

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT.**

This Document contains a proposal which, if implemented, will result in the cancellation of the listing of Ultra Shares on the Official List and of trading of Ultra Shares on the London Stock Exchange's Main Market for listed securities.

If you are in any doubt as to the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Ultra Shares, please send this Document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Ultra Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Ultra Shares in certificated form, notwithstanding receipt of this Document from the transferor, you should contact Equiniti on the relevant telephone number set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Document nor any of the accompanying documents is intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document is not a prospectus, a prospectus-equivalent document or an exempted document.

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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

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**This Document (including all information incorporated into this Document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy. Your attention is drawn to Part I (*Letter from the Chairman of Ultra*) of this Document, which contains the unanimous recommendation of the Ultra Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting. A letter from J.P. Morgan Cazenove and Numis explaining the Scheme appears in Part II (*Explanatory Statement*) of this Document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

Notices of the Court Meeting and the General Meeting, both of which will be held at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH on 4 October 2021, are set out in Parts X (*Notice of Court Meeting*) and XI (*Notice of General Meeting*) of this Document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.

**The action to be taken by Ultra Shareholders and Scheme Shareholders is set out on pages 11 to 15 (*Action to be Taken*) and at paragraph 19 of Part II (*Explanatory Statement*) of this Document.**

Ultra Shareholders are asked to complete and return the enclosed BLUE and YELLOW Forms of Proxy (or appoint a proxy electronically or online as referred to in this Document) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Ultra's Registrars, Equiniti, not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting).

If the BLUE Form of Proxy for the Court Meeting is not lodged by 11:00 a.m. on 30 September 2021, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting.

In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 11:15 a.m. on 30 September 2021 (by post or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility), it will be invalid. Ultra Shareholders who hold Ultra Shares in CREST may also appoint a proxy using CREST or online by following the instructions set out in the Forms of Proxy and on pages 11 to 15 (*Action to be Taken*) of this Document.

All references in this Document to "attend" and "vote" or "attending" and "voting" in the context of the Meetings include remote attendance via the Virtual Meeting Platform and voting by proxy or remotely via the Virtual Meeting Platform respectively.

### **Questions at the Meetings**

In addition to being able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the Court and/or General Meeting in person, Ultra Shareholders and Scheme Shareholders will also be able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. Scheme Shareholders can use the same function to submit any written objections they may have to the Scheme at the Court Meeting. Ultra Shareholders and Scheme Shareholders may also submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing investor.relations@ultra-electronics.com.

The Chairman of the relevant Meeting will ensure that all such questions (and/or, in the case of the Court Meeting, any objections) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

While Scheme Shareholders and Ultra Shareholders may attend, ask questions and vote (and/or, in the case of the Court Meeting, raise objections) at the Court and/or General Meeting in person, Scheme Shareholders and Ultra Shareholders are also being given the opportunity to remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the Court Meeting and the General Meeting via a virtual meeting platform provided by Lumi (the "**Virtual Meeting Platform**"). Further details in this regard are given on pages 11 to 15 (*Action to be Taken*) of this Document.

### **COVID-19 Restrictions**

Whilst COVID-19 restrictions have been lifted as at the date of this Document, the COVID-19 situation is constantly evolving and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Ultra Shareholders will be permitted to attend the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Ultra Shareholders and Scheme Shareholders are nevertheless encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting and the Court Meeting, respectively. If any other person

is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person (but will be able to remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide). Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Ultra Shareholders before the Meetings, including through Ultra's website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

**Further details regarding attending the Court Meeting and General Meeting, either in person or remotely (including instructions for accessing the Virtual Meeting Platform), and the appointment of a proxy for each relevant Meeting, are set out on pages 11 to 15 (*Action to be Taken*) of this Document.**

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service as soon as possible.**

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so (in each case in person or remotely (via the Virtual Meeting Platform as described in the opening pages of this Document and the Virtual Meeting Guide)).

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically or online, please contact the Company's Registrar, Equiniti, by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Certain terms used in this Document are defined in Part IX (*Definitions*) of this document. References to times in this Document are to London, United Kingdom time unless otherwise stated.

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 Document and will not regard any other person as its client in relation to the matters set out in this Document 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 Document 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 Document and will not regard any other person as its client in relation to the matters in this Document 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 Document 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 Document, 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 set out in this Document 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 Document, 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 Document 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 Document 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 Document, 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 Document. 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 United Kingdom is acting exclusively as financial adviser to Cobham and no one else in connection with the matters set out in this Document. 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 Document or any other matter referred to herein.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by Ultra, the Ultra Directors, Cobham, the Cobham Directors or by J.P. Morgan Cazenove, Numis, Credit Suisse, Morgan Stanley, Goldman Sachs or Rothschild & Co or any other person involved in the Acquisition. Neither the delivery of this Document nor holding the Meetings, the Scheme Court Hearing, or filing the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Ultra Group or the Cobham Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

## IMPORTANT NOTICE

The release, publication or distribution of this Document in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of 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. 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 Document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Ultra or Cobham except where otherwise stated.

This Document is not a prospectus or prospectus-equivalent document.

### Overseas Shareholders

This Document has been prepared for the purposes of complying with English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside England and Wales.

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 United Kingdom 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.

Unless otherwise determined by Cobham or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.



## **Notice to US investors**

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. US Ultra Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the US proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules.

Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and 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. If Cobham were to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable United States laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a Takeover Offer would be made in the United States by Cobham and no one else.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document. Any representation to the contrary is a criminal offence in the US.

In accordance with the Takeover Code and normal UK practice, and pursuant to Rule 14e-5(b) of the US Exchange Act (were the Acquisition to be implemented by way of a Takeover Offer), (a) Cobham or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Ultra outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn and (b) J.P. Morgan Cazenove and Numis and their affiliates will continue to act as an exempt principal traders in Ultra securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash consideration by a US Ultra Shareholder for the transfer of its Ultra Shares pursuant to the Acquisition will likely be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US Ultra Shareholder is urged to consult their independent professional tax adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

It may be difficult for US Ultra Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since Ultra is located in a non-US jurisdiction, and some or all of its officers and directors are residents of non-US jurisdictions. US Ultra Shareholders 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.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Document (including information incorporated by reference in this Document), oral statements made regarding the Acquisition, and other information published by Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group contain statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. Such forward-looking statements are prospective in nature and are not

based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group or the Combined Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this Document may relate to Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and all other statements in this Document other than statements of historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'intend', 'aim', 'project', 'anticipate', 'estimate', 'target', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue' or, in each case, their negative and other variations or other similar or comparable words and expressions. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

None of Ultra, any member of the Ultra Group, Cobham, nor any member of the Cobham Group, 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 Document shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this Document. All subsequent oral or written forward-looking statements attributable to Ultra, any member of the Ultra Group, Cobham, or any member of the Cobham Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Ultra, each member of the Ultra Group, Cobham, and each member of the Cobham Group expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

**NO PROFIT FORECASTS, PROFIT ESTIMATES OR QUANTIFIED FINANCIAL BENEFITS STATEMENTS**

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

**ROUNDING**

Certain figures included in this Document 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 the figures that precede them.

## **ELECTRONIC COMMUNICATIONS**

Please be aware that addresses, electronic addresses and certain 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, members of the Cobham Group and/or their respective advisers during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

## **DEALING DISCLOSURE REQUIREMENTS**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 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 p.m. on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. 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 Takeover Code, any person who is, or becomes, interested in 1 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 p.m. 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 shall 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 <http://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 WEBSITE AND AVAILABILITY OF THIS DOCUMENT**

A copy of this Document shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ultra and Cobham's websites at [www.ultra.group](http://www.ultra.group) and [www.cobham.com](http://www.cobham.com) respectively by no later than 12:00 noon on the Business Day following the date of publication of this Document. For the avoidance of doubt, the content of these websites is not incorporated into and do not form part of this Document.

Ultra Shareholders may request a hard copy of this Document or information incorporated into this Document by reference to another source, free of charge, by contacting the Company's Registrar, Equiniti, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling 0371 384 2050 stating your name, and the address to which the hard copy should be sent. A hard copy of any such information will not be sent to you unless you so request it. You may also request that all future documents, announcements and information sent to you in relation to the Acquisition should be in hard copy form.



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 Document 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)371 384 2050. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document 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.

This Document is dated 8 September 2021.

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## ACTION TO BE TAKEN

For the reasons set out in this Document, 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 to the Ultra Directors, 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 Takeover Code.

Accordingly, in order to implement the Acquisition, the Ultra Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting, as those Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of their own beneficial holdings of Ultra Shares (or those Ultra Shares over which they have control), and that you take the action described below.

This page should be read in conjunction with the rest of this Document, and in particular, paragraph 19 of Part II (*Explanatory Statement*) of this Document and the notices of the Court Meeting and the General Meeting at the end of this Document.

### COVID-19 restrictions

Whilst COVID-19 restrictions have been lifted as at the date of this Document, the COVID-19 situation is constantly evolving and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Ultra Shareholders will be permitted to attend the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Ultra Shareholders and Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person (but will be able to remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide). Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Ultra Shareholders before the Meetings, including through Ultra’s website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

All references in this Document to “attend” and “vote” or “attending” and “voting” in the context of the Meetings include remote attendance via the Virtual Meeting Platform and voting by proxy or remotely via the Virtual Meeting Platform respectively.

### 1. Documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting to be held on 4 October 2021;
- a YELLOW Form of Proxy for use in respect of the General Meeting to be held on 4 October 2021;
- the Virtual Meeting Guide prepared by Lumi explaining how Ultra Shareholders and Scheme Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the YELLOW Form of Proxy.

If you have not received all of these documents, please contact the Shareholder Helpline operated by Equiniti, the Company’s Registrar, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

## 2. Voting at the Court Meeting and the General Meeting

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY BY POST (OR TRANSMIT A PROXY APPOINTMENT AND VOTING INSTRUCTION ONLINE VIA EQUINITI'S ONLINE FACILITY OR THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE) AS SOON AS POSSIBLE.**

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH at 11:00 a.m. on 4 October 2021. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 11.15 a.m. on 4 October 2021 (or as soon thereafter as the Court Meeting concludes or is adjourned).

Scheme Shareholders and Ultra Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST) set out below.

As set out in Part I (*Letter from the Chairman of Ultra*) and set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this document, in addition to being able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the Court and/or General Meeting in person, Ultra Shareholders and Scheme Shareholders will also be able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. Scheme Shareholders can use the same function to submit any written objections they may have to the Scheme at the Court Meeting.

Ultra Shareholders and Scheme Shareholders may also submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com).

The Chairman of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

Ultra Shareholders are entitled to appoint a proxy in respect of some or all of their Ultra Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Ultra Shareholders who wish to appoint more than one proxy in respect of their holding of Ultra Shares should contact Equiniti for further Forms of Proxy or photocopy the Forms of Proxy as required.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending and voting at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Scheme Shareholders and Ultra Shareholders are required to submit or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may be: (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com); or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(a) ***Sending Forms of Proxy by post***

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrar, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting 11:00 a.m. on 30 September 2021

YELLOW Forms of Proxy for the General Meeting 11:15 a.m. on 30 September 2021

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

*What if I miss the deadline mentioned above?*

- If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

(b) ***Online appointment of proxies***

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: www.sharevote.co.uk and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out in paragraph 2(a) above) or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

*What if I miss the deadline mentioned above?*

- In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the electronic proxy appointment is not received by this time, it will be invalid.

(c) ***Electronic appointment of proxies through CREST***

If you hold Ultra Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later



than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out in paragraph 2(a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

*What if I miss the deadline mentioned above?*

- In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com); or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Ultra may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **3. Instructions for accessing the Virtual Meeting Platform**

As noted above, in addition to being able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the Court and/or General Meeting in person, Ultra Shareholders and Scheme Shareholders will also be able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting remotely via a virtual meeting platform provided by Lumi (the “**Virtual Meeting Platform**”), further details of which are set out below and in the Virtual Meeting Guide.

Scheme Shareholders and Ultra Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To remotely attend, ask questions and/or vote (and/or, in the case of the Court Meeting, raise any objections) using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser you will be asked to enter the Lumi Meeting ID which is 141-231-087. You will then be prompted to enter your unique shareholder reference number (“**SRN**”) and PIN. These can be found printed on your proxy form. If you are unable to access your SRN or PIN please contact the Company’s Registrar, Equiniti, by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the Meetings via the website will be available from 10.30 a.m. on 4 October 2021, as further detailed below. However, voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open.

**During the relevant Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and/or raise any objections (in the case of the Court Meeting) and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the relevant Meeting via your wireless or other internet connection.** The Virtual Meeting Guide contains further information on remotely accessing and participating in the Meetings via the Virtual Meeting Platform <https://web.lumiagm.com> and is available on Ultra's website at [www.ultra.group](http://www.ultra.group).

If you wish to appoint a proxy and for the proxy to attend the relevant Meeting on your behalf, please contact Equiniti by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

If your shares are held within a nominee and you wish to access the relevant Meeting through the Virtual Meeting Platform, you will need to contact your nominee immediately. Duly appointed proxies and corporate representatives should e-mail a scanned copy of their letter of representation and shareholder reference number to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) by no later than 48 hours before the start of the relevant Meeting in order to obtain a unique username and PIN to use to access the electronic meeting.

#### **4. Ultra Share Plans**

Participants in the Ultra Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the Ultra Share Plans. A summary of the effect of the Scheme on outstanding options and awards under the Ultra Share Plans is set out in paragraph 9 of Part II (*Explanatory Statement*) of this Document.

