Holdings. The Cobham Group is a leading global technology and services innovator offering a suite of products, systems and engineering services that continue to enable innovative and cutting-edge solutions in space, avionics and electronics, in both commercial and defence markets.

Timetable and Conditions

- The terms of the Acquisition will be put to Ultra Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable Ultra Shareholders to consider and, if thought fit, vote in favour of the Scheme and the Resolutions to implement the Scheme. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Ultra Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition will be subject to the Conditions and the further terms set out in Appendix 1 to this Announcement, including the receipt of relevant antitrust approvals in Austria, Canada, Germany, Turkey and the US and foreign investment and regulatory approvals in Australia, Canada and the UK. The Acquisition is expected to become Effective in Q1 2022.
- Cobham will work with Ultra to engage constructively with all relevant stakeholders to satisfy these conditions.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, will be sent to Ultra Shareholders as soon as practicable and in any event within 28 days of this Announcement (or such later time as Ultra, Cobham and the Panel agree). An expected timetable of principal events will be included in the Scheme Document.
- Commenting on this Announcement, Shonnel Malani, Chairman of the Cobham Group, said:

“We believe Cobham and Ultra’s complementary capabilities delivering mission critical technology will be significantly enhanced through the combination of the two groups, enabling the development of higher performance solutions for our customers.

“We recognise the important role that a combined Cobham and Ultra will play in ‘five-eyes’ defence and are committed to protecting the continuity of supply to the UK and our allies. We look forward to working with HM Government, and other relevant stakeholders,

to agree legally binding commitments which safeguard Ultra's contribution to the UK economy and national security."

- Mark T. Esper, Former US Secretary of Defense and non-executive director of Cobham AES, said:

"As a former US Secretary of Defense, I have seen first-hand the enduring importance of a close military relationship between the UK and the US. I am also aware of the evolving threats our two nations, and our allies, face. As such, it is essential that we have defence companies capable of meeting our joint security needs. The enhanced capabilities of a combined Cobham and Ultra promise to deliver significant benefits to both countries."

- Martin Clements, Former Director General of the UK Foreign & Commonwealth Office and non-executive director of Cobham Limited, said:

"During my 30 years at the Foreign and Commonwealth Office, I was able to see first-hand the critical role both technology and international co-operation play in meeting the UK's security and defence needs. The increased scale and international footprint of a combined Cobham and Ultra will further strengthen the company's ability to address the national security requirements of the UK and its allies."

- Tony Rice, Chairman of Ultra, said:

"The Ultra Board is confident of Ultra's future prospects as an independent listed company and its ability to deliver excellent and sustainable value for all its stakeholders. The Ultra Board is also extremely pleased with the excellent progress that the management team is making on executing the ONE Ultra strategy and the Focus; Fix; Grow transformation programme. This was clearly recognised and part of the rationale behind Cobham's interest in Ultra and enabled the Ultra Board to review Cobham's unsolicited approaches from a position of strength.

"In considering Cobham's various approaches, the Ultra Board reviewed the Ultra Group's strategic plans and financial projections in detail, as well as comparative trading and transaction multiples. The Ultra Board recognises the very significant premium to Ultra's undisturbed share price and to its all-time high share price. The offer price compares favourably to the current value of Ultra's risk adjusted future financial performance and also recognises the remarkable value creation that has taken place under current management. The Ultra Board has also spent considerable time reviewing the potential impact of Cobham's ownership on Ultra's stakeholders and is comfortable that their stakeholder commitments plus legally binding undertakings to HM Government will protect stakeholder interests appropriately. The Ultra Board therefore unanimously intends to recommend the Cobham offer to shareholders."

- Simon Pryce, Chief Executive Officer of Ultra, said:

"Today's offer from Cobham reflects the significant progress and value that has been created by the whole Ultra team from our ONE Ultra strategy and from the progress we are making on our Focus; Fix; Grow transformation. The team should be very proud of what they have achieved so far.

“This combination will enhance Ultra’s prospects through Cobham’s stated intentions to accelerate our transformation, invest in our technology, and to continue to support our customers, operations, communities, and most importantly our talented and committed people.

“The combination will also create a defence electronics business of greater scale, bringing together two businesses with complementary technology, design, engineering and manufacturing capabilities, which we believe will enable the delivery of a broader range of integrated, cost competitive and high performance solutions across a wider range of platforms, benefitting our mutual customers and wider stakeholders.”

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information contained in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertakings received by Cobham. Appendix 4 contains the definitions of certain terms used in this Announcement.

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Kirkland & Ellis International LLP is acting as legal adviser to Cobham in connection with the Acquisition.

Slaughter and May is acting as legal adviser to Ultra in connection with the Acquisition.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Ultra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document). This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

J.P. Morgan Cazenove, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting as financial adviser exclusively for

Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein.

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Credit Suisse, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Cobham and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Cobham for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.

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Morgan Stanley which is authorised by the PRA and regulated by the FCA and the PRA in the UK is acting exclusively as financial adviser to Cobham and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

Overseas jurisdictions

The availability of the Acquisition to Ultra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Ultra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law, the UK Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK.

Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction, and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Scheme Document.

US Holders

US Holders should note that the Acquisition relates to the securities of an English company, is subject to UK disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information

included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if, in the future, Cobham were to exercise its right to implement the Acquisition of the Ultra Shares by way of an Offer, such Offer will be made in compliance with applicable US tender offer and securities laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ultra Shareholder is urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Cobham and Ultra are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK market practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Cobham or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ultra Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Cobham and Ultra contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Cobham and Ultra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Cobham and Ultra, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Cobham and Ultra believe that the expectations reflected in such forward-looking statements are reasonable, Cobham and Ultra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk

and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions; changes in general economic and business conditions; the behaviour of other market participants; the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Cobham and Ultra operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates, interest rates and currency value fluctuations; the degree of competition in the geographic and business areas in which Cobham and Ultra operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Cobham nor Ultra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Cobham nor Ultra is under any obligation, and Cobham and Ultra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates or quantified financial benefits statements

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cobham or Ultra, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham or Ultra, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ultra's website at www.ultra.group/gb/ and Cobham's website at www.cobham.com by no later than 12 noon (London time) on the business day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Ultra Shareholders, persons with information rights and participants in Ultra Share Plans may request a hard copy of this Announcement by contacting Ultra's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 3842048. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 am and 5.30 pm Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Ultra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Ultra may be provided to Cobham during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Person responsible

The person responsible for arranging the release of this announcement on behalf of Ultra is Louise Ruppel, General Counsel & Company Secretary.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

16 August 2021

RECOMMENDED CASH ACQUISITION

of

Ultra Electronics Holdings plc

by

Cobham Ultra Acquisitions Limited

(a wholly-owned indirect subsidiary of Cobham Group Holdings Limited)

**to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

1 INTRODUCTION

The boards of directors of Ultra Electronics Holdings plc ("Ultra") and Cobham Ultra Acquisitions Limited ("Cobham"), a wholly-owned indirect subsidiary of Cobham Group Holdings Limited ("Cobham Group Holdings"), are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash acquisition of the entire issued, and to be issued, ordinary share capital of Ultra. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2 THE ACQUISITION

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each Ultra Shareholder will be entitled to receive:

for each Ultra Share: £35.00 in cash

In addition, Ultra Shareholders will be entitled to receive, without any consequential reduction in the Consideration, the interim cash dividend of 16.2 pence per Ultra Share announced by Ultra on 19 July 2021, which is due to be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appear on the register of members of Ultra as at 27 August 2021 (the "Interim Dividend").

The price of £35.00 per Ultra Share, together with the Interim Dividend, values Ultra's entire issued, and to be issued, ordinary share capital at approximately £2.57 billion on a fully diluted basis, and represents a premium of approximately:

- 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
- 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share.

3 DIVIDENDS

Under the terms of the Acquisition, Cobham has agreed that Ultra Shareholders will be entitled to receive the Interim Dividend without any consequential reduction in the Consideration payable by Cobham in respect of each Ultra Share under the Acquisition.

Other than the Interim Dividend, if any dividend, distribution or other return of value is announced, declared, made or paid by Ultra in respect of Ultra Shares on or after the date of this Announcement and before the Effective Date, Cobham reserves the right to reduce the Consideration payable in respect of each Ultra Share under the Acquisition by the amount of all or part of any such dividend, distribution or return of value. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution or other return of value.

4 BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Cobham Group is a leading global technology innovator providing solutions to the most challenging problems, primarily in aerospace, defence and space, to the US, UK and other key allies.

Within its portfolio, Cobham has been investing significantly to scale and develop its defence electronics business. It has also considered opportunities to acquire other innovative defence electronics businesses with highly differentiated mission critical solutions which serve adjacent end markets.

In this context, Cobham believes that an acquisition of Ultra is very much aligned with its strategy. Cobham and Ultra both have a history as innovators and share advanced complementary capabilities, delivering mission critical solutions to the US, UK and other key allies. Much like Cobham, Ultra's technically differentiated solutions have enabled its development of leading capabilities in its chosen markets.

Cobham considers that customers will benefit significantly from the combination, driven by the complementary design, engineering and manufacturing capabilities of the

two groups. This will enable the delivery of more integrated and higher performance solutions to their mutual customers and wider stakeholders.