#### **5. Shareholder Helpline**

If you have any questions about this Document, the Court Meeting, the General Meeting or how to complete the Forms of Proxy or to submit your proxies electronically, please call Equiniti on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Ultra's and Cobham's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Ultra Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

| <i>Event</i>   | <i>Time and/or date<sup>(1)</sup></i>  |
|--|--|
| Publication of this Document   | 8 September 2021   |
| Latest time for lodging Forms of Proxy for the:  |  |
| Court Meeting (BLUE form)  | 11.00 a.m. on 30 September 2021 <sup>(2)</sup>   |
| General Meeting (YELLOW form)  | 11.15 a.m. on 30 September 2021 <sup>(3)</sup>   |
| Voting Record Time   | 6.30 p.m. on 30 September 2021 <sup>(4)</sup>  |
| <b>Court Meeting</b>   | <b>11.00 a.m. on 4 October 2021</b>  |
| <b>General Meeting</b>   | <b>11.15 a.m. on 4 October 2021<sup>(5)</sup></b>  |
| <i>The following dates and times associated with the Scheme are subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. Ultra will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Ultra's website at <a href="http://www.ultra.group">www.ultra.group</a>. Further updates and changes to these times will be notified in the same way. See also note<sup>(1)</sup>.</i> |  |
| Scheme Court Hearing   | a date no later than 21 days after the satisfaction (or, if applicable, waiver) of the Conditions (other than Condition 2.3) and in any event prior to the Longstop Date ("D") |
| Last day for dealings in, and for the registration of transfer of, Ultra Shares  | D+1 Business Day   |
| Scheme Record Time   | 6:00 p.m. on D+1 Business Day  |
| Disablement of CREST in respect of Ultra Shares  | 6:00 p.m. on D+1 Business Day  |
| Suspension of dealings in Ultra Shares   | by 7:30 a.m. on D+2 Business Days  |
| <b>Effective Date of the Scheme</b>  | <b>D+2 Business Days<sup>(6)</sup></b>   |
| Cancellation of listing of Ultra Shares  | by 7:30 a.m. on D+3 Business Days  |
| Latest date for despatch of cheques and crediting of CREST accounts and processing electronic transfers for cash consideration due under the Scheme  | by 14 days after the Effective Date  |
| Longstop Date <sup>(7)</sup>   | 5 August 2022  |

(1) The dates and times given are indicative only and are based on current expectations and are subject to change (including as a result of changes to the regulatory timetable).

References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Ultra Shareholders by announcement through a Regulatory Information Service.

Participants in the Ultra Share Plans will be contacted separately to inform them of the effect of the Scheme on their rights under the Ultra Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.

- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, 48 hours prior to the time fixed for any adjourned Court Meeting (excluding any part of such 48 hour period falling on a day that is not a working day). If the BLUE Form of Proxy for the Court Meeting is not lodged by 11.00 a.m. on 30 September 2021, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (3) In order to be valid, the YELLOW Forms of Proxy for the General Meeting must be lodged not later than 11.15 a.m. on 30 September 2021 or, if the General Meeting is adjourned, 48 hours prior to the time fixed for the adjourned General Meeting (excluding any part of such 48 hour period falling on a day that is not a working day).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6:30 p.m. on the day which is two Business Days prior to the date of the adjourned Meeting.
- (5) To commence at 11.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.
- (6) Cobham expects that, subject to the satisfaction (or, where applicable, waiver) of the Conditions in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, the Acquisition will become Effective during Q1 2022.
- (7) This is the latest date by which the Scheme may become Effective. However, the Longstop Date may be extended to such later date as may be agreed by Ultra and Cobham (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)).

## PART I

### LETTER FROM THE CHAIRMAN OF ULTRA

# ULTRA

(Incorporated in England and Wales with registered number 02830397)

*Directors:*

Tony Rice (*Chairman*)

Simon Pryce (*Chief Executive Officer*)

Jos Sclater (*Chief Financial Officer*)

Victoria Hull (*Senior Independent Non-Executive Director*)

Geeta Gopalan (*Independent Non-Executive Director*)

Daniel Shook (*Independent Non-Executive Director*)

Ken Hunzeker (*Independent Non-Executive Director*)

Ultra Electronics Holdings plc

35 Portman Square

London

United Kingdom

W1H 6LR

8 September 2021

*To the holders of Ultra Shares and, for information only, to holders of awards and options under the Ultra Share Plans and persons with information rights.*

Dear Shareholder,

#### **RECOMMENDED CASH ACQUISITION OF ULTRA ELECTRONICS HOLDINGS PLC BY COBHAM ULTRA ACQUISITIONS LIMITED**

#### **1. Introduction**

On 16 August 2021, the boards of Ultra and Cobham announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Cobham proposes to acquire the entire issued and to be issued share capital of Ultra. Cobham is a wholly-owned indirect subsidiary of Cobham Group Holdings Limited. The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**I am writing to you today, on behalf of the Ultra Directors, to set out the background to the Acquisition and the reasons why the Ultra Directors consider the terms of the Acquisition to be fair and reasonable. The Ultra Directors are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution proposed at the General Meeting, as those Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of those Ultra Shares they hold (and in respect of which they control the voting rights), which amount in total to 91,696 Ultra Shares representing, in aggregate, approximately 0.13 per cent. of the issued ordinary share capital of Ultra as at the Latest Practicable Date. I draw your attention to the letter from J.P. Morgan Cazenove and Numis set out in Part II (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document. Further information relating to the irrevocable undertakings given by those Ultra Directors who hold Ultra Shares, including the circumstances in which they cease to be binding, is set out at paragraph 6 of this letter, and in paragraph 5 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document.**

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and the required majority of Ultra Shareholders will need to vote in favour of the Special Resolution proposed at the General Meeting (as set out in paragraph 11 of Part II (*Explanatory Statement*) of this Document). The Court Meeting and the General Meeting are to be held at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH on 4 October 2021 at 11.00 a.m. and 11.15 a.m. (or immediately after the conclusion of the Court Meeting), respectively.



Whilst COVID-19 restrictions have been lifted as at the date of publication of this Document, the COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Ultra Shareholders will be permitted to attend, the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Ultra Shareholders and Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person (but will be able to remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting via the Virtual Meeting Platform, further details of which are set out on pages 11 to 15 (*Action to be Taken*) of this Document and in the Virtual Meeting Guide). Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Ultra Shareholders before the Meetings, including through Ultra’s website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

Details of the actions you should take are set out in paragraph 19 of Part II (*Explanatory Statement*) of this Document. The recommendation of the Ultra Directors is set out in paragraph 14 of this letter.

## **2. Summary of the terms of the Acquisition**

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

**for each Scheme 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 appeared 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 the entire issued and to be issued ordinary share capital of Ultra at approximately £2.58 billion on a fully diluted basis. The price per Ultra Share, together with the Interim Dividend, 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.

Further information about the Acquisition is provided in Part II (*Explanatory Statement*) of this Document.

## **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 the 2.7 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 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 (including pension liabilities and lease liabilities) 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; and
- the terms of the Acquisition imply an IFRS enterprise value multiple of approximately 17.7x 2020 EBITDA for Ultra.

In addition, the Ultra Board notes and welcomes the willingness and intention of Cobham to offer safeguards for stakeholder interests, including employees, customers, pension schemes, national security stakeholders and others following the Acquisition, as set out in paragraphs 7 and 8 of this Part I (*Letter from the Chairman of Ultra*) below. 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 7 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 8 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 8 (*Existing employment rights*) 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 8 (*Pensions*) below.

Accordingly, following careful consideration of the above factors and their fiduciary duties, the Ultra Directors unanimously recommend that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and of the Special Resolution proposed at the General Meeting.

## **5. 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 could 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.

## **6. Irrevocable undertakings**

As noted 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 Special Resolution proposed to implement the Scheme at the General Meeting in respect of their own beneficial holdings which are under their control, totalling, in aggregate, 91,696 Ultra Shares representing approximately 0.13 per cent. of the issued ordinary share capital of Ultra as at the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document. Copies of the irrevocable undertakings are available on Ultra's website at [www.ultra.group](http://www.ultra.group) and will remain on display until the end of the Offer Period.

## **7. 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 is engaging 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 7 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

#### **8. Intentions regarding business, management, employees, pension schemes, research and development and locations**

As set out in paragraph 5 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 for Ultra 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 the 2.7 Announcement, consistent with market practice, Cobham was 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.

### **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, following which Cobham and the Trustee 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, the entitlement of the Ultra UK DB Pension Scheme to cash contributions to be 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.

The Trustee of the Ultra UK DB Pension Scheme has issued an opinion in respect of the effects of the Acquisition on the Ultra UK DB Pension Scheme, which is set out in Appendix 1 of this Document.

### ***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.

### ***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.

### ***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 14 of Part II (*Explanatory Statement*) of this Document below, 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.

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.

### **Post-offer undertakings**

No statement in this paragraph 8 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

### **9. Ultra Share Plans**

Details of the arrangements proposed to be implemented in relation to the Ultra Share Plans in connection with the Acquisition are set out in paragraph 9 of Part II (*Explanatory Statement*) of this Document.

### **10. Ultra current trading**

For the year ended 31 December 2019, Ultra reported consolidated revenue of £825.4 million, statutory operating profit of £94.2 million, statutory profit before tax of £91.0 million, diluted earnings per share of 104.9 pence and a dividend per share of 54.2 pence. As at 31 December 2019, Ultra had £1,025.1 million of consolidated total assets and £430.6 million of consolidated total equity.

For the year ended 31 December 2020, Ultra reported consolidated revenue of £859.8 million, statutory operating profit of £106.3 million, statutory profit before tax of £103.7 million, diluted earnings per share of 117.7 pence and a dividend per share of 56.9 pence. As at 31 December 2020, Ultra had £995.1 million of consolidated total assets and £464.7 million of consolidated total equity.

On 19 August 2021, the Ultra Group announced its interim results for the half year ended 2 July 2021 (“**H1 2021 Ultra Interim Results**”). Current trading for Ultra continues in line with statements made in the H1 2021 Ultra Interim Results.

Financial information relating to Ultra is set out in Part V (*Financial and Ratings Information*) of this Document.

### **11. Action to be taken by Ultra Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Scheme Shareholders and Ultra Shareholders in respect of the Acquisition and the Scheme are set out in paragraph 19 of Part II (*Explanatory Statement*) of this Document.

Details relating to the cancellation of listing of the Ultra Shares and settlement of the cash consideration offered by Cobham are included in paragraphs 14 and 15 of Part II (*Explanatory Statement*) of this Document.

### **12. Overseas Shareholders**

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contains important information relevant to such holders.

### **13. United Kingdom taxation**

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of Ultra Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

#### **14. 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.

The Ultra Directors consider that the terms of the Acquisition are in the best interests of Ultra Shareholders as a whole. Accordingly, the Ultra Directors unanimously recommend that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution 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, totalling, in aggregate, 91,696 Ultra Shares representing approximately 0.13 per cent. of the issued ordinary share capital of Ultra on the Latest Practicable Date.

#### **15. Further information**

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the implementation of the Scheme and to the Acquisition*), Part IV (*The Scheme of Arrangement*) and Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document which provides further details concerning the Scheme.

**You are advised to read the whole of this Document and the accompanying Forms of Proxy and not just rely on the summary information contained in this letter or the Explanatory Statement.**

Yours faithfully,

**Tony Rice**  
*Chairman*  
Ultra Electronics Holdings plc

## PART II

### EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)

J.P. Morgan Cazenove  
25 Bank Street  
London E14 5JP  
United Kingdom

J.P.Morgan CAZENOVE

Numis  
45 Gresham Street  
London EC2V 7BF  
United Kingdom

**Numis**

8 September 2021

*To the holders of Ultra Shares and, for information only, to holders of awards and options under the Ultra Share Plans and persons with information rights*

Dear Shareholder,

#### **RECOMMENDED CASH ACQUISITION OF ULTRA ELECTRONICS HOLDINGS PLC BY COBHAM ULTRA ACQUISITIONS LIMITED**

#### **1. Introduction**

On 16 August 2021, the boards of Ultra and Cobham announced that they had agreed the terms of a recommended cash acquisition pursuant to which Cobham will acquire the entire issued and to be issued ordinary share capital of Ultra. Cobham is a wholly-owned indirect subsidiary of Cobham Group Holdings Limited. The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and Ultra Shareholders at the General Meeting as well as the sanction of the Court.

Your attention is drawn to the letter set out in Part I (*Letter from the Chairman of Ultra*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things, (i) the Ultra Directors' unanimous recommendation that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting, and (ii) information on the background to, and reasons for giving the above recommendation.

The Ultra Directors have been advised by J.P. Morgan Cazenove and Numis in connection with the financial terms of the Acquisition. We have been authorised by the Ultra Directors to write to you to explain the terms of the Acquisition and to provide you with other relevant information.

This Part II (*Explanatory Statement*) contains a summary of the terms of the Scheme, while the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. For overseas holders of Ultra Shares, your attention is drawn to Part VII (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Cobham's reasons for the Acquisition, information concerning the businesses of Cobham and Advent, the financial effects of the Acquisition on Cobham and/or intentions or expectations of or concerning Cobham reflect the views of the Cobham Board, the Cobham Group Responsible Person and the Advent Responsible Persons (as applicable).

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Ultra Directors, information concerning the business of the Ultra Group and/or intentions or expectations of or concerning the Ultra Group prior to completion of the Acquisition, reflect the views of the Ultra Board.



## 2. Summary of the terms of the Acquisition and the Scheme

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

**for each Scheme 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 appeared 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 the entire issued and to be issued ordinary share capital of Ultra at approximately £2.58 billion on a fully diluted basis.

The price per Ultra Share, together with the Interim Dividend, 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 the 2.7 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 recommendation

Information relating to the background to and reasons for the Ultra Directors' recommendation of the Acquisition is set out in paragraph 4 of Part I (*Letter from the Chairman of Ultra*) of this Document.

Cobham has received irrevocable undertakings in support for the Acquisition from the Ultra Directors who hold Ultra Shares in respect of their own beneficial holdings which are under their control, totalling, in aggregate, 91,696 Ultra Shares representing approximately 0.13 per cent. of the issued ordinary share capital of Ultra on the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document. Copies of the irrevocable undertakings are available on Ultra's website at [www.ultra.group](http://www.ultra.group) and will remain on display until the end of the Offer Period.

## 5. 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.

## **6. 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.

## **7. Financial effects of the Acquisition on Cobham**

Following the Scheme becoming Effective, the earnings, assets and liabilities of the Ultra Group would be consolidated into the earnings, assets and liabilities of the Cobham Group. The earnings, assets and liabilities of the Cobham Group would thereby be increased. In addition, the liabilities of the Cobham Group would also be increased to reflect the debt incurred in order to fund the Acquisition.