The defence industry, in which both Cobham and Ultra operate, is a highly competitive landscape with multiple scale competitors. Continuing to maintain and win new strategic platform and programme positions over the long-term requires both highly targeted continued investment in next generation technologies and differentiated capabilities, but also deep customer intimacy and reach to allow for prioritised and timely investment. Cobham believes that there is also an increasing emphasis on the benefits of greater levels of integrated solutions being provided by the smaller, more specialist industry participants such as Cobham and Ultra.

Cobham and Ultra already serve a number of the same customers in the US, the UK, and across the wider “five-eyes” alliance and indeed provide systems and solutions to a number of the same platforms, such as the F-35 Joint Strike Fighter, the F-15, the F-22, the F-16 and the P-8. As a result, Cobham sees strong industrial logic for a combination with Ultra and considers that the enlarged Cobham Group would allow for synergies from enhanced customer intimacy and capability offering. This would in turn lead to accelerated revenue growth in both businesses, expansion on current shared platforms and programmes and wins on combined enhanced positions on platforms and programmes of the future.

5 ULTRA RECOMMENDATION

The Ultra Directors, who have been so advised by J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Ultra Directors. Numis is providing independent financial advice to the Ultra Directors for the purposes of Rule 3 of the Code.

Accordingly, the Ultra Directors intend to recommend unanimously that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as the Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control, totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to the Announcement.

6 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION

Ultra Group launched its ONE Ultra strategy in January 2020 and its Focus; Fix; Grow transformation plan to:

- Focus on the Ultra Group’s core strengths in the Maritime, Intelligence & Communications and Critical Detection & Control markets through executing a clear strategy;

- Fix and standardise core processes around: Operating Model, Site Excellence, Operational and Functional Excellence, Procurement, Technology Enablement and creating a ONE Ultra culture; and
- Grow value, accelerate growth and deliver exceptional outcomes for all Ultra's stakeholders.

The Focus; Fix; Grow transformation is proceeding well and ahead of expectations, with many workstreams now well into their execution phase. As the transformation has matured, the Ultra Board is increasingly certain of its ability to deliver major benefits to Ultra stakeholders. The transformation is expected to enhance operating performance and efficiency, improve programme execution and delivery and optimise costs. This will provide additional resources to build on and further strengthen Ultra's strong technology base. In addition, through improving engineering efficiency, Ultra can increase capacity; while investing more in facilities, systems, branding and training improves Ultra's ability to attract, develop and retain talented people. The Ultra Board expects this, together with an enhanced strategic sales capability, will drive further sustainable growth and value creation.

Ultra's results for the six-month period ended 2 July 2021 show the continued progress which is being made, with 14.3 per cent. organic order book growth, 25.4 per cent. organic underlying operating profit growth, return on invested capital of 21.3 per cent. and a strong balance sheet with only 0.65x net debt to EBITDA and 0.19x on a covenant basis, which excludes pension liabilities and lease liabilities.

The Ultra Group's strong financial performance is evidence of the benefits of Ultra's strategic re-positioning as an agile player in long-term growth markets. The Ultra Group has a robust business model with excellent order visibility, high returns on invested capital and strong cash generation. This, combined with a strong technology base focused on addressing customers' future needs and the enhanced potential from the Focus; Fix; Grow transformation plan, is driving expansion in Ultra's £12 billion sales pipeline and further growth in its order book which, at £1.3 billion, is currently at a record level.

As a result, the Ultra Board is very confident of Ultra's future prospects as an independent listed company and its ability to deliver excellent and sustainable value for all stakeholders.

The Ultra Board did not therefore solicit an offer from Cobham or indeed any third party. It immediately rejected Cobham's unsolicited approach at £28.00 per Ultra Share and, whilst being cognisant of its fiduciary duties to all stakeholders, rejected a number of subsequent proposals. However, at a price of £35.00 per Ultra Share plus the Interim Dividend of 16.2 pence per Ultra Share in cash, the Ultra Board noted the significant premium Cobham's offer represented to the undisturbed share price and to the all-time highest Closing Price per Ultra Share prior to the commencement of the Offer Period.

The Ultra Board, having reviewed in detail the Ultra Group's strategic plans and financial projections, as well as comparative trading and transaction multiples, also recognised that an offer at this level would allow Ultra's Shareholders to realise Ultra's likely future value today, without corresponding execution risk. The Ultra Board

therefore engaged in more detailed discussions with Cobham, which has committed to appropriate safeguards for the interests of Ultra's broader stakeholders.

In particular, the Ultra Directors note that:

- the combination of Cobham and Ultra will create a defence electronics business of greater scale and bring together two businesses with complementary technology, design, engineering and manufacturing capabilities. Both Cobham and Ultra believe this will enable the delivery of a broader range of integrated, cost competitive and high performance solutions across a wider range of platforms, benefitting mutual customers and wider stakeholders;
- the Acquisition represents an opportunity for Ultra Shareholders to realise their investment in Ultra in cash in the near term;
- the Acquisition represents a premium of approximately:
 - 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
 - 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
 - 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
 - 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share;
- the terms of the Acquisition imply an IFRS enterprise value multiple of approximately 17.7x 2020 EBITDA for Ultra; and
- the willingness and intentions of Cobham to offer safeguards for stakeholder interests, including employees, customers, pension schemes, national security stakeholders and others following the Acquisition. These safeguards include:
 - Cobham's agreement in the Cooperation Agreement to offer HM Government a number of legally binding commitments, across the range of matters and areas further detailed in paragraph 10 (*Binding commitments to HM Government*) below, which recognise the importance of Ultra's contribution to the UK economy and national security and which, under HM Government's custodianship, would serve to safeguard and enhance these stakeholder interests following the Acquisition;
 - the agreement of Cobham for the Ultra Board, as appropriate and necessary, to be involved and to support Cobham in the finalisation of the detailed terms, duration, nature and form of these commitments to HM Government;

- Cobham’s intention, as stated in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below, to fully support and accelerate global investment in its Focus; Fix; Grow transformation programme, as well as the proposed legally binding commitments on investment in research and development and the protection and creation of jobs and the stated intention not to change the location or functions of the main sites of Ultra’s operating business units;
- Cobham’s intention, as stated in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below, to fully safeguard the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of Ultra and its subsidiaries in accordance with applicable law; and
- the Memorandum of Understanding agreed between Cobham and the trustee of the Ultra UK DB Pension Scheme with respect to the future funding of that pension scheme on which further background is given in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below.

Accordingly, following careful consideration of the above factors and their fiduciary duties, the Ultra Directors intend to unanimously recommend the Acquisition to Ultra Shareholders.

7 IRREVOCABLE UNDERTAKINGS

As described above, each of the Ultra Directors who holds Ultra Shares has irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed to implement the Scheme at the General Meeting in respect of their own beneficial holdings which are under their control, totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement).

The undertakings from the Ultra Directors will cease to be binding only if: (i) the Panel consents to Cobham not proceeding with the Acquisition; (ii) the Scheme Document is not dispatched to Ultra Shareholders within 28 days (or such longer period as may be agreed between Ultra and the Panel) of this Announcement; (iii) the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Longstop Date (other than in circumstances where Cobham has, prior to such date, elected (in accordance with the Cooperation Agreement) to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code, and such Offer has not lapsed or been withdrawn); (iv) any competing offer for the entire issued and to be issued share capital of Ultra becomes or is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective; (v) Cobham announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement Scheme or Offer is announced by Cobham in accordance with Rule 2.7 of the Code at the same time; or (vi) the Scheme lapses or is withdrawn

in accordance with its terms and Cobham publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

8 INFORMATION RELATING TO COBHAM AND ADVENT

Cobham

The business of the Cobham Group was founded in 1934 and today employs over 6,000 people worldwide with its headquarters in the UK, and with operating locations in the US, continental Europe and in Australia, as well as other international satellite locations and sales offices. The Cobham Group is a leading global technology and services innovator offering a suite of products, systems and engineering services that continue to enable innovative and cutting-edge solutions in space, avionics and electronics, in both commercial and defence markets. It has specialist capabilities and know-how in: wireless, audio, video and data communications, including satellite communications, defence electronics, avionics and space exploration, microwave components and systems, rotating sub-systems and slip rings, and specialist aviation services.

Cobham is a newly incorporated limited company registered in England and Wales and a wholly-owned indirect subsidiary of Cobham Group Holdings. Further details in relation to Cobham will be contained in the Scheme Document.

The Cobham Group operates across the following business units, each with differentiated capabilities and many leading market positions:

- Communications and Connectivity (including Aerospace Communications, Electrical and Electronic Equipment, and SATCOM) - provides critical and innovative technology to enable resilient communications in complex, harsh, hazardous and regulated environments, in air and space, on land and at sea;
- Cobham AES - provides advanced electronic solutions with technology that pioneers the future and underpins many of the world's most critical missions across defence, aviation and space. Cobham AES makes the impossible possible with customised solutions for the entire signal chain, from aperture to digital conversion; and
- Aviation Services Australia - delivers aviation services for military and civil customers across all states and territories of Australia, including aerial border surveillance, search-and-rescue operations, and closed charter (fly-in, fly-out) passenger and freight services.

Advent and its affiliates have indirectly controlled the Cobham Group since January 2020.

Advent

Founded in 1984, Advent is one of the largest and most experienced global private equity investors. The firm has invested in over 375 private equity transactions in 43

countries and as of 31 March 2021 it had more than US\$74 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 245 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services, healthcare, industrial, retail, consumer, leisure and technology. After more than 35 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

Advent has a strong track record of investing in high quality industrial and engineering companies. Its extensive global footprint and operational improvements experience make it a strong owner with the capability to drive continued improvement and growth of the businesses. In addition, Advent has assembled a team of external operating partners, operations advisors and former senior executives with deep sector and functional expertise who complement Advent's investment experience.