## 8. Financing of the Acquisition

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 principally drawn from funds managed by Advent. In addition, following the date of the 2.7 Announcement, Cobham Group Holdings agreed to syndicate up to £95 million of its equity through an indirect holding company of Cobham to the PIK Lenders in accordance with the Deed of Minority Investment on the basis that such syndication is to be underwritten by funds managed by Advent.

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 is included at paragraph 11 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document.

## 9. Ultra Share Plans and other incentive arrangements

The Ultra Group operates the Ultra Share Plans to reward and retain its employees.

Participants in the Ultra Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the Ultra Share Plans and with the details of the arrangements applicable to them. A summary of the effect of the Scheme on outstanding options and awards is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Ultra Share Plan, the Ultra Directors' remuneration policy (where applicable) and/or the communications to participants in the Ultra Share Plans regarding the effect of the Scheme on their rights under the Ultra Share Plans and the details of the arrangements applicable to them (the "**Share Plan Notices**"), the rules of the relevant Ultra Share Plan, the Ultra Directors' remuneration policy (where applicable) or the terms of the Share Plan Notices (as the case may be) will prevail.

The Scheme will apply to any Ultra Shares which are unconditionally allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the Ultra Share Plans before the Scheme Record Time. Any Ultra Shares allotted, issued to satisfy the vesting of awards or exercise of options under the Ultra Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the General Meeting, be transferred to Cobham in exchange for the same consideration as Scheme Shareholders will be entitled to receive under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association is contained in the Notice of General Meeting at Part XII (*Notice of General Meeting*) of this Document.

### **LTIP**

Awards and options granted under the LTIP which would not otherwise vest prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants' contractual rights under the LTIP) vest early. The Ultra Remuneration Committee will, at its sole discretion, determine the extent to which any LTIP awards and options vest, taking into account the extent to which applicable performance targets (if any) have been satisfied. The Ultra Remuneration Committee may also determine that the awards and options will not be subject to any time pro-rating reduction. The formal discretion as to whether or not to apply time pro-rating will be exercised on or shortly before the Court Sanction Date, along with the assessment of the extent to which applicable performance targets (if any) have been achieved.

### **SIP**

Under the SIP (which is an HMRC tax-qualified plan designed for all UK-based employees), employees can acquire Ultra Shares which are purchased using a proportion of their pre-tax salary ("**partnership shares**"). These shares are required to be held in a special trust on an employee's behalf for a minimum of three (and up to five) years and subject to the employee's continued employment in order to benefit from favourable UK tax treatment.

All Ultra Shares held under the SIP will be Scheme Shares and will be subject to the terms of the Scheme in the same way as the Ultra Shares held by Scheme Shareholders. Participants in the SIP will be entitled to 3500 pence in cash for every Ultra Share awarded under the SIP which they continue to hold as at the Scheme Record Time.

### **Sharesave**

Options granted under each of the UK Sharesave (which is an HMRC tax-qualified plan designed for all UK-based employees) and the International Sharesave that would not otherwise become exercisable prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants' contractual rights under the UK Sharesave and the International Sharesave) become exercisable for a period of 20 days following the Effective Date (in the case of options granted under the UK Sharesave) or six months following the Court Sanction Date (in the case of options granted under the International Sharesave).

Cobham will make or procure a one-off cash compensation payment (the "**Compensation Payment**") to those participants in the UK Sharesave and the International Sharesave who exercise their options conditional on the Effective Date or earlier in consequence of the Acquisition. The Compensation Payment will be of an amount equal to the additional profit which the participants would have received if they had continued making their monthly savings contributions after the Court Sanction Date and exercised their options in full on the maturity of the relevant savings contract, and had those Ultra Shares been acquired on the terms of the Scheme, provided that no such Compensation Payment will be made in respect of options granted under the Sharesave after the date of the Cooperation Agreement.

Any such Compensation Payment made or procured by Cobham will be subject to deductions for income tax and employee's social security contributions, whereas options exercised under the UK Sharesave and the International Sharesave may not have been subject to such tax and employee's social security contributions. The Compensation Payment will therefore be of such amount as would provide participants with an after-tax amount equal to the amount of gain that such participants would have received had they continued making their monthly savings contributions after the Court Sanction Date and been able to exercise their options in full at the end of the maturity of the relevant savings contract, and had the Ultra Shares acquired on exercise then been acquired by Cobham under the terms of the Scheme.

### **CSOP**

Options granted under the CSOP that would not otherwise become exercisable prior to the Court Sanction Date will (in consequence of the acquisition and in accordance with the participants' contractual rights under the CSOP) vest and become exercisable on the Court Sanction Date. Options will continue to be exercisable after the Court Sanction Date in accordance with participants' contractual rights under the CSOP, unless they lapse earlier under the CSOP.

### **ESOS**

Options granted under the ESOS that would not otherwise become exercisable prior to the Court Sanction Date will (in consequence of the acquisition and in accordance with the participants' contractual rights under the ESOS) vest and become exercisable on the Court Sanction Date. Options will continue to be exercisable after the Court Sanction Date in accordance with participants' contractual rights under the ESOS, unless they lapse earlier under the ESOS.

## **10. The Ultra Directors and the effect of the Scheme on their interests**

Details of the interests of the Ultra Directors in the issued ordinary share capital of Ultra and awards in respect of such share capital, are set out in Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document. Scheme Shares held by the Ultra Directors at the Scheme Record Time will be subject to the Scheme.

The Ultra Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Cobham in accordance with the terms of the irrevocable undertakings) in respect of those Ultra Shares that they hold and in respect of



which they control the voting rights. These irrevocable undertakings also extend to any shares acquired by the Ultra Directors as a result of the vesting of awards or the exercise of options under the Ultra Share Plans. Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of in Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document.

Particulars of the service agreements (including termination provisions) and letters of appointment of the Ultra Directors are set out in paragraph 6 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document.

Following completion of the Acquisition, the proposed delisting of Ultra Shares and re-registration of Ultra as a private limited company, a number of corporate headquarters and support functions, including certain functions relating to Ultra's status as a public listed company, might no longer be needed. Further, it is intended that, upon completion of the Acquisition, each of the Ultra Non-Executive Directors will resign from their office as a director of Ultra.

In common with the other participants in the Ultra Share Plans, the Ultra Directors who hold awards and/or options will be able to receive Ultra Shares under such awards and/or options, to the extent that such Awards vest and (if necessary) are exercised.

Save as set out above, the effect of the Scheme on the interests of Ultra Directors does not differ from its effect on the like interests of any other Ultra Shareholder.

## **11. Description of the Scheme and the Meetings**

### ***The Scheme***

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Ultra and the Scheme Shareholders who are on the register of members of Ultra at the Scheme Record Time, under Part 26 of the Companies Act. This procedure requires approval by Scheme Shareholders at the Court Meeting and Ultra Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Cobham to become the holder of the entire issued and to be issued share capital of Ultra. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time to Cobham, in consideration for which Cobham will pay cash to Scheme Shareholders (at the Scheme Record Time) on the basis set out in paragraph 3 of this Part II (*Explanatory Statement*). Any Ultra Shares held by or on behalf of the Cobham Group are excluded from the Scheme.

### ***Ultra Meetings***

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Ultra Shareholders at the separate General Meeting, both of which will be held on 4 October 2021 at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH. The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Ultra Shareholders to enable the Ultra Directors to implement the Scheme and to amend the Articles of Association as described below.

Notices of both the Court Meeting and the General Meeting are set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) respectively of this Document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Ultra at the Voting Record Time.

All references in this Document to "attend" and "vote" or "attending" and "voting" in the context of the Meetings include remote attendance via the Virtual Meeting Platform and voting by proxy or remotely via the Virtual Meeting Platform respectively.

Whilst COVID-19 restrictions have been lifted as at the date of publication of this Document, the COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Ultra Shareholders will be permitted to attend the Court and/or General Meeting in



person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Ultra Shareholders and Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person (but will be able to remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide). Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Ultra Shareholders before the Meetings, including through Ultra’s website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

In addition to being able to attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the Court and/or General Meeting in person, Scheme Shareholders and Ultra Shareholders will be given the opportunity to instead remotely attend, ask questions and vote (and/or, in the case of the Court Meeting, raise any objections) at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out on pages 11 to 15 in (*Action to be taken*) of this Document and in the Virtual Meeting Guide.

Remote access to the Meetings via the website will be available from 10.30 a.m. on 4 October 2021. However, voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open. Scheme Shareholders and Ultra Shareholders will be permitted to ask questions (via the Virtual Meeting Platform) during the course of the relevant Meeting. Scheme Shareholders can use the same function to submit any objections they may have to the Scheme at the Court Meeting.

Ultra Shareholders and Scheme Shareholders may also submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com).

The Chairman of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company’s Articles of Association, including if the provision of a response would, at the Chair’s discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.**

Any Ultra Shares which Cobham may acquire prior to the Court Meeting or the General Meeting (and any Ultra Shares which any member of the Cobham Group (or its nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Cobham Group (or its nominees) is entitled to vote at the Court Meeting in respect of the Ultra Shares held or acquired by it. Each such member of the Wider Cobham Group will undertake to be bound by the Scheme.

### ***Court Meeting***

The Court Meeting has been convened with the permission of the Court for 11.00 a.m. on 4 October 2021 for Scheme Shareholders on the register of members of Ultra as at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person, remotely (via the Virtual Meeting Platform) or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person, remotely (via the Virtual Meeting Platform) or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by such Scheme Shareholders.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service as soon as possible.**

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so (in each case in person or remotely (via the Virtual Meeting Platform as described in the opening pages of this Document and the Virtual Meeting Guide)).

If the BLUE Form of Proxy for the Court Meeting is not lodged by 11.00 a.m. on 30 September 2021, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof). In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 11.15 a.m. on 30 September 2021 (by post or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility), it will be invalid.

### **General Meeting**

In addition, the General Meeting has been convened for the same date (to be held immediately after the Court Meeting) to consider and, if thought fit, pass the Special Resolution to:

- (i) authorise the Ultra Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (ii) amend the Articles of Association in the manner described below.

Voting at the General Meeting will be by poll and each Ultra Shareholder present in person or by proxy will be entitled to one vote for each Ultra Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (in person or by proxy).

Ultra will announce the details of the votes at each Meeting as required under the Takeover Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8:00 a.m. on the Business Day following the Meetings.

### **Scheme Court Hearing**

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held, following the Meetings, in Q1 2022 on a date which is no more than 21 days after the satisfaction (or, if applicable, waiver) of the Conditions (other than Condition 2.3)) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document and, in any event, prior to the Longstop Date.

The Scheme shall lapse if:

- (A) the Court Meeting and the General Meeting are not held on or before 26 October 2022 (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));
- (B) the Scheme Court Hearing is not held on or before the 22nd day after the expected date of such hearing (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)); or
- (C) the Scheme does not become Effective by the Longstop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing as set out above may be waived by Cobham, and the deadline for the Scheme

to become Effective may be extended by agreement between Cobham and Ultra (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)).

Owing to the uncertainty around COVID-19 (and other relevant guidance) in place at this time, it is not known whether attendance at the Scheme Court Hearing will be in person or by electronic means only. Once details of the Scheme Court Hearing are confirmed, these will be communicated to Scheme Shareholders, including through Ultra's website, [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur two Business Days after the date of the Scheme Court Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Ultra and/or Cobham will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.**

If the Scheme does not become Effective by the Longstop Date or such later date, if any, 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) is/are required)), the Scheme will never become Effective.

#### ***Amendments to the Articles of Association***

It is proposed, in the Special Resolution, to amend Ultra's Articles of Association to ensure that any Ultra Shares issued or transferred out of treasury under the Ultra Share Plans or otherwise between the time at which the Special Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Ultra's Articles of Association so that any Ultra Shares issued or transferred out of treasury to any person other than Cobham or its nominee(s) at or after the Scheme Record Time will be automatically transferred to Cobham (and, where applicable, for consideration to be paid to the transferee or the original recipient of the Ultra Shares so transferred or issued) on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Cobham or its nominee(s)) holding Ultra Shares after the Scheme becomes Effective.

The Special Resolution is set out in the notice of General Meeting in Part XI (*Notice of General Meeting*) of this Document and seeks the approval of Ultra Shareholders for such amendments.

#### ***Entitlement to vote at the Meetings***

Each Ultra Shareholder who is entered in Ultra's register of members at the Voting Record Time (expected to be 6:30 p.m. on 30 September 2021) will be entitled to attend and vote (in person, remotely (via the Virtual Meeting Platform) or by proxy) on all resolutions to be put to the General Meeting and Court Meeting respectively. If either Meeting is adjourned, only those Ultra Shareholders on the register of members at 6:30 p.m. on the day which is two Business Days before the adjourned Meeting will be entitled to attend (in person, remotely (via the Virtual Meeting Platform) or by proxy). Each eligible Ultra Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be an Ultra Shareholder.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending and voting (in person or remotely (via the Virtual Meeting Platform)) at the Court Meeting or the General Meeting if you are entitled to and wish to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (in person or by proxy), please call Equiniti between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2050. For questions regarding the Virtual Meeting Platform, please call Equiniti on 0371 384 2050. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be

monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Further information on the actions to be taken is set out in paragraph 19 of this Part II (*Explanatory Statement*).

### **Modifications to the Scheme**

The Scheme contains a provision for Ultra and Cobham jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

## **12. Conditions to the Acquisition**

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including (among others):

- (A) approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class thereof);
- (B) approval of the Special Resolution necessary to implement the Scheme proposed at the General Meeting by Ultra Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (in person or by proxy);
- (C) certain antitrust and foreign investment and regulatory approvals and clearances having been obtained, 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, as listed in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document;
- (D) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms agreed by Ultra and Cobham); and
- (E) the delivery of a copy of the Court Order to the Registrar of Companies.

### **CMA Intervention Notice**

On 18 August 2021, the Secretary of State, in exercise of the power under section 42(2) of the Enterprise Act 2002, issued an intervention notice in relation to the Acquisition which requires the Competition and Markets Authority (the “**CMA**”) to investigate and report in relation to the Acquisition by midnight at the end of 18 January 2022, as anticipated by Condition 3.8 in Part A of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document. The CMA is required to provide advice to the Secretary of State on issues relating to jurisdiction and whether the Acquisition may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom, as well as prepare a summary of views it receives (including from relevant departments of UK Government) on the national security public interest consideration.