9 INFORMATION RELATING TO ULTRA

Ultra was formed in 1993 to acquire the Electronic Systems division of Dowty Group plc and was listed on the London Stock Exchange in 1996. Since then, Ultra has grown both organically and through over fifty acquisitions. For the financial year ended 31 December 2020, revenue for the Ultra Group was £860 million, of which 64 per cent. was generated from sales to North America and 18 per cent. was generated from sales to the UK.

Ultra has a small headquarters in London and three strategic business units operating primarily in the US, UK, Canada and Australia. Ultra employs over 4,600 talented people across the globe, with the largest number based in North America.

Ultra provides application-engineered solutions in the key elements of mission critical and intelligent systems that are on many of the world's long-term defence programmes. Ultra partners with the US Department of Defense (DoD direct and indirect sales represented 43 per cent. of 2020 revenue), the UK Ministry of Defence (MoD direct and indirect sales represented 13 per cent. of 2020 revenue) and other aerospace, defence and critical infrastructure providers, both directly and through prime contractors.

Through innovative problem solving, and by using evolving technologies, Ultra engages directly with its customers to design mission-led solutions aligned to their future needs. Technology design is Ultra's core capability, used to detect, distil, direct and deploy data and information where it is needed most. In 2020, Ultra and its customers invested an amount equal to 17 per cent. of Ultra Group revenue into research and development, with the majority of customer funding coming from the US DoD or US prime contractors.

Ultra's core markets are the "five-eyes" nations (Australia, Canada, New Zealand, the UK and the US) in the following sectors: maritime, C4ISR/EW (command, control, communications, computers, intelligence, surveillance, and reconnaissance / electronic warfare), military and commercial aerospace, nuclear and industrial sensors.

Ultra's business units are:

1) *Ultra Maritime (46 per cent. of 2020 revenue)*

A strategic partner in the maritime defence domain, primarily across the “five-eyes” nations, delivering:

- Sonobuoy Systems;
- Sonar Systems;
- Naval Systems & Sensors; and
- Signature Management & Power.

2) *Ultra Intelligence & Communications (28 per cent. of 2020 revenue)*

Delivering information advantage to the war fighter through the intelligent application of technologies in:

- Command, Control & Intelligence;
- Tactical Communications;
- Advanced Cyber Security; and
- Specialised Radio-Frequency Systems.

3) *Critical Detection and Control (26 per cent. of 2020 revenue)*

Developing and delivering control systems, data analytics and sensors to solve complex problems for customers in the following markets:

- Precision Control Systems;
- Forensic Technology; and
- Energy, Industrial Sensors and Systems.

10 BINDING COMMITMENTS TO HM GOVERNMENT

Cobham recognises the specific importance of Ultra’s contribution to the UK’s economy and national security.

Accordingly, Cobham and Cobham Group Holdings have agreed with Ultra in the Cooperation Agreement that they will offer legally binding and enforceable commitments to HM Government in respect of the Ultra Group.

Cobham and Cobham Group Holdings have agreed with Ultra that, as part of the Cooperation Agreement, they will, with Ultra’s support and involvement, agree the detailed terms, duration, nature and form of these commitments directly with HM Government as it is HM Government that is the appropriate ongoing custodian for such commitments. As such, Cobham will now engage proactively and collaboratively with HM Government to agree these legally binding and enforceable commitments, which

would apply immediately from completion of the Acquisition to protect the Ultra businesses and stakeholders following closing, and will cover the following matters and areas:

- safeguarding and supporting the UK’s national security, including appropriate protections for sovereign UK capability, continuity of supply and critical capabilities in the UK, and appropriate board composition and national security clearance arrangements;
- investing in Ultra’s UK work force by protecting existing and creating new UK manufacturing and engineering jobs and apprenticeships and maintaining a UK headquarters;
- increasing investment in innovation, and research and development in the UK, including by continuing to develop UK-registered intellectual property rights for use in the UK and through investment in new regional technology centres of excellence and funding of academic institutions; and
- accelerating Ultra’s ESG ambitions, including enhanced commitments on net carbon emissions, diversity and the community investment programme.

Cobham also intends to establish a forum between it and the relevant representatives of HM Government to enable ongoing dialogue, co-operation and monitoring to ensure that HM Government has full visibility of Cobham’s delivery of the commitments.

No statement in this paragraph 10 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

11 INTENTIONS REGARDING BUSINESS, MANAGEMENT, EMPLOYEES, PENSION SCHEMES, RESEARCH AND DEVELOPMENT AND LOCATIONS

As set out in paragraph 4 (*Background to and reasons for the Acquisition*) above, Cobham believes that the combination of Ultra’s high quality businesses with the Cobham Group’s complementary design, engineering and manufacturing capabilities will enable the enlarged Cobham Group to deliver more integrated and higher performance solutions to their mutual customers and, in turn, greater benefits to all of their wider stakeholders through enhanced growth and profitability. In addition, this consolidation will make both companies competitively stronger in a sector where scale matters.

Cobham understands the important role that Ultra plays in all the countries in which it operates and intends to continue to serve as an important supplier to the sector. Ultra’s core markets are the “five-eyes” allied nations (Australia, Canada, New Zealand, the UK and the US) and these will remain the key focus areas for the enlarged Cobham Group in the future. Cobham intends to ensure that Ultra continues to thrive in each of these markets and continues to design mission-led solutions aligned to the future needs of customers across the “five-eyes” nations. Cobham believes there are many exciting growth opportunities across the “five-eyes” nations and that Ultra’s focus on these nations as its core markets, as well as its operating and research and development footprint across the “five-eyes” nations, positions the business very well for the future.

In the UK specifically, Cobham recognises Ultra's role in supporting the UK's strategic capabilities. Cobham intends to ensure that Ultra will continue to deliver and maintain the capabilities to deliver on all of Ultra's contractual obligations, including those with HM Government in relation to which it has agreed to give legally binding undertakings. In addition, Cobham believes that the broadened technology capabilities in the UK, US, Canada and Australia can be of great benefit to the UK's future defence needs, and it is Cobham's intention to support the UK in these pursuits, should HM Government desire it.

Cobham has had the opportunity to discuss at a high level with Ultra's senior management, Ultra's global investment in its Focus; Fix; Grow transformation programme and intends to fully support and accelerate this programme to deliver excellent outcomes for all stakeholders.

Prior to this Announcement, consistent with market practice, Cobham has been granted access to Ultra's senior management for the purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Cobham has not yet had access to sufficiently detailed information to formulate specific plans regarding the full impact of the Acquisition on the Ultra Group. Therefore, following completion of the Acquisition, Cobham intends to work with Ultra's management to undertake a detailed evaluation of the Ultra Group (the "Review"). The Review will include:

- an appraisal of the short and long-term objectives, strategy, and potential of Ultra's business;
- engaging with the key stakeholders of each business;
- an analysis of progress on Ultra's key products, programmes and research and development initiatives; and
- considering how best to position Ultra's businesses to compete more strongly, which would include evaluating the best corporate organisational setup for the enlarged Cobham Group going forward.

The Review will also consider the Energy business and Forensics business, which together in 2020 represented less than 10 per cent. of the Ultra business measured by revenue and which in 2020 management of Ultra referred to as having less Ultra parenting benefit, and the fact that the Energy and Forensics businesses operate outside of the wider aerospace and defence markets. Therefore, as part of the Review, Cobham will consider whether these businesses may be candidates for disposal as non-core to Ultra's wider aerospace- and defence-focused business. Any such decisions would only be taken in the light of the views of key stakeholders, including key government and other customers, and would be subject to the suitability of any potential buyers and the satisfaction of applicable regulatory approvals and conditions.

Cobham expects that the Review will be completed within approximately three to six months from the Effective Date.

Headquarters, locations, fixed assets, and research and development

Cobham and Ultra both have a history as innovators and a proven track record of utilising their advanced capabilities to deliver mission critical solutions to the UK, the US and other key allies. Cobham is also committed to protecting Ultra's contribution to the defence of the UK.

In recognition of this, Cobham has no plans to undertake any material restructurings or change in the locations of Ultra's manufacturing or research and development facilities, in each case, other than pursuant to internal reorganisations within the enlarged Cobham Group or otherwise as set out in management's existing plans as part of the Focus; Fix; Grow transformation programme. Cobham notes that under this programme, Ultra's management has already initiated the consolidation of some of its Greenford and Farnborough activities into a new facility in Maidenhead and is in the process of establishing expanded operations in Weymouth and Cheltenham.

Further, Cobham has no plans to change the location or functions of the main sites of Ultra's operating business units (which are currently variously in the US, Canada, Australia and the UK). However, a limited number of corporate and support functions, including functions related to Ultra's publicly-listed status, will potentially not be needed following the completion of the Acquisition. Cobham has not yet developed proposals as to how any such headcount reductions will be implemented, but any individuals impacted will be treated in a manner consistent with Ultra's high standards, culture and practices.

Other than pursuant to internal reorganisations within the enlarged Cobham Group or otherwise as set out in management's existing plans as part of the Focus; Fix; Grow transformation programme, no significant changes are envisaged by Cobham with respect to the redeployment of Ultra's fixed asset base.

Cobham understands the importance of research and development to Ultra and its businesses and, as noted above, has agreed to give legally binding undertakings to HM Government to increase investment in this area, including through investment in new regional technology centres of excellence and funding of academic institutions.