As set out in paragraph 7 of Part I (*Letter from the Chairman of Ultra*) of this Document, 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 also agreed to take, or cause to be taken, all required, necessary or advisable steps 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, including, in that connection, by the offering, agreement and execution of Remedies.

Further, as summarised at paragraph 13 of this Part II (*Explanatory Statement*), AIC has undertaken in the Cooperation Agreement that it will 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 Clearances as soon as reasonably practicable 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, to the extent required to enable Cobham and Cobham Group Holdings to comply with certain of their obligations in respect of securing the Clearances (namely, clauses 3.1 and 3.2 of the Cooperation Agreement).

#### ***Other matters relevant to the Conditions***

The Scheme will require approval by Scheme Shareholders at the Court Meeting and Ultra Shareholders at the General Meeting and the sanction of the Court at the Scheme Court Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 11 of this Part II (*Explanatory Statement*). All Ultra Shareholders are entitled to attend the Scheme Court Hearing in person or through representation to support or oppose the sanctioning of the Scheme.

The Scheme can become Effective only if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. This is expected to occur in Q1 2022. Unless the Scheme becomes Effective by the Longstop Date or such later date, if any, 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 Scheme will not become Effective and the Acquisition will not proceed.

If any of Conditions 2.1 to 2.3 (inclusive) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document is not capable of being satisfied by the date specified therein, Cobham shall make an announcement through a Regulatory Information Service as soon as practicable and in any event by no later than 8.00 a.m. (London time) on the Business Day following the date so specified, stating whether Cobham has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Ultra (with the Panel's consent and as the Court may approve (if such consent(s) or approval(s) is/are required)), specified a new date by which that Condition must be satisfied.

#### ***Implementation by Takeover Offer***

Cobham has reserved the right to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Ultra not already held by Cobham as an alternative to the Scheme, in which case additional documents will be required to be sent to Ultra Shareholders. In such event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments), so far as applicable and subject to and in accordance with the terms of the Cooperation Agreement, as those which would apply to the Scheme, subject to appropriate amendments, including the inclusion of an acceptance condition set at 75 per cent. of the Ultra Shares (or such other lower percentage as Cobham may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide). In the event that the Acquisition is implemented by way of a Takeover Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Takeover Offer have either been satisfied or (if capable of waiver) waived.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Cobham intends to: (i) make a request to the FCA to cancel the listing of the Ultra Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Ultra Shares on its market for listed securities; and (iii) exercise its rights, if available, to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Ultra Shares in respect of which the Takeover Offer has not been accepted.



### 13. Offer-related arrangements

#### **Confidentiality Agreement**

On 19 July 2021, AIC, Cobham Limited and Ultra entered into a confidentiality agreement (the “**Confidentiality Agreement**”) in relation to the Acquisition, pursuant to which, amongst other things, Cobham and AIC gave certain undertakings to: (a) subject to certain exceptions, keep information relating to Ultra and the Acquisition confidential and not to disclose it to third parties; and (b) 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.

#### **Cooperation Agreement**

On 16 August 2021, Cobham, Cobham Group Holdings, AIC and Ultra entered into the cooperation agreement (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 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 7 (*Binding commitments*) of Part I (*Letter from the Chairman of Ultra*); (iii) Cobham has agreed to provide Ultra with certain information for the purposes of this Document and to otherwise assist with the preparation of this Document; (iv) Ultra and Cobham have agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (v) Ultra and Cobham have agreed certain arrangements in respect of employees and the Ultra Share Plans.

In particular, under the terms of the Cooperation Agreement, Cobham and Cobham Group Holdings have agreed to take, or cause to be taken, all required, necessary or advisable steps 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, including, in that connection, by the offering, agreement and execution of Remedies.

Further, AIC has undertaken that it will 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 the Cooperation 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 Group Holdings to comply with certain of their obligations in respect of securing the Clearances (namely, clauses 3.1 and 3.2 of the Cooperation Agreement).

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.

#### **Joint Defence Agreement**

On 30 July 2021, AIC, Cobham Limited, Ultra and their respective legal counsels entered into a joint defence agreement (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.

#### **Clean Team Agreement**

On 23 August 2021, Ultra and Cobham Limited executed a clean team agreement (the “**Clean Team Agreement**”) to regulate the terms on which only a selected group of individuals at AIC and Cobham Limited (the “**Clean Team Members**”) can access information that Ultra would consider “commercially sensitive”, primarily for the purposes of integration planning.



#### **14. Cancellation of listing of Ultra Shares**

The last day of dealings in, and registration of transfers of, Ultra Shares on the London Stock Exchange is expected to be the Business Day immediately after the Scheme Court Hearing and no transfers shall be registered after 6:00 p.m. on that date, following which Ultra Shares will be suspended from the Official List and from the London Stock Exchange's main market for listed securities from 7:30 a.m. on the next Business Day thereafter.

It is intended that, prior to the Effective Date, applications will be made to the London Stock Exchange for Ultra Shares to cease to be admitted to trading on its main market for listed securities, and to the FCA for the listing of Ultra Shares on the Official List to be cancelled, in each case to take effect on or shortly following the Effective Date.

On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled, and share certificates in respect of Scheme Shares held in certificated form will cease to be valid documents of title and should be destroyed or, at the request of Ultra, delivered up to Ultra, or to any person appointed by Ultra to receive the same.

It is also proposed that, following the Effective Date and after its shares are delisted, Ultra shall be re-registered as a private limited company.

#### **15. Settlement**

Subject to the Acquisition becoming Effective (and except as provided in Part VII (*Additional Information for Overseas Shareholders*) of this Document in relation to certain overseas Ultra Shareholders), settlement of the consideration to which any Ultra Shareholder on the register of members as at the Scheme Record Time is entitled under the Scheme will be effected in the following manner:

##### **(A) Ultra Shares held in uncertificated form (that is, in CREST)**

Where, at the Scheme Record Time, a Scheme Shareholder holds Ultra Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled under the terms of the Scheme will be transferred to such person through CREST by Cobham instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Ultra Shares in respect of the cash consideration due to them not later than the 14th day following the Effective Date.

As from the Effective Date, each holding of Ultra Shares credited to any stock account in CREST will be disabled and all Ultra Shares will be removed from CREST in due course.

Subject to the terms of the Scheme, Cobham reserves the right to pay all, or any part of, the cash consideration referred to above to all or any Scheme Shareholder(s) who hold Ultra Shares in uncertificated form in the manner referred to in paragraph (B) below if, for any reason it wishes to do so.

##### **(B) Ultra Shares held in certificated form**

Where, at the Scheme Record Time, a Scheme Shareholder holds Ultra Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (i) by first class post, by cheque drawn on a branch of a UK clearing bank; provided that, where a person is entitled to consideration of at least £250,000, to agree with such person to facilitate electronic payment of such consideration in lieu of a cheque or
- (ii) by such other method as may be approved by the Panel.

All such cash payments will be made in sterling and drawn on a United Kingdom clearing bank. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Cobham's obligation under the Scheme to pay the monies represented thereby. Cobham shall despatch or procure the despatch of cheques within 14 days of the Effective Date to the person entitled thereto at the address as appearing in the register of members of Ultra at the Scheme Record Time or in accordance with

any special standing instructions regarding communications (except that, in the case of joint holders, Cobham reserves the right to make such cheques payable to the joint holder whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time or to make such cheques payable to all joint holders). None of Ultra, Cobham, any nominee(s) of Ultra or Cobham, or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person or persons entitled thereto.

If any Scheme Shareholders have not encashed their cheques within six months of the Effective Date, Cobham and Ultra shall procure that the cash consideration due to such Scheme Shareholders under the Scheme shall be held by the Receiving Agent in a designated UK bank account for a period of at least 12 years from the Effective Date solely for the purpose of satisfying payment obligations under the Scheme, and such Scheme Shareholders may claim the consideration due to them by written notice to the Company or the Receiving Agent in a form and with such evidence which the Company determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.

(C) **General**

All documents and remittances sent to Ultra Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Ultra, delivered up to Ultra, or to any person appointed by Ultra to receive the same.

In accordance with the Scheme, as from the Effective Date, Ultra shall procure that each holding of Scheme Shares credited to any stock account in CREST shall be disabled. With effect from, or as soon as practicable after, the Effective Date, Ultra shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Ultra shall procure (if necessary) that such entitlements to Scheme Shares are dematerialised.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required in accordance with the Scheme and the payment of any UK stamp duty thereon, Ultra shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Cobham and/or its nominee(s).

Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Cobham might otherwise be, or claim to be, entitled against such Ultra Shareholder.

All mandates and other instructions given to Ultra by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

(D) **Ultra Share Plans**

In the case of Scheme Shares issued or transferred pursuant to the Ultra Share Plans after the Scheme Court Hearing and prior to the Scheme Record Time, the cash consideration due under the Scheme in respect of those Scheme Shares will be settled by such method as shall be determined by Ultra (including, but not limited to, procuring that payments are made through payroll as soon as practicable subject to the deduction of applicable income taxes and social security contributions).

(E) **Dividends**

Please refer to paragraph 3 of this Part II (*Explanatory Statement*) for further information on dividends.

## **16. United Kingdom taxation**

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of Ultra Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

## **17. Overseas holders**

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document which contains important information relevant to such Overseas Shareholders.

## **18. Further information**

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. Further information regarding Ultra and Cobham is set out in Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document. Documents published and available for inspection are listed in paragraph 17 of Part VIII (*Additional Information on Ultra, Cobham, the Cobham Group and Advent*) of this Document.

## **19. Action to be taken**

### ***Sending Forms of Proxy by post***

Ultra Shareholders will receive a BLUE Form of Proxy for the Court Meeting and a YELLOW Form of Proxy for the General Meeting. Whether or not you intend to attend these Meetings, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrar, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, so as to be received as soon as possible and in any event not later than the relevant times set out below:

|   |                                 |
|---|---------------------------------|
| BLUE Forms of Proxy for the Court Meeting     | 11.00 a.m. on 30 September 2021 |
| YELLOW Forms of Proxy for the General Meeting | 11.15 a.m. on 30 September 2021 |

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

### ***Why if I miss the deadline mentioned above?***

- If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com); or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- However, if the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

### ***Online appointment of proxies***

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof.

*What if I miss the deadline mentioned above?*

- In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the electronic proxy appointment is not received by this time, it will be invalid.

### ***Electronic appointment of proxies through CREST***

If you hold Ultra Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

*What if I miss the deadline mentioned above?*

- In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Ultra may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### ***Attendance at the Meetings***

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme**

**Shareholders. Whether or not you intend to attend and/or vote at the Meetings (in person, remotely (via the Virtual Meeting Platform) or by proxy), you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service as soon as possible.**

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so (in each case in person or remotely (via the Virtual Meeting Platform as described in the opening pages of this Document and the Virtual Meeting Guide)).

***Shareholder Helpline***

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically, please contact the Shareholder Helpline operated by Equiniti, the Company's Registrar, on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours truly,

**Robert Constant**  
For and on behalf of  
**J.P. Morgan Cazenove**

And

**Garry Levin**  
For and on behalf of  
**Numis**



## PART III

### CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

#### Part A: Conditions to the Scheme and Acquisition

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

#### Scheme approval

2. The Scheme is subject to the following Conditions:
  - 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 26 October 2020, being the 22nd day after the expected date of the Court Meeting (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) the Special Resolution being duly passed by the requisite majority of Ultra Shareholders at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before 26 October 2021, being the 22nd day after the expected date of the General Meeting as set out in this Document (or such later date, if any, as may, with the consent of the Panel, be agreed between Cobham and Ultra (and 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 Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing as set out in this Document (or such later date, if any, as may be agreed between Cobham and Ultra with the consent of the Panel (and that the Court may allow, if required)).

#### Other conditions

3. In addition, the Acquisition is also conditional upon the satisfaction of the following conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

#### Official authorisations and regulatory clearances

##### *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:
  - (A) an advance ruling certificate has been issued by the Commissioner of Competition to Cobham pursuant to section 102 of the Competition Act; or

- (B) 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:
  - (A) the relevant authority having declined jurisdiction over the Acquisition or approved the Acquisition conditionally or unconditionally; or
  - (B) 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**”):
  - (A) 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
  - (B) 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:
  - (A) 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
  - (B) 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:

(A) 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:

- (1) the Secretary of State confirming that no further action will be taken in relation to the Acquisition under the NS&I Act; or
- (2) 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

(B) 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 official authorisations and regulatory 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:
  - (A) 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;
  - (B) 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;
  - (C) 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;
  - (D) 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;
  - (E) 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
  - (F) 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 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 or

would reasonably be expected to result in, (in any case to an extent which is or would be material and adverse in the context of the Wider Ultra Group taken as a whole):

- (A) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any such 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 such 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;
- (B) 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 such member of the Wider Ultra Group;
- (C) any asset or interest of any such member of the Wider Ultra Group being or falling to be disposed of or charged or ceasing to be available to any such 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 such member of the Wider Ultra Group otherwise than in the ordinary course of business;
- (D) the creation of material liabilities (actual or contingent) by any such member of the Wider Ultra Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- (E) the rights, liabilities, obligations or interests of any such 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 terminated or adversely modified or adversely affected; or
- (F) 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 reasonably be expected to result in any of the events or circumstances which are referred to in paragraphs (A) to (F) of this Condition 6 occurring, in any case to an extent which is or would be material and adverse in the context of the Ultra Group taken as a whole.

#### **Certain events occurring since 31 December 2020**

7. Since 31 December 2020 and except as Disclosed, no member of the Wider Ultra Group having:
- (A) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into 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 or in connection with the Ultra Share Plans;
  - (B) 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 share capital, in each case to an extent which (other than in the case of Ultra) is material and adverse in the context of the Ultra Group taken as a whole;
  - (C) 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;
  - (D) 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;



- (E) 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; 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);
- (F) 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;
- (G) entered into, varied, or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
- (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
  - (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;
- (H) (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;
- (I) 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 in any case with a material adverse effect on the Wider Ultra Group taken as a whole;
- (J) other than claims between Ultra and its wholly-owned subsidiaries, or between such wholly-owned subsidiaries, 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;
- (K) other than in connection with the Scheme, made any alteration to its memorandum or articles of association which is material in the context of the Acquisition;
- (L) 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;



- (M) (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:
- (1) any material change to:
    - (A) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; 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
  - (2) any non-ordinary course change to the trustees of the pension scheme(s), 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;
- (N) 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;
- (O) 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
- (P) on or after the date of this Document, 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. Since 31 December 2020 and except as Disclosed:

- (A) 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 Ultra Group taken as a whole;
- (B) 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 material and adverse in the context of the Wider Ultra Group taken as a whole;
- (C) (other than as a result of or in connection with the Acquisition), no litigation, arbitration proceedings, prosecution or other legal 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;

- (D) 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
- (E) 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 Ultra Group taken as a whole.

#### **No discovery of certain matters**

9. Except as Disclosed, since 31 December 2020 Cobham not having discovered:

- (A) 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 otherwise, is materially misleading or contains any material misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before 16 August 2021 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;
- (B) that any member of the Wider Ultra Group is subject to any liability (actual or contingent) which in any case is material in the context of the Wider Ultra Group taken as a whole;
- (C) 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
- (D) 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. Cobham not having discovered, other than as Disclosed, that:

- (A) (1) any past or present member, director, officer or employee of the Wider Ultra Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or (2) any person that performs or has performed services for or on behalf of the Wider Ultra Group is or has at any time, in connection with the performance of such services, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (B) to an extent which is or would be reasonably 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); or

- (C) any past or present member, director, officer or employee of the 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, made any funds or assets available to or received any funds or assets from: (a) 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; or (b) 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, 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
- (D) 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 of 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, the United States, the European Union or any of its member states.

**For the purpose of these Conditions:**

- (i) “**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
- (ii) a Third Party shall be regarded as having “**intervened**” if it has decided 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: Waivers and invocation of Conditions**

1. Conditions 2.1, 2.2 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 Scheme Court 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 Scheme Court 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 3.1 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 Takeover Code and subject to paragraph 4, 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 Takeover Code may be waived by Cobham.
7. Conditions 1, 2.1, 2.2 and 2.3 (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 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 Document 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(C) of Part A of this Part III (*Conditions to the Implementation of the Scheme and the Acquisitions*) 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 Document 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.



## PART IV

### THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR--2021-001390

IN THE MATTER OF ULTRA ELECTRONICS HOLDINGS PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

#### SCHEME OF ARRANGEMENT

*(under Part 26 of the Companies Act 2006)*

between

ULTRA ELECTRONICS HOLDINGS PLC

and

THE HOLDERS OF THE SCHEME SHARES

*(as hereinafter defined)*

#### PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

|  |   |
|--|---|
| <b>“Acquisition”</b>                                 | the acquisition by Cobham of the entire issued, and to be issued, share capital of Ultra (other than Ultra Shares already held by or on behalf of Cobham, if any) to be effected by way of the Scheme, and, where the context admits, any subsequent revision, variation, extension or renewal thereof; |
| <b>“AIC”</b>   | Advent International Corporation;   |
| <b>“Business Day”</b>                                | a day (other than a Saturday, Sunday or a public or bank holiday in the United Kingdom) on which clearing banks in London are generally open for normal business;   |
| <b>“certificated form” or “in certificated form”</b> | a share or other security which is not in uncertificated form (that is, not in CREST);  |
| <b>“Cobham”</b>                                      | Cobham Ultra Acquisitions Limited, a company incorporated in England and Wales with company number 13552764 and with its registered office address at Tringham House, 580 Deansleigh Road, Bournemouth, United Kingdom, BH7 7DT;  |
| <b>“Cobham Group”</b>                                | Cobham Group Holdings and its subsidiaries and subsidiary undertakings from time to time (including Cobham);  |
| <b>“Cobham Group Holdings”</b>                       | Cobham Group Holdings, a company incorporated in the Cayman Islands with registered number MC-353292 and with its registered office address at Maples Corporate   |

Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman;

|                            |   |
|----------------------------|---|
| <b>“Companies Act”</b>     | the Companies Act 2006, as amended from time to time;   |
| <b>“Conditions”</b>        | the conditions to the Acquisition and to the implementation of this Scheme set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;   |
| <b>“Consideration”</b>     | the consideration payable to Scheme Shareholders pursuant to Clause 2 of this Scheme, comprising £35.00 in cash per Scheme Share (as the same may be reduced subject to, and in accordance with, Clause 2 of this Scheme);  |
| <b>“Court”</b>             | the High Court of Justice in England and Wales;   |
| <b>“Court Meeting”</b>     | the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;  |
| <b>“Court Order”</b>       | the order of the Court sanctioning this Scheme under section 899 of the Companies Act;  |
| <b>“CREST”</b>             | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);   |
| <b>“CREST Regulations”</b> | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));   |
| <b>“CSOP”</b>              | means the Ultra Electronics Company Share Option Plan 2007;   |
| <b>“Document”</b>          | the circular to the Ultra Shareholders published by the Company on 8 September 2021 in connection with this Scheme;   |
| <b>“Effective Date”</b>    | the date on which this Scheme becomes effective in accordance with its terms;   |
| <b>“ESOS”</b>              | means the Ultra Electronics Executive Share Options Scheme 2007;  |
| <b>“Euroclear”</b>         | Euroclear UK & Ireland Limited;   |
| <b>“Excluded Shares”</b>   | any Ultra Shares which are: <ul style="list-style-type: none"><li>(i) registered in the name of or beneficially owned by:<ul style="list-style-type: none"><li>(1) Cobham and/or any member of the Cobham Group; (2) AIC and funds managed by AIC and/or any of their respective subsidiaries and subsidiary undertakings; and/or (3) any nominee of the foregoing; or</li></ul></li><li>(ii) held in treasury,</li></ul> |

|                                  |   |
|----------------------------------|---|
|                                  | in each case, immediately prior to the Scheme Record Time;  |
| <b>“holder”</b>                  | a registered holder and includes any person(s) entitled by transmission;  |
| <b>“Interim Dividend”</b>        | the interim cash dividend of 16.2 pence per Ultra Share which was announced by Ultra on 19 July 2021 and which is due to be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appeared on the register of members of Ultra as at 27 August 2021;   |
| <b>“International SAYE”</b>      | means the Ultra Electronics International Savings Related Share Option Scheme 2007;   |
| <b>“Latest Practicable Date”</b> | close of business on 6 September 2021, being the latest practicable date before publication of this Document;   |
| <b>“LTIP”</b>                    | means the Ultra Electronics Long Term Incentive Plan 2017;  |
| <b>“Meeting”</b>                 | the Court Meeting and/or the General Meeting, as the case may be;   |
| <b>“Panel”</b>                   | The Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;   |
| <b>“SAYE”</b>                    | means the Ultra Electronics Savings Related Share Option Scheme 2007;   |
| <b>“Scheme”</b>                  | this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Ultra and Cobham;   |
| <b>“Scheme Record Time”</b>      | 6:00 p.m. on the Business Day immediately after the date on which the Court makes the Court Order;  |
| <b>“Scheme Shareholders”</b>     | holders of Scheme Shares;   |
| <b>“Scheme Shares”</b>           | the Ultra Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme;</li> <li>(ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme,</li> </ul> <p>in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p> |
| <b>“SIP”</b>                     | means the Ultra Electronics Share Incentive Plan;   |
| <b>“subsidiary undertaking”</b>  | has the meaning given in section 1162 of the Companies Act;   |
| <b>“Takeover Code”</b>           | the City Code on Takeovers and Mergers, as amended from time to time;   |

|  |  |
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| <b>“UK” or “United Kingdom”</b>                          | the United Kingdom of Great Britain and Northern Ireland;  |
| <b>“Ultra” or “Company”</b>                              | Ultra Electronics Holdings PLC, a company incorporated in England and Wales with registered number 02830397 and with its registered office at 35 Portman Square, London, United Kingdom, W1H 6LR;                        |
| <b>“Ultra Share Plans”</b>                               | the means each of the CSOP, ESOS, LTIP, SIP, SAYE and International SAYE;  |
| <b>“Ultra Shareholders”</b>                              | the holders of Ultra Shares from time to time;   |
| <b>“Ultra Shares”</b>                                    | ordinary shares of 5 pence each in the capital of Ultra;   |
| <b>“uncertificated form” or “in uncertificated form”</b> | a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and             |
| <b>“Voting Record Time”</b>                              | 6:30 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6:30 p.m. on the day which is two Business Days before the date of such adjourned Meeting. |

- (B) In this Scheme, all references to times of day are to London time.
- (C) As at the Latest Practicable Date, the issued share capital of the Company was £3.57 million divided into 71,346,099 ordinary shares of 5 pence each, all of which are credited as fully paid up. The Company does not hold any shares in treasury.
- (D) As at the Latest Practicable Date, 1,959,808 Ultra Shares may be issued on or after the date of this Document to satisfy the exercise of options or vesting of awards pursuant to the Ultra Share Plans.
- (E) Cobham was incorporated on 6 August 2021 under the laws of England and Wales as a private company limited by shares for the purpose of carrying out the Acquisition.
- (F) As at the Latest Practicable Date, none of: (i) Cobham nor any member of the Cobham Group; nor (ii) AIC nor any funds managed by AIC (nor any of their respective subsidiaries and subsidiary undertakings); nor (iii) as far as Cobham is aware, any person acting in concert (within the meaning of the Takeover Code) with Cobham, is the registered holder of, or has any beneficial shareholding in, Ultra Shares.
- (G) Cobham has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions (other than Condition 2.3) set out in this Document, to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Cobham and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

## THE SCHEME

### 1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Cobham (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid, free from all liens, equities, charges, encumbrances and any other third party rights of any nature whatsoever, and together with all rights at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, authorised, declared, made or paid in respect of the Scheme Shares by reference to a record date falling on or after the Effective Date, other than the Interim Dividend.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Cobham (and/or its nominee(s)) and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Cobham as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST, such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- (C) With effect from the Effective Date and pending the transfer of the Scheme Shares pursuant to sub-clause 1(A) and sub-clause 1(B) of this Scheme and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
- (i) appoints Cobham (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares;
  - (ii) appoints Cobham (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and to do such things, as may in the opinion of Cobham and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of Ultra as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Cobham and/or any one or more of its directors or agents to attend any general and separate class meetings of Ultra (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
  - (iii) authorises Ultra and/or its agents to send to Cobham (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Ultra in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Cobham.

### 2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Cobham and/or its nominee(s) referred to in sub-clause 1(A) and sub-clause 1(B) of this Scheme, Cobham shall, subject as hereinafter



provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of Ultra at the Scheme Record Time):

**for each Scheme Share: £35.00 in cash**

- (B) Notwithstanding the provisions of sub-clause 2(C) of this Scheme, holders of Scheme Shares shall be entitled to receive and retain the Interim Dividend, without any consequential reduction in the Consideration payable by Cobham in respect of each Scheme Share under the Scheme.
- (C) Subject to sub-clause 2(B) of this Scheme, if any dividend, distribution and/or other return of capital is announced, declared, made or paid in respect of a Scheme Share (other than the Interim Dividend) after 16 August 2021 and before the Effective Date, Cobham shall be entitled to reduce the amount of Consideration payable in respect of each Scheme Share by the amount of all or part of any such dividend, distribution or return of capital (calculated, for the avoidance of doubt, on a per Scheme Share basis).
- (D) If Cobham exercises the right referred to in sub-clause 2(C) of this Scheme to reduce the consideration payable for each Scheme Share by all or part of the amount of dividend and/or other distribution and/or other return of capital (which is not the Interim Dividend) that has not been paid but is payable by reference to a record date prior to the Effective Date:
  - (i) holders of Ultra Shares appearing on the register of members at the relevant record time as determined by the directors of the Company will be entitled to receive and retain that dividend (and/or other distribution and/or other return of capital) in respect of the Ultra Shares they held at such record time;
  - (ii) any reference in this Scheme and the Document to the Consideration payable under the Scheme shall be deemed a reference to the Consideration as so reduced; and
  - (iii) the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (E) To the extent that any such dividend, distribution and/or other return of capital is announced, declared, made or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Cobham (and/or its nominee(s)) to receive the dividend and/or distribution and/or other return of capital and to retain it; or (ii) cancelled, the Consideration payable under the terms of this Scheme will not be subject to change in accordance with Clause 2 of this Scheme.

### **3. Settlement and despatch of consideration**

- (A) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date (unless the Panel agrees otherwise), Cobham shall:
  - (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable to the Scheme Shareholder to the persons entitled thereto in accordance with Clause 2 of this Scheme, provided that Cobham reserves the right, where a person is entitled to consideration of at least £250,000, to agree with such person to facilitate electronic payment of such consideration in lieu of a cheque. Cobham further reserves the right to make payment of the said consideration by any other method approved by the Panel;
  - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Cobham reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 3(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 3(A)(ii); and
  - (iii) in the case of Scheme Shares issued or transferred pursuant to the Ultra Share Plans after the making of the Scheme Court Order and prior to the Scheme Record Time, procure that the sums payable in respect of those Scheme Shares are settled by such method as shall be determined by Ultra (including, but not limited to, procuring that payments are made

through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions).

- (B) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (C) All deliveries of notices, cheques or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Ultra at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of Ultra, Cobham or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this sub-clause 3(C), which shall be sent at the risk of the person or persons entitled thereto.
- (D) All cheques shall be in pounds sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned (except that, in the case of joint holders, Cobham reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time), and the encashment of any such cheque shall be a complete discharge of Cobham's obligation under this Scheme to pay the monies represented thereby. Cobham shall despatch or procure the despatch of cheques within 14 days of the Effective Date.
- (E) If any Scheme Shareholders have not encashed the cheques within six months of the Effective Date, Cobham and the Company shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to the Company in a form which the Company determines evidences their entitlement to such Consideration at any time during the period of 12 years from the Effective Date, and Cobham undertakes that neither it nor its nominee(s) will seek, require or accept repayment of the monies so held on trust for the purposes detailed above prior to the first business day after the twelfth anniversary of the Effective Date or otherwise with the permission of the Court.
- (F) In respect of payments made through CREST, Cobham shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Effective Date. The instruction of Euroclear shall be a complete discharge of Cobham's obligation under this Scheme with reference to the payments made through CREST.
- (G) None of Ultra, Cobham or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this Clause 3, which shall be sent at the risk of the person or persons entitled thereto.
- (H) The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.