Pensions

Cobham recognises the importance of upholding Ultra's pension obligations and ensuring that its pension schemes are appropriately funded in accordance with statutory and trust deed requirements.

Ultra operates the Ultra Electronics Pension Scheme, a defined benefit pension scheme in the UK that was closed to new entrants in 2003 and closed to future accrual in 2016 (the "Ultra UK DB Pension Scheme"). As at 31 December 2020, the Ultra UK DB Pension Scheme had a net deficit of £56.6 million. In relation to the Ultra UK DB Pension Scheme, Ultra has an existing agreement with the Trustee board pursuant to which Ultra has agreed to maintain payments at a level of £11 million per annum to eliminate the deficit over the period ending March 2025. Cobham has held constructive discussions with the Trustee, and is delighted to confirm that Cobham and the Trustee have entered into a legally binding Memorandum of Understanding dated 13 August

2021 relating to the future funding of the Ultra UK DB Pension Scheme. The key terms of the Memorandum of Understanding include:

- immediately from the Effective Date, entitlement of the Ultra UK DB Pension Scheme to cash contributions increased to £100 million in aggregate over five years, with £53 million to be paid on or before the first anniversary of the Effective Date and the remaining £47 million to be paid in the subsequent four years; and
- as soon as practicable following the Effective Date, the grant to the Ultra UK DB Pension Scheme of £125 million of security to rank *pari passu* with the security granted to senior lenders to the Ultra Group to secure current and future liabilities of the Ultra Group to the Ultra UK DB Pension Scheme.

Ultra also operates a defined benefit pension scheme in Canada, which is closed to new employees and had a net deficit of £0.6 million as at 31 December 2020 (the “Canadian DB Scheme”). Cobham does not intend to reopen the Canadian DB Scheme and intends to continue with the regular payments currently being made by Ultra to maintain a satisfactory funding position.

Since the Ultra UK DB Pension Scheme was closed, new UK staff have been invited to become members of the Ultra Electronics Group Personal Pension Plan and, since April 2011, the Ultra Electronics Group Flexible Retirement Plan. Ultra also operates defined contribution plans in the US and Canada. Cobham does not intend to make any changes to the current contribution arrangements for these pension plans.

Existing employment rights

Cobham intends to fully safeguard the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of Ultra and its subsidiaries in accordance with applicable law, and does not envisage making any material changes to the conditions of employment of the Ultra employees.

Save as described above and subject to the outcome of the Review referred to above, Cobham does not intend to make any material reduction to the headcount or any material change to the conditions of employment or to the balance of skills and functions of the Ultra Group’s employees or management. Rather, as noted above, Cobham intends to give legally binding commitments to protect existing and create new UK manufacturing and engineering jobs.

Management incentivisation arrangements

Cobham has not entered into, and has not discussed any form of incentivisation arrangements with members of Ultra’s management. Cobham expects to put in place certain incentive arrangements for the management of Ultra following completion of the Acquisition. Under the terms of the Cooperation Agreement, Cobham has agreed that Ultra may pay retention and recruitment bonuses up to an aggregate value of £6 million, in order to ensure that Ultra continues to maintain its world-class workforce.

Trading facilities

Ultra Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 16 (*Suspensions and cancellation of trading, and re-registration*), applications will be made for the cancellation of the listing of Ultra Shares on the Official List and the cancellation of trading of the Ultra Shares on the London Stock Exchange.

Post-offer undertakings

No statement in this paragraph 11 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

12 ULTRA SHARE PLANS

Participants in the Ultra Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the Ultra Share Plans and an appropriate proposal will be made to such participants which reflects their options and awards under the Ultra Share Plans in due course. Details of the impact of the Scheme on each of the Ultra Share Plans will be set out in the Scheme Document.

13 FINANCING

The Consideration payable by Cobham to Ultra Shareholders under the terms of the Acquisition will be funded by a combination of equity and debt financing.

The equity is to be drawn from funds managed by Advent. Other potential investors may take indirect minority interests in Cobham on or around the Effective Date or once the Acquisition completes.

The debt financing is to be provided pursuant to the Interim Facilities Agreements.

Rothschild & Co, Credit Suisse and Goldman Sachs, each in its capacity as financial adviser to Cobham, are satisfied that the resources available to Cobham are sufficient to satisfy in full the Consideration payable to Ultra Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

14 OFFER-RELATED ARRANGEMENTS

Confidentiality Agreement

On 19 July 2021, AIC, Cobham Limited and Ultra entered into the Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, Cobham and AIC gave certain undertakings: (a) to, subject to certain exceptions, keep information relating to Ultra and the Acquisition confidential and not to disclose it to third parties; and (b) to use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 19 July 2023 and completion of the Acquisition by Cobham.

Joint Defence Agreement

On 30 July 2021, AIC, Cobham Limited, Ultra and their respective legal counsels have entered into the Joint Defence Agreement to ensure that any exchange and/or disclosure of confidential information relating to the parties and in relation to, in particular, the anti-trust workstream, only takes place between their respective legal counsel and external experts, does not diminish in any way the confidentiality of such materials, and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

Cooperation Agreement

On 16 August 2021, Cobham, Cobham Group Holdings Limited, AIC and Ultra entered into the Cooperation Agreement, pursuant to which: (i) Ultra has agreed to co-operate with Cobham and Cobham Group Holdings to assist with the satisfaction of certain regulatory conditions, and Cobham, Cobham Group Holdings and AIC have entered into commitments in relation to obtaining antitrust and regulatory clearances; (ii) Cobham and Cobham Group Holdings have agreed to offer to HM Government legally binding commitments covering the matters and areas described in paragraph 10 (*Binding commitments to HM Government*) above; (iii) Cobham has agreed to provide Ultra with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (iv) Ultra and Cobham have agreed to certain provisions if the Scheme should switch to an Offer; and (v) Ultra and Cobham have agreed certain arrangements in respect of employees and the Ultra Share Plans.

The Cooperation Agreement will terminate, *inter alia*: (i) if the Acquisition is withdrawn or lapses; (ii) if prior to the Longstop Date any Condition has been invoked by Cobham (where permitted by the Panel); (iii) at Cobham's election if the Ultra Directors withdraw their recommendation of the Acquisition or if the Ultra Directors recommend a competing proposal; (iv) if the Scheme does not become effective in accordance with its terms by the Longstop Date; or (v) otherwise as agreed between Cobham and Ultra.

15 STRUCTURE OF AND CONDITIONS TO THE ACQUISITION

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Ultra and the Scheme Shareholders, under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Cobham to become the owner of the entire issued, and to be issued, ordinary share capital of Ultra. Under the Scheme, the Acquisition will be achieved by the transfer of the Scheme Shares by the Scheme Shareholders to Cobham in consideration for which the Scheme Shareholders will receive cash on the basis described in paragraph 2 above.

The Acquisition is subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document and will only become Effective if, among other things, the following events occur on or before the Longstop Date or such later date as may be agreed in writing by Cobham and Ultra (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- the approval of the Scheme being granted by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders (or the relevant class or classes thereof);
- the Resolutions required to approve and implement the Scheme being duly passed by 75 per cent. or more of votes cast in person or by proxy at the General Meeting;
- certain antitrust and regulatory approvals as described in Appendix 1 (including antitrust approvals in Austria, Canada, Germany, Turkey and the US and foreign investment and regulatory approvals in Australia, Canada and the UK) being obtained;
- following the Court Meeting and the General Meeting and receipt of the required antitrust and regulatory approvals set out in Appendix 1, the Scheme being sanctioned by the Court (with or without modification, but subject to any modification being on terms acceptable to Cobham and Ultra); and
- following the sanction of the Scheme by the Court, a copy of the Scheme Court Order being delivered to the Registrar of Companies.

The Acquisition shall lapse if:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such meetings, as set out in the Scheme Document in due course (or such later date as may be agreed between Cobham and Ultra);
- the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such hearing, as set out in the Scheme Document in due course (or such later date as may be agreed between Cobham and Ultra); or
- the Scheme does not become effective on or before the Longstop Date.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Ultra Shares will cease to be valid and entitlements to Ultra Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Code, the Consideration for the transfer of the Scheme Shares to Cobham will be despatched no later than 14 days after the Effective Date.

Any Ultra Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution(s) to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Ultra Shares issued or transferred after the Scheme Record Time (other than to Cobham and/or its nominees) to be automatically transferred to Cobham on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions

of the Articles (as amended) will avoid any person (other than Cobham and its nominees) holding Ultra Shares after the Effective Date.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and in any event within 28 days of this Announcement (or such later time as Ultra, Cobham and the Panel agree).

Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in Q1 2022.

16 SUSPENSION AND CANCELLATION OF TRADING, AND RE-REGISTRATION

It is expected that the last day of dealings in Ultra Shares on the Main Market of the London Stock Exchange will be the business day immediately prior to the Effective Date and no transfers will be registered after 6.00 pm (London time) on that date.

In addition, it is expected that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Ultra Shares on the London Stock Exchange's market for listed securities and the listing of the Ultra Shares from the Official List, in each case, to take effect on or shortly after the Effective Date.

Following the Scheme becoming Effective, Cobham intends to re-register Ultra as a private limited company and for this to take effect as soon as practicable on or following the Effective Date.

17 DISCLOSURE OF INTERESTS IN ULTRA RELEVANT SECURITIES

Except for the irrevocable commitments referred to in paragraph 7, as at the date of this Announcement neither Cobham, nor any director of either of Cobham, nor, as far as Cobham is aware, any person acting in concert (within the meaning of the Code) with Cobham:

- has any interest in, or right to subscribe for, any relevant securities of Ultra; nor
- has any short position in relevant securities of Ultra, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Ultra; nor
- has borrowed or lent any relevant securities of Ultra or entered into any financial collateral arrangements relating to relevant securities of Ultra; nor
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code in relation to relevant securities of Ultra.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an

‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

18 OVERSEAS SHAREHOLDERS

The availability of the Acquisition or the distribution of this Announcement to Ultra Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Ultra Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Ultra Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been published.

19 DOCUMENTS PUBLISHED ON A WEBSITE

Copies of the following documents will by no later than 12 noon (London time) on the business day following this Announcement, be published on Ultra’s website at www.ultra.group/gb/ and Cobham’s website at www.cobham.com until the Effective Date:

- this Announcement;
- the irrevocable undertakings referred to in paragraph 7 above;
- the financing documents referred to in paragraph 13 above;
- the Confidentiality Agreement referred to in paragraph 14 above;
- the Joint Defence Agreement referred to in paragraph 14 above;
- the Cooperation Agreement referred to in paragraph 14 above; and
- the consent letters from each of J.P. Morgan Cazenove, Numis, Credit Suisse, Rothschild & Co, Goldman Sachs and Morgan Stanley referred to in paragraph 20 below.

The contents of Ultra’s website and Cobham’s website are not incorporated into and do not form part of this Announcement.

20 GENERAL

Cobham reserves the right to elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) to implement the acquisition of the Ultra Shares by way of an Offer as an alternative to the Scheme. In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this Announcement. The sources of information and bases of calculations contained in this Announcement are set out in Appendix 2 of this Announcement. A summary of the irrevocable undertakings is contained in Appendix 3 to this Announcement. Certain terms used in this Announcement are defined in Appendix 4 to this Announcement.

J.P. Morgan Cazenove, Numis, Rothschild & Co, Credit Suisse, Goldman Sachs and Morgan Stanley have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

Enquiries:

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Perry

Kirkland & Ellis International LLP is acting as legal adviser to Cobham in connection with the Acquisition.

Slaughter and May is acting as legal adviser to Ultra in connection with the Acquisition.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Ultra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document). This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

J.P. Morgan Cazenove, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the

matters in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of Numis, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any statement contained herein or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser for Cobham and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Credit Suisse, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Cobham and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Cobham for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.

Goldman Sachs, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting exclusively for Cobham and no one else in connection with the matters set out in this Announcement. Goldman Sachs will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Goldman Sachs nor for providing advice in relation to any matter referred to herein.

Morgan Stanley which is authorised by the PRA and regulated by the FCA and the PRA in the UK is acting exclusively as financial adviser to Cobham and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

Overseas jurisdictions

The availability of the Acquisition to Ultra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Ultra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at

the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law, the UK Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK.

Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction, and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Scheme Document.

US Holders

US Holders should note that the Acquisition relates to the securities of an English company, is subject to UK disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented by means of a scheme of arrangement under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if, in the future, Cobham were to exercise its right to implement the Acquisition of the Ultra Shares by way of an Offer, such Offer will be made in compliance with applicable US tender offer and securities laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ultra Shareholder is urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Cobham and Ultra are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK market practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Cobham or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ultra Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Cobham and Ultra contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Cobham and Ultra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Cobham and Ultra the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Cobham and Ultra believe that the expectations reflected in such forward-looking statements are reasonable, Cobham and Ultra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions; changes in general economic and business conditions; the behaviour of other market participants; the anticipated

benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Cobham and Ultra operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates, interest rates and currency value fluctuations; the degree of competition in the geographic and business areas in which Cobham and Ultra operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Cobham nor Ultra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Cobham nor Ultra is under any obligation, and Cobham and Ultra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates or quantified financial benefits statements

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cobham or Ultra, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham or Ultra, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ultra's website at www.ultra.group/gb/ and Cobham's website at www.cobham.com by no later than 12 noon (London time) on the business day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Ultra Shareholders, persons with information rights and participants in Ultra Share Plans may request a hard copy of this Announcement by contacting Ultra's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 3842048. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 am and 5.30 pm Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Ultra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Ultra may be provided to Cobham during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Person responsible

The person responsible for arranging the release of this announcement on behalf of Ultra is Louise Ruppel, General Counsel & Company Secretary.

Appendix 1
Conditions and Certain Further Terms of the Scheme and the Acquisition

Part A
Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before the Longstop Date.

Scheme approval

2. The Scheme will be conditional upon:
- 2.1 (i) approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders (or the relevant class or classes thereof), who are, present and voting (and who are entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meetings; and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required));
- 2.2 (i) all Resolutions being duly passed by the requisite majority at the General Meeting or at any adjournment thereof; and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required)); and
- 2.3 (i) the sanction of the Scheme by the Court (without modification, or with modification on terms acceptable to Cobham and Ultra) and the delivery of the Scheme Court Order to the Registrar of Companies for registration; and (ii) the Court Sanction Hearing being held on or before the 22nd day after the expected date of the Court Sanction Hearing to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required)).

In addition, Cobham and Ultra have agreed that, subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following matters set out in this Part A of Appendix 1 and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended if appropriate) have been satisfied or, where relevant, waived.

Antitrust and regulatory clearances

3. The Acquisition will be further conditional upon:

Antitrust

Austria

- 3.1 insofar as the Acquisition falls within the scope of the Austrian merger control regime the relevant authority having authorised conditionally or unconditionally the Acquisition, whether expressly or implicitly through the lapse of the applicable waiting period;

Canada

- 3.2 insofar as the Acquisition is subject to Part IX of the Canadian Competition Act, following notification of the Acquisition to the Canadian Competition Bureau pursuant to subsection 114(1) of the Competition Act, either:
 - 3.2.1 an advance ruling certificate has been issued by the Commissioner of Competition to Cobham pursuant to section 102 of the Competition Act; or
 - 3.2.2 both (a) the applicable waiting period under section 123 of the Competition Act has expired, has terminated, or has been waived, and (b) the Commissioner of Competition has issued a no-action letter to Cobham confirming that he does not, at this time, intend to apply to the Competition Tribunal under section 92 of the Competition Act for an order against the Acquisition;

Germany

- 3.3 insofar as the Acquisition falls within the scope of the German merger control regime, the relevant authority having authorised conditionally or unconditionally the Acquisition, whether expressly or implicitly through the lapse of the applicable waiting period;

Turkey

- 3.4 insofar as the Acquisition triggers a mandatory filing requirement under the Turkish merger control regime, either:
 - 3.4.1 the relevant authority having declined jurisdiction over the Acquisition or approved the Acquisition conditionally or unconditionally; or
 - 3.4.2 the applicable waiting period having expired;

US

- 3.5 insofar as the Acquisition satisfies the premerger notification thresholds identified in the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"):
 - 3.5.1 all filings having been made and all or any applicable waiting periods (including any extensions thereof or any time periods set forth in any

timing agreements with the United States antitrust authorities) under the HSR Act and the rules and regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Acquisition, or any matters arising from the Acquisition; and

- 3.5.2 no law, injunction (whether temporary, preliminary or permanent), or legal order having been enacted, entered, promulgated or enforced by any United States antitrust authority of Competent jurisdiction which prevents, makes illegal, prohibits, restrains or enjoins the consummation of the Acquisition;

Foreign investment

Australia

- 3.6 insofar as a filing under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) (“FATA”) is considered necessary by Cobham (including after discussions with Ultra), receipt of a written notice under FATA by or on behalf of the Treasurer of the Commonwealth of Australia stating, or to the effect that, the Commonwealth Government does not object to the Acquisition, with or without imposing conditions;

Canada

- 3.7 insofar as the Acquisition falls within the scope of the Investment Canada Act, following notification of the Acquisition pursuant to the Investment Canada Act, either:
 - 3.7.1 Cobham has not received a notice under subsection 25.2(1) of the Investment Canada Act indicating that an order for the review of the investment may be made or a notice under subsection 25.3(2) of the Investment Canada Act indicating that an order for the review of the investment has been made under subsection 25.3(1) of the Investment Canada Act in relation to the Acquisition and the prescribed period within which such notice may be sent or such order may be made has elapsed; or
 - 3.7.2 if such a notice has been received or such order has been made, Cobham has subsequently received: (a) a notice under paragraph 25.2(4)(a) of the Investment Canada Act indicating that no order for the review of the Acquisition will be made; or (b) a notice under paragraph 25.3(6)(b) of the Investment Canada Act indicating that no further action will be taken in respect of the Acquisition; or (c) a copy of an order made under paragraph 25.4(1)(b) of the Investment Canada Act authorizing the Acquisition subject to written undertaking or terms and conditions;

UK

3.8 insofar as HM Government has issued a Public Interest Intervention Notice under section 42 of the UK Enterprise Act 2002 (“Enterprise Act”) or a Special Public Interest Intervention Notice under section 59 of the Enterprise Act prior to the Effective Date, HM Government: (i) revoking the relevant Intervention Notice; and/or (ii) issuing all decisions and approvals necessary to clear the Acquisition and to permit the Acquisition and any matters arising therefrom to proceed (and, to the extent relevant, all conditions or obligations contained in such decisions and approvals necessary for the Acquisition to close having been satisfied or complied with);

3.9 where:

3.9.1 the UK National Security and Investment Act 2021 (“NS&I Act”) is fully in force at the Effective Date, or (under applicable legislation or statutory instrument or order) is due to be brought fully into force on or prior to the date that is expected to be the Effective Date (as confirmed in an announcement by Ultra via a Regulatory Information Service which is made together with the announcement, or following confirmation, of the final date of the Court Sanction Hearing), and, pursuant to the NS&I Act, the Acquisition constitutes a notifiable acquisition in respect of which notice must be given to the UK Secretary of State for Business, Energy and Industrial Strategy (the “Secretary of State”) before such notifiable acquisition is completed (and the Secretary of State has not informed Cobham that the mandatory notification requirement has been waived or is otherwise not required, on a basis which provides reasonable legal certainty to Cobham that completing the Acquisition will not be unlawful or result in the Acquisition being rendered legally void or in the incurrance of criminal or civil penalties), the Acquisition is conditional upon a notification having been accepted and:

- (a) the Secretary of State confirming that no further action will be taken in relation to the Acquisition under the NS&I Act; or
- (b) if the Secretary of State issues a call-in notice under the NS&I Act in relation to the Acquisition (“Call-In Notice”): (I) Cobham receiving a final notification that no further action in relation to the Call-In Notice is to be taken under the NS&I Act; or (II) the Secretary of State making a final order in relation to the Acquisition under the NS&I Act which permits the Acquisition to be completed subject to the provisions of such final order (and, to the extent relevant, all conditions, provisions or obligations contained in such final order necessary for completion of the Acquisition having been satisfied or complied with); OR

3.9.2 the NS&I Act is not (under applicable legislation or statutory instrument or order) due to be brought fully into force on or prior to the date that is expected to be the Effective Date (as confirmed in an announcement by Ultra via a Regulatory Information Service which is made together with the announcement, or following confirmation, of the final date of the Court Sanction Hearing), and HM Government has not previously issued a Public Interest Intervention Notice under section 42 of the Enterprise Act or a Special Public Interest Intervention Notice under section 59 of the Enterprise Act, the Acquisition is conditional upon the Secretary of State not having expressly informed Cobham in writing (but excluding any such communication that has been withdrawn or resolved) that the Acquisition is likely to give rise to concerns such that the Secretary of State will issue a call-in notice under the NS&I Act following the NS&I Act coming fully into force.

General third party clearances

4. Excluding filings, applications, obligations, notifications, waiting and other time periods, and clearances relating to antitrust, merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply), all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition by any member of the Wider Cobham Group of any shares or other securities in, or control of, any member of the Wider Ultra Group, where the direct consequence of a failure to make such a notification or filing or to wait for the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction.
5. No Third Party having intervened (other than any Third Party having intervened in respect of antitrust, merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply)) and there not continuing to be outstanding any statute, regulation or order of any Third Party (other than any statute, regulation or order of any Third Party relating to antitrust or merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply)), in each case which would reasonably be expected to:
 - 5.1 make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Cobham or any member of the Wider Cobham Group of any shares or other securities in, or control or management of, Ultra or any member of the Wider Ultra Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or materially delay, the same or impose additional conditions or obligations with respect to the Scheme or the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to

the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Ultra Shares or the acquisition of control or management of Ultra or the Wider Ultra Group by Cobham or any member of the Wider Cobham Group;

- 5.2 materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Cobham Group or any member of the Wider Ultra Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Ultra Group or any member of the Wider Cobham Group;
- 5.3 require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Cobham Group of any ordinary shares or other securities in Ultra or of all or any portion of their respective businesses, assets or properties or materially limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
- 5.4 except pursuant to the implementation of the Acquisition or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Cobham Group or of the Wider Ultra Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
- 5.5 materially adversely limit the ability of any member of the Wider Cobham Group or of the Wider Ultra Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Cobham Group or of the Wider Ultra Group; or
- 5.6 except as Disclosed, otherwise materially adversely affect, any or all of the business, assets, profits, financial or trading position of any member of the Wider Ultra Group or of the Wider Cobham Group.

Certain matters arising as a result of any arrangement, agreement, etc.

6. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Ultra Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any ordinary shares or other securities in, or control of, Ultra or any other member of the Wider Ultra Group by any member of the Wider Cobham Group or otherwise, would be expected to result in (in any case, to an extent which would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole):
 - 6.1 any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Ultra Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability

of any member of the Wider Ultra Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;

- 6.2 other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Ultra Group;
- 6.3 any asset or interest of any member of the Wider Ultra Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Ultra Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Ultra Group otherwise than in the ordinary course of business;
- 6.4 the creation of any material liabilities (actual or contingent) by any member of the Wider Ultra Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- 6.5 the rights, liabilities, obligations or interests of any member of the Wider Ultra Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder; or
- 6.6 the financial or trading position or the value of any member of the Wider Ultra Group being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would or would reasonably be expected to result in any of the events or circumstances which are referred to in paragraphs 6.1 to 6.6 of this paragraph 6 occurring, in any case to an extent which would reasonably be expected to be material and adverse in the context of the Ultra Group taken as a whole.

Certain events occurring since 31 December 2020

7. Except as Disclosed, no member of the Wider Ultra Group having since 31 December 2020:
 - 7.1 issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into, or exercisable or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, in each case other than as between Ultra and wholly-owned subsidiaries of Ultra and/or on the exercise of options or vesting of awards granted in the ordinary course under the Ultra Share Plans;

- 7.2 purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its ordinary share capital in each case to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole;
- 7.3 recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue, other than: (i) to Ultra or a wholly-owned subsidiary of Ultra; (ii) the final dividend for the year ended 31 December 2020 of 41.5 pence per Ultra Share; and (iii) the Interim Dividend;
- 7.4 other than pursuant to the Acquisition (and except for transactions between Ultra and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Ultra and transactions in the ordinary course of business) implemented, effected, authorised or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole or in the context of the Acquisition;
- 7.5 save for intra-Ultra Group transactions, made or authorised any change in its loan capital other than in connection with ordinary course financing arrangements in any case to an extent which is material and adverse in the context of the Ultra Group taken as a whole;
- 7.6 save for intra-Ultra Group transactions and other than in the ordinary course of business, entered into, implemented or authorised the entry into of, any joint venture, asset or profit sharing arrangement, partnership or merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (in each case, to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole);
- 7.7 save in the ordinary course of business, issued or authorised the issue of, or made any change in or to, any debentures or (save for intra-Ultra Group transactions) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material and adverse in the context of the Wider Ultra Group taken as a whole;
- 7.8 entered into, varied or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
- 7.8.1 is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude (save in the ordinary course of business); or

7.8.2 is likely to materially restrict the business of any member of the Wider Ultra Group other than to a nature and extent which is normal in the context of the business concerned,

and, in either case, which is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

7.9 (other than in respect of a member which is dormant or which is solvent at the relevant time) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Wider Ultra Group taken as a whole;

7.10 been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business to an extent which is material in the context of the Wider Ultra Group taken as a whole;

7.11 other than in respect of claims between Ultra and wholly-owned subsidiaries of Ultra, waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Ultra Group taken as a whole;

7.12 made any alteration to its memorandum or articles of association (in each case, other than in connection with the Scheme) which is adverse to the interests of Cobham in the context of the Acquisition;

7.13 (except in relation to changes made or agreed as a result of, or arising from, applicable law or changes to applicable law) made or agreed or consented to:

7.13.1 any material change to:

- (a) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependents; or
- (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
- (c) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
- (d) the basis upon which the liabilities (including pensions) or such pension schemes are funded, valued or made; or

7.13.2 any non-ordinary course change to the trustees including the appointment of a trust corporation,

in each case, which would reasonably be expected to have a material adverse effect on the financial position of the Wider Ultra Group taken as a whole;

7.14 entered into or materially varied the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, agreement, commitment, transaction or arrangement with any director or Person Discharging Managerial Responsibility which is material and adverse in the context of the Acquisition or which would reasonably be expected to have a material adverse effect on the financial position of the Wider Ultra Group;

7.15 save in respect of any replacement plan proposed to Ultra Shareholders at the 2021 annual general meeting, proposed, agreed to provide or materially modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Ultra Group in each case which is material and adverse in the context of the Wider Ultra Group taken as a whole; and

7.16 on or after the date of this Announcement, and other than with the consent of Cobham and (if required) the Panel, taken any action which requires or would require the approval of Ultra Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code.

No adverse change, litigation or regulatory enquiry

8. Except as Disclosed, since 31 December 2020:

8.1 there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Ultra Group which in any case is material and adverse in the context of the Wider Ultra Group taken as a whole;

8.2 no contingent or other liability of any member of the Wider Ultra Group having arisen or become apparent or increased other than in the ordinary course of business which in any case is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

8.3 (other than as a result of or in connection with the Acquisition), no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Ultra Group is or may become a party (whether as plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Ultra Group having been threatened in writing, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Ultra Group which in any such case is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

- 8.4 no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Ultra Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Ultra Group taken as a whole; and
- 8.5 no member of the Wider Ultra Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Ultra Group taken as a whole.