#### **4. Certificates in respect of Scheme Shares and cancellation of CREST entitlements**

With effect from, or as soon as a reasonably practicable after, the Effective Date:

- (A) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of Ultra to deliver up the same to Ultra (or any person appointed by Ultra to receive such certificates), or, as it may direct, to destroy the same;
- (B) Ultra shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;

- (C) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Ultra shall procure (if necessary) that such entitlements to Scheme Shares are rematerialised; and
- (D) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with Clause 1 of this Scheme and the payment of any UK stamp duty thereon, Ultra shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Cobham and/or its nominee(s).

#### **5. Mandates**

All mandates and other instructions given to Ultra by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

#### **6. Operation of this Scheme**

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before 5 August 2022, or such later date, if any, 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) is/are required)), this Scheme shall never become effective.

#### **7. Modification**

Ultra and Cobham may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code.

#### **8. Governing law**

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Takeover Code apply to this Scheme on the basis provided in the Takeover Code.

Dated 8 September 2021

## PART V

### FINANCIAL AND RATINGS INFORMATION

#### Part A: Financial information relating to Ultra

The following sets out financial information in respect of Ultra as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of Ultra for the financial year ended 31 December 2019 are set out on pages 95 to 165 (both inclusive) of the 2019 Ultra Annual Report available from Ultra's website at <https://www.Ultra.group/gb/investors/results-centre/>;
- the audited accounts of Ultra for the financial year ended 31 December 2020 are set out on pages 105 to 173 (both inclusive) of the 2020 Ultra Annual Report available from Ultra's website at <https://www.Ultra.group/gb/investors/results-centre/>; and
- the unaudited accounts of Ultra for the financial half year ended 2 July 2021 are set out on pages 21 to 46 (both inclusive) of the 2021 Ultra Interim Results available from Ultra's website at <https://www.Ultra.group/gb/investors/results-centre/>.

#### Part B: Ultra ratings information

There are no current ratings or outlooks publicly accorded to Ultra by any ratings agencies.

#### Part C: Financial Information relating to Cobham

Cobham was incorporated on 6 August 2021 for the purpose of carrying out the Acquisition and has not traded or paid any dividends since its date of incorporation. Accordingly, no financial information is available or has been published in respect of it. Cobham has no material assets or liabilities, in each case other than those described in this Document in connection with the Acquisition.

Following the Scheme becoming Effective, the earnings, assets and liabilities of Cobham will include the consolidated earnings, assets and liabilities of the Ultra Group on the Effective Date.

The following sets out financial information in respect of the Cobham Group as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the annual report and financial statements of Cobham Limited (formerly Cobham plc) for the financial year ended 31 December 2019 available from Cobham's website at <https://www.cobham.com/about-us/offer-for-ultra-electronics-holdings-plc/>; and
- the audited accounts of AI Convoy (Luxembourg) S.à r.l., the immediate parent undertaking of Cobham Group Limited (the holding company which owns the former Cobham plc businesses), for the financial year ended 31 December 2020 available from Cobham's website at <https://www.cobham.com/about-us/news/ai-convoy-luxembourg-s%C3%A0-rl-annual-report-2020/docview/>.

The annual report and financial statements of Cobham Limited for the financial year ended 31 December 2019 have been used rather than the audited accounts of AI Convoy (Luxembourg) S.à r.l. for that period as AI Convoy (Luxembourg) S.à r.l. was only incorporated on 21 August 2019 and the acquisition of Cobham plc by 2019 Bidco did not become Effective until following 31 December 2019. As such, the annual report and financial statements of Cobham Limited for this period are appropriate for these purposes.

#### Part D: Cobham ratings information

As Cobham was incorporated on 6 August 2021 for the purpose of carrying out the Acquisition, there are no current ratings or outlooks publicly accorded to Cobham by ratings agencies.

The current credit ratings publicly accorded to AI Convoy (Luxembourg) S.à r.l. by Fitch, Moody's and Standard & Poor's are as follows:

| <i>Rating agency</i> | <i>Short-term rating</i> | <i>Long-term rating</i> |
|----------------------|--------------------------|-------------------------|
| Fitch                | N/A                      | B                       |
| Moody's              | N/A                      | B2                      |
| Standard & Poor's    | N/A                      | B                       |

**Part E: No incorporation of website information**

Save as expressly referred to herein, neither the content of Ultra or Cobham's websites, nor the content of any website accessible from hyperlinks on Ultra or Cobham's websites is incorporated into, or forms part of, this Document.



## PART VI

### UNITED KINGDOM TAXATION

The comments set out below summarise certain limited aspects of the UK tax treatment of certain Ultra Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and current published HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of Ultra Shareholder such as charities, trustees, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Ultra Shares by reason of their employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to “**UK Holders**” are to Ultra Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the United Kingdom (and to whom split-year treatment does not apply), who hold their Ultra Shares as an investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their Ultra Shares.

Overseas holders of Ultra Shares are referred to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which summarises certain UK tax consequences of the Scheme for such holders.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISOR IMMEDIATELY.**

#### **UK taxation of chargeable gains**

The transfer of Ultra Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder's Ultra Shares for the purposes of UK capital gains tax (“**CGT**”) or corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK Holder's particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

#### ***Individual Ultra Shareholders***

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Ultra Shares by an individual UK Holder will be subject to CGT at the rate of (for the 2021/2022 tax year) 10 per cent. or 20 per cent. depending on the individual's personal circumstances, including other taxable income and gains in the relevant tax year.

No indexation allowance will be available to an individual Ultra Shareholder in respect of any disposal of Ultra Shares. The CGT annual exemption may, however, be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Ultra Shares.

#### ***Corporate Ultra Shareholders***

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Ultra Shares by a UK Holder within the charge to UK corporation tax will be subject to UK corporation tax.

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Ultra Shares), indexation allowance may be available where the Ultra Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Ultra Shares up to and including 31 December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their Ultra Shares under the Scheme in return for cash.

The substantial shareholding exemption may apply to exempt from corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate UK Holder (together with certain associated companies) is regarded for the purposes of this exemption as having held not less than 10 per cent. of the ordinary issued share capital of Ultra for a continuous period of at least 12 months beginning not more than six years prior to the date of disposal.

**UK stamp duty and stamp duty reserve tax (“SDRT”)**

No UK stamp duty or SDRT should generally be payable by Ultra Shareholders on the transfer of their Ultra Shares under the Scheme.

## PART VII

### ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

#### 1. General

This Document has been prepared for the purposes of complying with English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The availability of the Acquisition to Ultra Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the United Kingdom into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this Document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom 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.

Unless otherwise determined by Cobham or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any purported vote in respect of the Acquisition.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

**OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME.**

#### 2. US Ultra Shareholders

US Ultra Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and to the Scheme. Moreover, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Certain financial information included in this Document has been prepared in accordance with International Financial Reporting Standards that may not be comparable with the

accounting standards applicable to financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

If Cobham were to exercise its right to elect to implement the acquisition of Ultra Shares by way of a Takeover Offer in accordance with the terms of the Cooperation Agreement, such Takeover Offer would be made in compliance with applicable US securities laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.

In accordance with the Takeover Code and normal UK practice, and pursuant to Rule 14e-5(b) of the US Exchange Act (were the Acquisition to be implemented by way of a Takeover Offer), (a) Cobham or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Ultra outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn and (b) J.P. Morgan Cazenove and Numis Securities and their affiliates will continue to act as an exempt principal traders in Ultra securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash consideration by a US Ultra Shareholder for the transfer of its Ultra Shares pursuant to the Acquisition will likely be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US Ultra Shareholder is urged to consult their independent professional tax adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

### **3. UK taxation of certain Overseas Shareholders**

Non-UK Holders should not be subject to UK taxation of chargeable gains in respect of the Scheme, however they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK Holders on the transfer of their Ultra Shares under the Scheme.

References above to “**Non-UK Holders**” are to Ultra Shareholders who are not resident for tax purposes in the UK, have not within the past five years been resident for tax purposes in the UK and are not carrying on a trade (or profession or vocation) in the UK.

## PART VIII

### ADDITIONAL INFORMATION ON ULTRA, COBHAM, COBHAM GROUP AND ADVENT

#### 1. Responsibility

- 1.1 The Ultra Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Document (including expressions of opinion), other than information for which responsibility is taken by the Cobham Directors pursuant to paragraph 1.2 below, the Cobham Group Responsible Person pursuant to paragraph 1.3 below and the Advent Responsible Persons pursuant to paragraph 1.4 below. To the best of the knowledge and belief of the Ultra Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Cobham Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Cobham and themselves and their respective close relatives, related trusts and companies and other persons connected with them (and persons acting in concert with Cobham (as such term is defined in the Takeover Code)). To the best of the knowledge and belief of the Cobham Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Cobham Group Responsible Person, whose name is set out in section 2.3 below, accepts responsibility for the information contained in this Document (including any expressions of opinion) relating to Cobham, Cobham Group Holdings and himself (and his close relatives, related trusts and companies and other persons connected with him). To the best of the knowledge and belief of the Cobham Group Responsible Person (who has taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which he accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The Advent Responsible Persons, whose names are set out in section 2.4 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Cobham, Cobham Group Holdings, Advent and themselves (and their close relatives, related trusts and companies and other companies and persons connected with them). To the best of the knowledge and belief of the Advent Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Ultra Directors and their respective positions are:

|               |  |
|---------------|--|
| Tony Rice     | <i>Chairman</i>                                  |
| Simon Pryce   | <i>Chief Executive Officer</i>                   |
| Jos Sclater   | <i>Chief Financial Officer</i>                   |
| Victoria Hull | <i>Senior Independent Non-Executive Director</i> |
| Geeta Gopalan | <i>Independent Non-Executive Director</i>        |
| Daniel Shook  | <i>Independent Non-Executive Director</i>        |
| Ken Hunzeker  | <i>Independent Non-Executive Director</i>        |

The business address of Ultra and each of the Ultra Directors is Ultra Electronics Holdings plc, 35 Portman Square, London, United Kingdom, W1H 6LR.

The Group General Counsel and Company Secretary of Ultra is Louise Ruppel.



2.2 The Cobham Directors and their respective positions are as follows:

Michael Ristaino            *Director*  
Donald Whitt Jr.            *Director*

The business address of each Cobham Director is Prudential Tower, 800 Boylston Street, Boston, United States of America.

Cobham is a private limited company incorporated on 6 August 2021 under the laws of England and Wales, with its registered office at Tringham House, 580 Deansleigh Road, Bournemouth, United Kingdom, BH7 7DT.

2.3 The Cobham Group Responsible Person and his position is:

Michael Ristaino            *Director*

The business address of the Cobham Responsible Person is Tringham House, 580 Deansleigh Road, Bournemouth, United Kingdom, BH7 7DT.

2.4 The Advent Responsible Persons and their respective positions are as follows:

David Mussafer            *Chairman and Managing Partner*  
David McKenna            *Managing Partner*  
John Maldonado            *Managing Partner*

The business address of each Advent Responsible Person is Advent International Corporation, Prudential Tower, 800 Boylston Street, Boston, MA 02199-8069, United States.

### 3. Interests and dealings in Ultra Shares

3.1 For the purposes of this paragraph 3 and paragraph 4:

- (A) “**acting in concert**” has the meaning given to it in the Takeover Code;
- (B) “**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) “**dealing**” has the meaning given to it in the Takeover Code;
- (D) “**derivative**” has the meaning given to it in the Takeover Code;
- (E) “**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Takeover Code;
- (F) “**relevant Cobham securities**” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Cobham including equity share capital in Cobham (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (G) “**relevant Ultra securities**” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of Ultra including equity share capital of Ultra (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (H) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- 3.2 As at the Latest Practicable Date, the Ultra Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Ultra securities:

| <i>Ultra Director</i> | <i>Number of Ultra Shares</i> | <i>% of Ultra's total issued share capital</i> | <i>Nature of interest</i>       |
|-----------------------|-------------------------------|--|---------------------------------|
| Tony Rice             | 20,000                        | 0.03   | Ordinary shares of 5 pence each |
| Simon Pryce           | 62,137*                       | 0.09   | Ordinary shares of 5 pence each |
| Jos Sclater           | 5,589                         | <0.01  | Ordinary shares of 5 pence each |
| Victoria Hull         | 1,684                         | <0.01  | Ordinary shares of 5 pence each |
| Geeta Gopalan         | 0                             | 0  | Ordinary shares of 5 pence each |
| Daniel Shook          | 2,500                         | <0.01  | Ordinary shares of 5 pence each |
| Ken Hunzeker          | 2,000                         | <0.01  | Ordinary shares of 5 pence each |

\* Includes 20,200 Ultra Shares which are held by STM FIDECS Pension Trustees Limited (managed by Canaccord Genuity Wealth Limited).