No discovery of certain matters

- 9. Except as Disclosed, since 31 December 2020, Cobham not having discovered:
 - 9.1 that any financial or business or other information concerning the Wider Ultra Group disclosed at any time by or on behalf of any member of the Wider Ultra Group, whether publicly, to any member of the Wider Cobham Group or to any of their advisers or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected prior to the date of this Announcement by disclosure either publicly or otherwise to Cobham, in each case to an extent which is material in the context of the Wider Ultra Group taken as a whole;
 - 9.2 that any member of the Wider Ultra Group is subject to any liability (actual or contingent) which is material in the context of the Wider Ultra Group taken as a whole;
 - 9.3 any past or present member of the Wider Ultra Group has not complied in all material respects with all applicable legislation or regulations of any jurisdiction relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place), which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) or cost on the part of any member of the Wider Ultra Group, which in any case is material in the context of the Wider Ultra Group as a whole; or
 - 9.4 there is any material liability (actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Ultra Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government,

supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction, which in any case is material in the context of the Wider Ultra Group taken as a whole.

Anti-corruption, sanctions and criminal property

10. Except as Disclosed, Cobham not having discovered that:

10.1 any:

10.1.1 past or present member, director, officer or employee of the Wider Ultra Group has at any time engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation; or

10.1.2 person that performs or has performed services on behalf of the Wider Ultra Group has at any time, in connection with the performance of such services, engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation;

10.2 to an extent which is or would reasonably be expected to be material in the context of the Wider Ultra Group taken as a whole, any asset of any member of the Wider Ultra Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);

10.3 any past or present member, director, officer or employee of the Wider Ultra Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, or made any payments or assets available to or received any funds or asset from:

10.3.1 any government, entity or individual with which US or European Union persons (or persons operating in those territories) are prohibited from engaging in activities, doing business or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or

10.3.2 any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states,

which, in each case, would cause any member of the Ultra Group to be in breach of any economic sanctions laws applicable to the Ultra Group; or

- 10.4 a member of the Ultra Group has engaged in a transaction which would cause the Ultra Group to be in breach of any law or regulation prior to completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states.
11. For the purpose of these Conditions:
- 11.1 “Third Party” means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body in any relevant jurisdiction, including, for the avoidance of doubt, the Panel; and
- 11.2 a Third Party shall be regarded as having “intervened” if it has given notice to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and “intervene” shall be construed accordingly.

Part B***Further terms of the Scheme and the Acquisition***

1. Conditions 2.1(i), 2.2(i) and 3 to 10 (inclusive) must be fulfilled, be determined by Cobham to be or remain satisfied, or (if capable of waiver) be waived prior to the commencement of the Court Sanction Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, subject to paragraph 4 below and subject to the requirements of the Panel, Cobham reserves the right in its sole discretion to waive all or any of the Conditions, in whole or in part and to proceed with the Court Sanction Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions, except that Conditions 1, 2.1(i), 2.2(i) and 2.3(i) cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Cobham shall make an announcement by 8.00 a.m. on the business day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Ultra to extend the relevant deadline.
3. Cobham shall be under no obligation under the terms and Conditions of the Acquisition to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of Conditions 3 to 10 (inclusive) that Cobham is entitled (with the consent of the Panel and subject to the requirements of the Code) to invoke, by a date earlier than the latest date specified in paragraph 1 above, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
4. Cobham reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Offer will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing) an acceptance condition set at 75 per cent. of the Ultra Shares (or such other percentage as Cobham and Ultra may agree in accordance with the terms of the Cooperation Agreement, where applicable with the consent of the Panel, being in any case more than 50 per cent. of the Ultra Shares)). In the event that the Acquisition is implemented by way of an Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Offer have either been satisfied or (if capable of waiver) waived.
5. Under Rule 13.5(a) of the Code and subject to paragraph 6, Cobham may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Cobham in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.

6. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Cobham.
7. Conditions 1, 2.1(i), 2.2(i) and 2.3(i) (and, if applicable, any Offer acceptance condition adopted on the basis specified in paragraph 4 above if the Acquisition is implemented as an Offer), are not subject to this provision of the Code.
8. If the Panel requires Cobham to make an offer or offers for Ultra Shares under the provisions of Rule 9 of the Code, Cobham may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
9. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the UK Listing Rules and the provisions of the Code.
10. Ultra Shares will be acquired by Cobham fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective (other than the Interim Dividend).
11. Cobham has agreed that Ultra Shareholders will be entitled to receive the Interim Dividend without any consequential reduction in the Consideration payable in respect of each Ultra Share under the Acquisition. Other than the Interim Dividend, if any dividend, distribution and/or other return of value is declared, made or paid in respect of the Ultra Shares on or after the date of this Announcement and before the Effective Date, Cobham reserves the right (without prejudice to any right of Cobham, with the consent of the Panel, to invoke the Condition set out in paragraph 7.3 of Part A of this Schedule 1) to reduce the Consideration payable under the terms of the Acquisition for the Ultra Shares by the amount of all or part of any such dividend, distribution and/or other return of value, in which case any reference in this Announcement to the Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Consideration as so reduced. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution and/or return of value. Any exercise by Cobham of its rights referred to in this paragraph 11 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
12. The Scheme will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Scheme Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the UK Listing Rules.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Appendix 2 Sources and bases

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- 1) Ultra's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 73,232,643 Ultra Shares, calculated as:
 - a) 71,248,765 Ultra Shares in issue as at 13 August 2021 (being the latest practicable date before this Announcement); plus
 - b) 2,025,012 Ultra Shares which may be issued on or after the date of this Announcement pursuant to the Ultra Share Plans as at 13 August 2021 (being the latest practicable date before this Announcement); less
 - c) 41,134 Ultra Shares as at 13 August 2021 (being the latest practicable date before this Announcement) held by the Ultra Employee Benefit Trust that can be used to satisfy the exercise of options and vesting of awards granted under the Ultra Share Plans.
- 2) A value of approximately £2.57 billion for the entire issued and to be issued share capital of Ultra is based on:
 - a) an offer price of £35.00 per share, plus 16.2 pence per Ultra Share in respect of the Interim Dividend announced by Ultra on 19 July 2021, and to be paid on 17 September 2021 to shareholders on the register at 27 August 2021; and
 - b) Ultra's fully diluted issued ordinary share capital of 73,232,643 Ultra Shares, as set out in paragraph 1 above.
- 3) The premium calculations to the price per Ultra Share used in this Announcement have been calculated based on an offer price of £35.00 per share, plus 16.2 pence per Ultra Share in respect of the Interim Dividend, and by reference to:
 - a) the Closing Price on 24 June 2021 (being the last business day before the commencement of the Offer Period) of 2,156 pence derived from Bloomberg;
 - b) the three-month volume weighted average Closing Price of 2,083 pence per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg;
 - c) the six-month volume weighted average Closing Price of 2,041 pence per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg; and
 - d) the all-time highest Closing Price of an Ultra Share prior to the commencement of the Offer Period of 2,490 pence.
- 4) The IFRS enterprise value multiple of 17.7x 2020 EBITDA is based on an enterprise value for Ultra of £2.67 billion, comprising: (a) £2.57 billion fully diluted equity value (as set

out in paragraph 2 above); (b) £64.7 million of net financial debt, including £35.6 million of lease liability as reported at 2 July 2021; (c) £31.1 million of net pension liability as reported at 2 July 2021; (d) £1.2 million dividend-equivalent awards related to options and awards granted since 2018; and (e) the 2020 post-IFRS 16 EBITDA of £151.0 million (as reported at 31 December 2020).

- 5) Unless otherwise stated, the financial information of Ultra is extracted (without material adjustment) from the annual report and audited accounts of the Ultra Group for the 12 months ended 31 December 2020.
- 6) Certain figures included in this Announcement have been subject to rounding adjustments.

Appendix 3 Details of Irrevocable Undertakings

Ultra Director undertakings

The following Ultra Directors, who hold Ultra Shares, have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in relation to the following Ultra Shares:

Name	Number of Ultra Shares	Percentage of Ultra Shares in issue on 13 August 2021 (being the latest practicable date before the date of this Announcement)
Tony Rice	20,000	0.03
Simon Pryce	27,069*	0.04
Jos Sclater	1,308	<0.01
Victoria Hull	1,684	<0.01
Ken Hunzeker	2,000	<0.01
Daniel Shook	2,500	<0.01
Total	54,561	0.08

* Includes 20,200 Ultra Shares which are held by STM FIDECS Pension Trustees Limited (managed by Canaccord Genuity Wealth Limited), in respect of which Mr Pryce has undertaken to issue instructions to direct that the voting rights attaching to them be exercised in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.

The undertakings from the Ultra Directors, will cease to be binding only if: (i) the Panel consents to Cobham not proceeding with the Acquisition; (ii) the Scheme Document is not dispatched to Ultra Shareholders within 28 days (or such longer period as may be agreed between Ultra and the Panel) of this Announcement; (iii) the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Longstop Date (other than in circumstances where Cobham has, prior to such date, elected (in accordance with the Cooperation Agreement) to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code, and such Offer has not lapsed or been withdrawn); (iv) any competing offer for the entire issued and to be issued share capital of Ultra becomes or is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective; (v) Cobham announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement Scheme or Offer is announced by Cobham in accordance with Rule 2.7 of the Code at the same time; or (vi) the Scheme lapses or is withdrawn in accordance with its terms and Cobham publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer.