- 3.3 As at the Latest Practicable Date, the Ultra Directors held the following outstanding awards and options over relevant Ultra securities under the Ultra Share Plans set out below:

| <i>Name</i> | <i>Share Plan</i> | <i>Number of ordinary shares under option/award</i> | <i>Normal Vesting Date</i> | <i>Exercise price (per share)</i> |
|-------------|-------------------|---|----------------------------|-----------------------------------|
| Simon Pryce | LTIP 2017         | 68,160  | 15 March 2024              | Nil Cost Option                   |
|             | LTIP 2017         | 65,366  | 16 April 2022              | Nil Cost Option                   |
|             | LTIP 2017         | 10,410  | 17 March 2023              | Nil Cost Option                   |
|             | LTIP 2017         | 72,867  | 17 March 2023              | Nil Cost Option                   |
|             | Deferred Bonus    | 4,151   | 16 April 2022              | Nil Cost Option                   |
|             | Deferred Bonus    | 16,529  | 15 March 2024              | Nil Cost Option                   |
|             | Deferred Bonus    | 9,616   | 17 March 2023              | Nil Cost Option                   |
|             | Sharesave         | 830   | 1 December 2023            | £14.45                            |
|             | Sharesave         | 221   | 1 June 2024                | £16.22                            |
| Jos Sclater | LTIP 2017         | 31,875  | 15 March 2024              | Nil Cost Option                   |
|             | LTIP 2017         | 32,453  | 17 March 2023              | Nil Cost Option                   |
|             | LTIP 2017         | 25,714  | 16 April 2022              | Nil Cost Option                   |
|             | Recruitment Award | 2,016   | 10 December 2021           | Nil Cost Option                   |
|             | Recruitment Award | 2,018   | 10 December 2022           | Nil Cost Option                   |
|             | Deferred Bonus    | 8,588   | 15 March 2024              | Nil Cost Option                   |
|             | Sharesave         | 1,109   | 1 June 2026                | £16.22                            |

3.4 The following table set outs dealings in relevant Ultra securities by the Ultra Directors from the beginning of the Offer Period to the Latest Practicable Date:

| <i>Ultra Director</i> | <i>Date of Dealing</i> | <i>Nature of Dealing</i>   | <i>Number of Ultra Shares</i> | <i>Trade price (£)</i> |
|-----------------------|------------------------|--|-------------------------------|------------------------|
| Simon Pryce           | 1 July 2021            | Automatic acquisition under SIP  | 7                             | 22.56                  |
| Simon Pryce           | 2 August 2021          | Automatic acquisition under SIP  | 5                             | 31.98                  |
| Simon Pryce           | 16 August 2021         | Exercise of nil cost options under the Company's LTIP 2017   | 61,181                        | 0                      |
| Simon Pryce           | 16 August 2021         | Award of shares by way of dividend equivalent on the exercise of above LTIP  | 5,104                         | 0                      |
| Simon Pryce           | 16 August 2021         | Disposal of shares to cover taxes and fees following above exercise  | 31,221                        | 33.02                  |
| Simon Pryce           | 1 September 2021       | Automatic acquisition under SIP  | 4                             | 32.06                  |
| Jos Sclater           | 1 July 2021            | Automatic acquisition under SIP  | 6                             | 22.56                  |
| Jos Sclater           | 2 August 2021          | Automatic acquisition under SIP  | 5                             | 31.98                  |
| Jos Sclater           | 20 August 2021         | Exercise of nil cost option recruitment award under the Company's LTIP 2017  | 2016                          | 0                      |
| Jos Sclater           | 20 August 2021         | Award of shares by way of dividend equivalent on the exercise of above recruitment award under the Company's LTIP 2017 | 47                            | 0                      |
| Jos Sclater           | 1 September 2021       | Automatic acquisition under SIP  | 4                             | 32.06                  |

#### **4. Interests and Dealings – General**

4.1 Save as disclosed in paragraph 3 (*Interests and dealings in Ultra Shares*) above and paragraph 5 (*Irrevocable undertakings*) below, as at the Latest Practicable Date:

- (A) no member of the Cobham Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any member of the Cobham Group dealt in any relevant Ultra securities during the Disclosure Period;
- (B) none of the Cobham Directors, the Cobham Group Responsible Person, nor the Advent Responsible Persons had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any such person dealt in any relevant Ultra securities or during the Disclosure Period;

- (C) no person acting in concert with Cobham had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any such person dealt in any relevant Ultra securities, during the Disclosure Period;
  - (D) no person who has an arrangement with Cobham or any person acting in concert with Cobham had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any such person dealt in any relevant Ultra securities during the Disclosure Period; and
  - (E) neither Cobham nor any person acting in concert with Cobham, has borrowed or lent any relevant Ultra securities (including for these purposes any financial or collateral arrangements) in the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.
- 4.2 Save as disclosed in paragraph 3 (*Interests and dealings in Ultra Shares*) above, as at the Latest Practicable Date:
- (A) no member of the Ultra Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Cobham securities, nor has any such person dealt in any relevant Cobham securities or Ultra securities during the Offer Period;
  - (B) none of the Ultra Directors had any interest in, right to subscribe in respect of or any short position in relation to any relevant Cobham securities, nor has any such person dealt in any relevant Ultra securities or relevant Cobham securities during the Offer Period;
  - (C) no person acting in concert with Ultra had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any such person dealt in any relevant Ultra securities during the Offer Period;
  - (D) no person who has an arrangement with Ultra had any interest in, right to subscribe in respect of or any short position in relation to any relevant Ultra securities, nor has any such person dealt in any relevant Ultra securities during the Offer Period; and
  - (E) neither Ultra nor any person acting in concert with Ultra has borrowed or lent any relevant Ultra securities, save for any borrowed shares which have been either on-lent or sold.
- 4.3 Save as disclosed herein, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.
- 4.4 Save as disclosed herein, none of: (i) Cobham or any person acting in concert with Cobham; or (ii) Ultra or any person acting in concert with Ultra, has any arrangement in relation to relevant Ultra securities.
- 4.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between Ultra, Cobham or any person acting in concert with them and any of the Ultra Directors or the recent directors, shareholders or recent shareholders of Ultra having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Ultra Shares to be acquired by Cobham pursuant to the Scheme will be transferred to any other person.
- 4.7 No relevant securities of Ultra have been redeemed or purchased by Ultra during the Disclosure Period.

## **5. Irrevocable undertakings**

Cobham has received irrevocable support for the Acquisition from those Ultra Directors who hold Ultra Shares in respect of, in aggregate, 91,696 Ultra Shares (representing approximately 0.13 per cent. of the issued ordinary share capital of Ultra) as at the Latest Practicable Date, as set out below.

Copies of the irrevocable undertakings are available on Ultra's website at [www.ultra.group](http://www.ultra.group) and will remain on display until the end of the Offer Period.

### ***Irrevocable undertakings given by the Ultra Directors***

The Ultra Directors have given irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution proposed to implement the Scheme at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Cobham in accordance with the terms of the irrevocable undertakings) in respect of those Ultra Shares that they legally and/or beneficially hold and the voting rights of which they control:

| <i>Name of Ultra Director</i> | <i>Number of Shares in respect of which undertaking is given</i> | <i>% of Ultra's issued share capital (excluding shares under option)</i> |
|-------------------------------|--|--|
| Tony Rice                     | 20,000   | 0.03   |
| Simon Pryce                   | 62,137*  | 0.09   |
| Jos Sclater                   | 3,375  | <0.01  |
| Victoria Hull                 | 1,684  | <0.01  |
| Geeta Gopalan                 | 0  | 0  |
| Daniel Shook                  | 2,500  | <0.01  |
| Ken Hunzeker                  | 2,000  | <0.01  |
| <b>Total</b>                  | <b>91,696</b>  | <b>0.13</b>  |

\* 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.

These irrevocable undertakings also extend to any shares acquired by the Ultra Directors as a result of the vesting of awards or the exercise of options under the Ultra Share Plans.

These irrevocable undertakings will only cease to be binding if:

- (A) the Panel consents to Cobham not proceeding with the Acquisition;
- (B) this Document is not dispatched to Ultra Shareholders within 28 days (or such longer period as may be agreed between Ultra and the Panel) of the Rule 2.7 Announcement;
- (C) 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 Co-operation 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 Takeover Code, and such Offer has not lapsed or been withdrawn);
- (D) 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;
- (E) 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 Takeover Code at the same time; or
- (F) 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.



## 6. Directors' service agreements and letters of appointment

### 6.1 *Executive Directors' service contracts*

Set out below are details of the service contracts of the Ultra Directors:

| <i>Name of Executive Director</i> | <i>Date of service contract</i> | <i>Effective date of appointment</i> | <i>Notice period</i>     |
|-----------------------------------|---------------------------------|--------------------------------------|--------------------------|
| Simon Pryce                       | 21 March 2018                   | 18 June 2018                         | 12 months <sup>(1)</sup> |
| Jos Sclater                       | 5 September 2019                | 9 December 2019                      | 12 months <sup>(2)</sup> |

(1) As Simon Pryce's service contract will continue unless terminated, there is no unexpired term for his appointment.

(2) As Jos Sclater's service contract will continue unless terminated, there is no unexpired term for his appointment.

- (A) Simon Pryce's appointment as Chief Executive Officer commenced on 18 June 2018 and he is currently engaged under a service agreement with Ultra dated 21 March 2018, pursuant to which his current annual base salary is £698,640. Jos Sclater's appointment as Chief Financial Officer commenced on 9 December 2019 and he is currently engaged under a service agreement with Ultra dated 5 September 2019, pursuant to which his current annual base salary is £435,625. Each Ultra Executive Director's base salary is normally reviewed (but not necessarily increased) annually.
- (B) The Chief Executive Officer is eligible to receive an Ultra pension contribution equal to 14 per cent. of his base salary. The Chief Financial Officer is eligible to receive an Ultra pension contribution of 7.5 per cent. of his base salary. Each Ultra Executive Director can elect to receive a cash allowance in lieu of pension benefits (subject to deductions for tax and national insurance contributions).
- (C) Benefits available to the Ultra Executive Directors include private medical cover, life insurance, critical care, permanent health insurance, annual medical screening and car or cash allowances.
- (D) The Ultra Executive Directors are eligible to participate in Ultra's annual bonus scheme, subject to the approval of the Ultra Remuneration Committee. The maximum potential annual bonus for each of the Ultra Executive Directors is 150 per cent. of salary. 67 per cent. of the bonus is paid in cash, with the remaining 33 per cent. deferred into shares for three years.
- (E) The Ultra Executive Directors are eligible to participate in the LTIP, subject to the approval of the Ultra Remuneration Committee. The normal LTIP participation is 200 per cent. of base salary for the Chief Executive Officer and 150 per cent. of base salary for the Chief Financial Officer. The Ultra Executive Directors are also eligible to participate in the Sharesave and SIP, up to maximum limits set by applicable tax legislation.
- (F) As each Ultra Executive Director's service agreement can be terminated at will, their service agreements have no fixed expiry date. The appointment of the Ultra Executive Directors is terminable: (i) on 12 months' notice by either Ultra or the Executive Director; or (ii) with immediate effect in specified circumstances, including in the event of the Ultra Executive Director's misconduct or fault, in which case they will be not be entitled to any payment other than amounts accrued but unpaid as at termination. In addition, at any point after notice is given, Ultra may terminate the Ultra Executive Director's appointment with immediate effect and make a payment in lieu: (x) for the Chief Executive Officer of base salary and contractual benefits (other than accrued holiday and bonuses); and (y) for the Chief Financial Officer of base salary only, in each case to which the Ultra Executive Director would have been entitled during the unexpired period of notice, which may be paid in monthly instalments.
- (G) Each Ultra Executive Director is subject to post-termination restrictions for a period of up to 12 months after termination (less any period of garden leave).

## 6.2 **Chairman and other non-executive Ultra Directors**

The non-executive Ultra Directors have entered into letters of appointment. The appointment of each non-executive Ultra Director is subject to their continued satisfactory performance and re-election at Annual General Meetings of the Company.

Each non-executive Ultra Director's letter of appointment is terminable by either party on one month's written notice. They may also cease to hold office as a director in accordance with the Articles of Association. In the event that a non-executive Ultra Director retires and is not re-elected, their appointment will terminate immediately. Each non-executive Ultra Director's letter of appointment is also terminable by the Ultra Board with immediate effect without payment of compensation in certain circumstances, which may include if the non-executive Ultra Director: (i) commits a material or serious breach or non-observance of their obligations to Ultra, including a breach of their statutory, fiduciary, contractual or common-law duties; (ii) is guilty of any fraud or dishonesty or has acted in a manner which, in the opinion of the Ultra Board, brings or is likely to bring the non-executive Ultra Director or the Company into disrepute; (iii) is convicted of a criminal offence (other than an offence under road traffic legislation); (iv) is declared bankrupt or is disqualified from acting as a director; or (v) does not comply with Ultra's anti-corruption and bribery policy and procedures.

Under letters of appointment, the non-executive Ultra Directors are typically appointed for an initial three-year term and expected to serve two three-year terms, which may be extended for a further three-year term subject to invitation by the Ultra Board and re-election by Ultra Shareholders.

| <i>Name of Director</i> | <i>Date appointed Director</i> | <i>Original letter of appointment date</i> | <i>Fees (per annum) (£'000)<sup>(1)</sup></i> |
|-------------------------|--------------------------------|--|---|
| Tony Rice (Chairman)    | 18 December 2018               | 18 December 2018                           | 235   |
| Geeta Gopalan           | 28 April 2017                  | 20 March 2017                              | 69  |
| Victoria Hull           | 28 April 2017                  | 20 March 2017                              | 69 <sup>(2)</sup>                             |
| Ken Hunzeker            | 1 July 2020                    | 1 July 2020                                | 59  |
| Daniel Shook            | 1 September 2019               | 11 July 2019                               | 69 <sup>(3)</sup>                             |

(1) Fees were increased with effect from 1 April 2021.

(2) Includes additional fee for acting as Senior Independent Director.

(3) Includes additional fee for chairing the Audit Committee.

Ultra also maintains directors' and officers' insurance for the benefit of each non-executive Ultra Director. In accordance with its Articles of Association and to the extent permitted by law, Ultra Directors are granted an indemnity from Ultra in respect of liability incurred as a result of their appointment to the Board.

## 6.3 **Other service agreements**

Save as disclosed above, there are no service contracts or letters of appointment, between any Ultra Director or proposed director of Ultra and any member of the Ultra Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.

6.4 Save as set out in paragraph 9 of Part II (*Explanatory Statement*), the effect of the Scheme on the interests of the Ultra Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

## 6.5 **Amendments, other contracts and other compensation**

Save as disclosed above, there are no other contracts of service between the Ultra Directors and the Company or any of its subsidiaries.

Save as disclosed in this paragraph 6:

(A) no Ultra Director is entitled to commission or profit sharing arrangements;

- (B) neither the service contract nor any of the letters of appointment set out in this paragraph 7 have been entered into or amended during the six months prior to the date of this Document; and
- (C) other than statutory compensation and payment in lieu of notice, no compensation is payable by the Company to any Ultra Director upon early termination of their employment or appointment.