Appendix 4 Definitions

The following definitions apply throughout this Announcement unless the context requires otherwise:

“Acquisition” means the acquisition of the entire issued, and to be issued, ordinary share capital of Ultra by Cobham (other than Ultra Shares already held by Cobham, if any) to be implemented by way of the Scheme or, should Cobham so elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) by way of the Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

“Advent” means AIC and funds managed and/or advised by AIC;

“AIC” means Advent International Corporation;

“Announcement” means this announcement made pursuant to Rule 2.7 of the Code;

“Articles” means the articles of association of Ultra from time to time;

“business day” means any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business;

“Closing Price” means the closing middle market price of an Ultra Share as derived from the Daily Official List on any particular date;

“Cobham” means Cobham Ultra Acquisitions Limited, a wholly-owned indirect subsidiary of Cobham Group Holdings;

“Cobham AES” means Cobham AES Holdings Inc. and its subsidiary undertakings and where the context permits, each of them;

“Cobham Group” means Cobham Group Holdings and its subsidiary undertakings (including Cobham) and where the context permits, each of them;

“Cobham Group Holdings” means Cobham Group Holdings Limited, a company controlled by Advent;

“Code” means the City Code on Takeovers and Mergers, as amended from time to time;

“Companies Act” means the UK Companies Act 2006, as amended from time to time;

“Conditions” means the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document;

“Confidentiality Agreement” means the confidentiality agreement entered into between AIC, Cobham Limited and Ultra dated 19 July 2021, a summary of which is set out in paragraph 14 of this Announcement;

“Consideration” means the consideration payable to Ultra Shareholders pursuant to the Acquisition, comprising £35.00 in cash per Ultra Share;

“Cooperation Agreement” means the agreement entered into between Cobham, Cobham Group Holdings, AIC and Ultra dated 16 August 2021, a summary of which is set out in paragraph 14 of this Announcement;

“Court” means the High Court of Justice in England and Wales;

“Court Meeting” means the meeting or meetings of Scheme Shareholders (or of any class or classes thereof) which are in issue at the Scheme Voting Record Time to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, to approve the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof;

“Court Sanction Hearing” means the hearing of the Court to sanction the Scheme under Part 26 of the Companies Act and any adjournment, postponement or reconvening thereof;

“Credit Suisse” means Credit Suisse International;

“CREST” means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018)), in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;

“Daily Official List” means the daily official list of the London Stock Exchange;

“Dealing Disclosure” means an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;

“Disclosed” means:

- (a) information disclosed by, or on behalf of, Ultra:
 - (i) in Ultra’s annual report and accounts for the years ended 31 December 2020 and 31 December 2019 or in its half year report for the six months ended 2 July 2021; or
 - (ii) in this Announcement; or
- (b) fairly disclosed prior to the date of this Announcement by or on behalf of Ultra to Cobham or Advent (or their respective officers, employees, agents or advisers in their capacity as such), including via the virtual data room operated by or on behalf of Ultra in respect of the Acquisition; or
- (c) as otherwise publicly announced by Ultra prior to the date of this Announcement (by the delivery of an announcement to a Regulatory Information Service);

“Effective” means:

- (a) if the Acquisition is implemented by way of the Scheme, means the Scheme having become effective in accordance with its terms; or
- (b) if the Acquisition is implemented by way of an Offer (subject to the consent of the Panel and to the terms of the Cooperation Agreement), means the date on which the Offer becomes unconditional in accordance with the requirements of the Code;

“Effective Date” means the date upon which the Acquisition becomes Effective;

“Excluded Shares” means any Ultra Shares: (a) registered in the name of or beneficially owned by (i) any member of the Cobham Group, (ii) AIC and funds managed by AIC or any of their respective subsidiary undertakings, or (iii) any nominee of the foregoing; and (b) held in treasury by Ultra, in each case, immediately prior to the Scheme Record Time;

“FCA” means the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of FSMA;

“Forms of Proxy” means the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;

“FSMA” means the Financial Services and Markets Act 2000;

“General Meeting” means the general meeting of Ultra Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolutions (with or without amendment), including any adjournment, postponement or reconvening thereof;

“Goldman Sachs” means Goldman Sachs International;

“HM Government” means the government of the United Kingdom of Great Britain and Northern Ireland;

“IFRS” means International Financial Reporting Standards;

“Interim Dividend” means the interim cash dividend announced by Ultra on 19 July 2021 of 16.2 pence per Ultra Share;

“Interim Facilities Agreements” means the Interim Senior Facilities Agreement and the Interim PIK Facility Agreement;

“Interim PIK Facility Agreement” means the interim facility agreement dated 16 August 2021 between, among others, Cobham Ultra PIKCo S.à r.l. as the company and HSBC Corporate Trustee Company (UK) Limited as interim facility agent incorporating an interim term loan facility in an aggregate principal amount equal to £315 million;

“Interim Senior Facilities Agreement” means the interim facilities agreement dated 16 August 2021 between, among others, Cobham Ultra SeniorCo S.à r.l. as the company and Credit Suisse AG, Cayman Islands Branch as interim facility agent incorporating: (i) interim term loan facilities in an aggregate principal amount equal to £1,355 million; and (ii) an interim multi-currency revolving facility in an aggregate amount equal to £190 million;

“Joint Defence Agreement” means the joint defence agreement between AIC, Cobham Limited, Ultra and their respective legal counsels dated 30 July 2021, a summary of which is set out in paragraph 14 of this Announcement;

“J.P. Morgan Cazenove” means J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), as Lead Financial Adviser to Ultra;

“London Stock Exchange” means London Stock Exchange plc, together with any successor thereto;

“Longstop Date” means 5 August 2022 or such later date as may be agreed by Ultra and Cobham in writing (with the Panel’s consent and as the Court may approve (if such consent and/or approval is/are required));

“Memorandum of Understanding” means the legally binding memorandum of understanding dated 13 August 2021 entered into between Cobham and the Trustee in relation to the future funding of the Ultra UK DB Pension Scheme;

“Morgan Stanley” means Morgan Stanley & Co. International plc;

“Numis” means Numis Securities Limited, Financial Adviser and Corporate Broker to Ultra;

“Offer” means if (subject to the consent of the Panel and the terms of the Cooperation Agreement) Cobham elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Cobham to acquire the issued and to be issued ordinary share capital of Ultra on the terms and subject to the conditions set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);

“Offer Period” means the offer period (as defined by the Code) relating to Ultra which commenced on 25 June 2021;

“Official List” means the Official List maintained by the FCA pursuant to Part 6 of FSMA;

“Panel” means the Panel on Takeovers and Mergers;

“PRA” means the Prudential Regulation Authority;

“Registrar of Companies” means the Registrar of Companies in England and Wales;

“Regulatory Information Service” means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

“Resolutions” means the resolution(s) to be proposed at the General Meeting necessary to approve and implement the Scheme, including, amongst other things, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Ultra Shares issued or transferred after the Scheme Record Time (other than to Cobham and/or its nominees) shall be automatically transferred to Cobham (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Ultra Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities);

“Restricted Jurisdictions” means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Ultra Shareholders in that jurisdiction;

“Rothschild & Co” means N.M. Rothschild & Sons Limited;

“Scheme” means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Ultra and the Scheme Shareholders, the terms of which are to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Ultra and Cobham;

“Scheme Court Order” means the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;

“Scheme Document” means the document to be sent to (among others) Ultra Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme, the explanatory statement required by Section 897 of the Companies Act and containing the notices convening the Court Meeting and General Meeting;

“Scheme Record Time” means the time and date specified in the Scheme Document, expected to be 6.00 pm on the business day immediately prior to the Effective Date (or such other date and time as Ultra and Cobham may agree);

“Scheme Shareholders” means registered holders of Scheme Shares;

“Scheme Shares” means:

- (a) the Ultra Shares in issue as at the date of the Scheme Document;
- (b) any Ultra Shares issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and
- (c) any Ultra Shares issued on or after the Scheme Voting Record Time but before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares;

“Scheme Voting Record Time” means the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;

“Substantial Interest” means a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;

“Trustee” means Trustee Company Limited, the trustee of the Ultra UK DB Pension Scheme;

“UK Listing Rules” means the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name;

“Ultra” means Ultra Electronics Holdings plc;

“Ultra Board” means the Ultra Directors;

“Ultra Directors” means the directors of Ultra as at the date of this Announcement, or where the context requires, from time to time;

“Ultra Group” means Ultra and its subsidiary undertakings;

“Ultra Share Plans” means each of the Ultra Electronics Company Share Option Plan 2007, the Ultra Electronics Executive Share Options Scheme 2007, the Ultra Long-Term Incentive Plan 2017, the Ultra Electronics Share Incentive Plan, the Ultra Electronics Savings Related Share Option Scheme 2007 and the Ultra Electronics International Savings Related Share Option Scheme 2007;

“Ultra Shareholders” means the registered holders of Ultra Shares from time to time;

“Ultra Shares” means the ordinary shares of 5 pence each in the capital of Ultra but excluding any such shares held or which become held in treasury;

“Ultra UK DB Pension Scheme” means the pension scheme known as the Ultra Electronics Pension Scheme operated under a definitive trust deed and rules dated 29 July 2021;

“United States of America”, “United States” or “US” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“US Exchange Act” means the United States Securities Exchange Act of 1934 (as amended), and the rules and regulations promulgated thereunder;

“US Holders” means holders of Ultra Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Ultra Shares for persons in the US or with a registered address in the US;

“Wider Cobham Group” means each member of the Cobham Group and their subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which any member of the Cobham Group and/or such undertakings (aggregating their interests) have a Substantial Interest; and

“Wider Ultra Group” means each member of the Ultra Group and their subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which any member of the Ultra Group and/or such undertakings (aggregating their interests) have a Substantial Interest.

For the purposes of this Announcement, “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” and “equity share capital” have the meanings given by the UK Companies Act 2006.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement.

All references to time in this Announcement are to London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.