## 7. Market quotations

The following table shows the Closing Price for Ultra Shares as derived from the Official List for the first Business Day of each of the six months before the date of this Document, for 24 June 2021 (being the last Business Day prior to the commencement of the Offer Period) and for the Latest Practicable Date:

| <i>Date</i>             | <i>Ultra Share price (p)</i> |
|-------------------------|------------------------------|
| 1 April 2021            | 2,082                        |
| 4 May 2021              | 2,020                        |
| 1 June 2021             | 2,066                        |
| 24 June 2021            | 2,156                        |
| 1 July 2021             | 2,302                        |
| 2 August 2021           | 3,172                        |
| 1 September 2021        | 3,202                        |
| Latest Practicable Date | 3,196                        |

## 8. Material contracts

### 8.1 Ultra material contracts

Save as disclosed below, no member of the Ultra Group has, during the period beginning 25 June 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Ultra Group during the period beginning 25 June 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date

#### **COVID-19 Corporate Financing Facility Agreement**

On 17 June 2020, HM Treasury and the Bank of England (the “**Bank**”) announced a joint lending facility named the COVID Corporate Financing Facility (the “**CCFF**”). The CCFF was designed to support liquidity among larger corporations, helping them overcome disruption to their cash flows through the purchase of short term debt in the form of commercial paper.

Ultra applied to participate in the CCFF programme, returning a signed issuer undertaking and confidentiality agreement to the Bank on 5 June 2020 (the “**CCFF Agreement**”). Ultra’s application to issue £300,000,000 euro-commercial paper was approved by the Bank and Ultra became eligible to issue commercial paper from 11 June 2020.

However, while Ultra made an application under the CCFF programme (and was granted the CCFF Agreement), Ultra has never utilised the CCFF Agreement and no commercial paper has been issued. The CCFF Agreement lapsed on 23 March 2021 and is no longer available to Ultra.

Under the terms of the CCFF Agreement, Ultra made various representations and undertakings to the Bank, including (among others) that: (i) any factual information provided to the Bank in connection with Ultra’s participation in the CCFF programme was accurate and complete in all material respects; (ii) it reasonably believed that it complied with the relevant applicable issuer eligibility criteria for the CCFF programme (and would immediately inform the Bank should this cease to be the case); (iii) as a result of the COVID-19 outbreak, it was not subject to any insolvency or liquidation (or similar) procedures; and (iv) it would promptly provide the Bank with any information that may help it assess Ultra’s ability to fulfil its obligations under the CCFF Agreement. In addition, both the Bank and Ultra made undertakings to keep any information

relating to either party, or the CCFF Agreement, confidential unless any disclose was required by law.

Furthermore, Ultra was responsible for any costs and expenses incurred by the Bank in connection with the enforcement of any rights under the CCFF Agreement or associated documentation. All payments due to be made under the CCFF Agreement were to be made in sterling and by way of immediately available freely convertible funds.

The CCFF Agreement was governed by English law.

### ***Strategic Aerospace and Defence Initiative – Contribution Agreement***

On 30 August 2013, Ultra Electronics Maritime System Inc. (a member of the Ultra Group) (“**UEMS**”) entered into a contribution agreement with Canadian Ministry of Industry in relation to a Strategic Aerospace and Defence Initiative (the “**Contribution Agreement**”), the terms of which were subsequently amended by an amendment agreement between the aforementioned parties, dated 3 March 2021 (the “**Contribution Amendment Agreement**”).

Under the terms of the Contribution Agreement, UEMS is required to, among other things, collaborate with the Canadian Ministry of Industry in order to develop systems capable of identifying and tracking underwater threats, with a view to increasing national security for Canada and other nations (the “**Project**”). The development of such systems is to be completed by a specified “**Project Completion Date**” (initially 30 September 2019, but extended in accordance with the Contribution Amendment Agreement to 30 June 2023). UEMS is also required to use its best efforts to commercialise any intellectual property created during the Project.

Furthermore, the Canadian Ministry of Industry has agreed to contribute to UEMS an amount equal to the lesser of: (i) 30 per cent. of certain eligible costs incurred and paid by UEMS in respect of the Project; and (ii) \$8,231,222, subject to certain further terms and conditions. Following the Project Completion Date, UEMS is to make annual repayments to the Canadian Ministry of Industry, the quantum of which shall be determined by reference to the gross revenue generated by UEMS each financial year after the Project Completion Date.

UEMS has given certain representations and undertakings to the Canadian Ministry of Industry under the terms of the Contribution Agreement, including (among others) that: (i) it is duly incorporated under Canadian law, has the power and authority to carry on its business and enter into the Contribution Agreement; (ii) it holds sufficient rights, licenses and permissions to permit the carrying out of the Project and the exploitation of intellectual property rights created in connection with the Project; (iii) that it has filed all Lobbying Act returns required to be filed in respect of persons employed by it who communicate with public office holders and that it will continue to make any further required filings; and (iv) it is under no obligation or prohibition, or the subject of (or has been threatened with) any litigation, which could prevent its compliance with the Contribution Agreement.

The Contribution Agreement is governed by Canadian law.

## **8.2 Cobham material contracts**

Save as disclosed below and the Confidentiality Agreement, Cooperation Agreement, Joint Defence Agreement, each as summarised in paragraph 13 (*Offer-related arrangements*) of this Part VIII (*Additional Information on Ultra, Cobham, Cobham Group and Advent*) and the Memorandum of Understanding, as summarised in paragraph 8 of Part I (*Letter from the Chairman of Ultra*) of this Document, no member of the Cobham Group has, during the period beginning 25 June 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business. The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Cobham Group during the Disclosure Period.

### ***Interim Facilities Agreements***

On 13 August 2021, (1) Cobham Ultra SeniorCo S.à r.l. entered into the Interim Senior Facilities Agreement with the Interim Senior Lenders pursuant to which the following were made available

to Cobham Ultra SeniorCo S.à r.l.: (a) an interim term loan facility in an aggregate amount equal to £410,000,000 (equivalent) (“**Interim Facility B (EUR)**”); (b) an interim term loan facility in an aggregate amount equal to £615,000,000 (equivalent) (“**Interim Facility B (USD)**” and together with Interim Facility B (EUR), “**Interim Facility B**”); (c) an interim multi-currency revolving facility in an aggregate amount equal to £190,000,000 (the “**Interim Revolving Facility**” and together with Interim Facility B, the “**Interim Senior Facilities**”); and (d) an interim term loan facility in an aggregate amount equal to £330,000,000 (equivalent) (the “**Interim SUN Facility**” and together with Interim Facility B, the “**Interim Senior Term Facilities**”); and (2) Cobham Ultra PikCo S.à r.l. entered into the Interim PIK Facility Agreement with the Interim PIK Lenders pursuant to which an interim term loan facility in an aggregate amount equal to £315,000,000 (equivalent) was made available to Cobham Ultra PikCo S.à r.l. (the “**Interim PIK Facility**” and together with Interim Senior Term Facilities, the “**Interim Term Facilities**”). The Interim Term Facilities and the Interim Revolving Facility being together, the “**Interim Facilities**”.

The proceeds of interim loans drawn by: (1) Cobham Ultra SeniorCo S.à r.l. under the Interim Senior Facilities Agreement are to be made available to Cobham (via Cobham Ultra SeniorCo S.à r.l. and Cobham Ultra Limited (being, together with Cobham, the “**Senior IFA Obligors**”)); and (2) Cobham Ultra PikCo S.à r.l. under the Interim PIK Facility Agreement are to be made available to Cobham (via Cobham Ultra MidCo S.à r.l., Cobham Ultra SunCo S.à r.l., Cobham Ultra SeniorCo S.à r.l. and Cobham Ultra Limited), in each case, to be applied by Cobham towards, among other things, financing or refinancing the aggregate cash consideration payable by Cobham pursuant to the Acquisition and/or refinancing or otherwise discharging certain existing indebtedness of the Ultra Group.

The Interim Facilities are available to be drawn in the following currencies: (a) Interim Facility B (EUR) is originally committed in sterling and will be redenominated into euros prior to or concurrent with utilisation; (b) Interim Facility B (USD), the Interim SUN Facility and the Interim PIK Facility are originally committed in sterling and will be redenominated into US dollars prior to or concurrent with utilisation; and (c) the Interim Revolving Facility is available to be utilised in sterling, US dollars, euros, Australian Dollars and Canadian Dollars and such other currencies as may be agreed with the lenders under the Interim Revolving Facility.

Under the Interim Facilities Agreements, (1) the Interim Senior Term Facilities are available to be drawn, subject to satisfaction of the conditions precedent set out in the Interim Senior Facilities Agreement, from (and including) the date of the Interim Senior Facilities Agreement to (and including) 11:59 p.m. on the last day of the Certain Funds Period (as defined below); and (2) the Interim PIK Facility is available to be drawn, subject to satisfaction of the conditions precedent set out in the Interim PIK Facility Agreement, from (and including) the date of the Interim PIK Facility Agreement to (and including) 11:59 p.m. on the last day of the Certain Funds Period (as defined below).

The Interim Revolving Facility is available to be drawn, subject to satisfaction of the conditions precedent set out in the Interim Senior Facilities Agreement, from the date of the Interim Senior Facilities Agreement to (and including) the last Business Day prior to the Final Repayment Date (as defined below), provided that any undrawn commitments under the Interim Revolving Facility will be cancelled at 11:59 p.m. at the end of the Certain Funds Period (as defined below) if no drawing has been made under an Interim Senior Term Facility by that date.

Under each Interim Facilities Agreement, “**Certain Funds Period**” is defined as the period from (and including) the date of the applicable Interim Facilities Agreement to (and including) 11:59 p.m. on the earliest to occur of: (a) if the Acquisition is intended to be completed pursuant to a Scheme, the date falling twenty (20) Business Days after (and excluding) the date on which the Scheme lapses (including, subject to exhausting any rights of appeal, if a relevant court refuses to sanction the Scheme of arrangement), terminates or is withdrawn in writing, in each case, in accordance with its terms in the 2.7 Announcement or scheme document (other than (i) where such lapse, termination or withdrawal is as a result of the exercise of Cobham's right to effect a switch from the Scheme to a Takeover Offer and (ii) it is otherwise to be followed within such twenty (20) Business Days by an announcement by Cobham to implement the Acquisition by a different takeover offer or scheme (as applicable)); (b) if the Acquisition is intended to be completed pursuant to a Takeover Offer, the date falling twenty (20) Business Days after (and excluding) the date on which the Takeover Offer lapses, terminates or is withdrawn, in each case,



in accordance with its terms in the 2.7 Announcement or offer document (other than (i) where such lapse, termination or withdrawal is as a result of the exercise of Cobham's right to effect a switch from the Takeover Offer to a Scheme and (ii) it is otherwise to be followed within such twenty (20) Business Days by an announcement by Cobham to implement the Acquisition by a different takeover offer or scheme (as applicable)); (c) the date falling twenty (20) Business Days after (and excluding) 13 September 2021, to the extent the first public 2.7 Announcement has not been made on or prior to such date; (d) the date (the "**Financing Longstop Date**") falling twelve (12) months after (and excluding) the date of the first public 2.7 Announcement, or, in each case, such later time and date as agreed by the Arrangers or the Interim PIK Lenders (as applicable) (in each case, acting reasonably and in good faith) provided that: (i) a switch from a Scheme to a Takeover Offer or from a Takeover Offer to a Scheme (or, for the avoidance of doubt, any amendments to the terms or conditions of a Scheme or a Takeover Offer) shall not constitute a lapse, termination or withdrawal for the purposes of paragraphs (a) or (b) (as applicable) above; (ii) if an initial drawdown has occurred under the applicable Interim Facilities Agreement, the Financing Longstop Date shall, in each case, automatically be extended to 11:59 p.m. on the Final Repayment Date under the applicable Interim Facilities Agreement, to the extent that the Final Repayment Date would otherwise fall after the Long Stop Date; and (iii) the Long Stop Date will, upon Cobham Ultra SeniorCo S.à r.l.'s or Cobham Ultra PikCo S.à r.l.'s (as applicable) request (in each case, acting in good faith), be extended if necessary or desirable in order to comply with the requirements of the Panel: (x) if the Acquisition is intended to be completed pursuant to a Scheme, up to a maximum of six (6) weeks; or (y) if the Acquisition is intended to be completed pursuant to a Takeover Offer, up to a maximum of eight (8) weeks.

The final maturity date of the Interim Facilities under each Interim Facilities Agreement is ninety (90) days in total following the date on which first drawdown of the Interim Facilities has occurred (the "**Final Repayment Date**") (by which date the Interim Facilities would need to be replaced and refinanced). The Interim Facilities may also be voluntarily prepaid and/or cancelled at any time on one (1) business days' prior notice.

The Interim Facilities Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, permitted holding company activity, dividends and share redemption, acquisitions and mergers and conduct of the Takeover Offer and/or Scheme), indemnities and events of default, each with appropriate carve-outs and materiality thresholds and applicable to: (1) in the case of the Interim Senior Facilities Agreement, the Senior IFA Obligors and, where applicable, Cobham Ultra SunCo S.à r.l.; and (2) in the case of the Interim PIK Facility Agreement, Cobham Ultra PikCo S.à r.l. and where applicable, Cobham Ultra SunCo S.à r.l..

The rate of interest payable on each loan drawn under the Interim Facilities is the aggregate of the applicable margin plus: (1) for interim loans not denominated in Sterling, the applicable IBOR (being: (i) for euro, EURIBOR; (ii) for Canadian Dollars, CDOR; (iii) for Australian Dollars, BBSW; and (iv) for US Dollars and for any other agreed currency (other than Sterling), LIBOR); and (2) for interim loans denominated in Sterling, the sterling overnight index average. The margin on the Interim Facilities are as follows: (a) in relation to Interim Facility B (EUR), 3.75 per cent. per annum; (b) in relation to Interim Facility B (USD), 3.75 per cent. per annum; (c) in relation to the Interim SUN Facility, 7.25 per cent. per annum; (d) in relation to the Interim PIK Facility, 9.00 per cent. per annum; and (e) in relation to the Interim Revolving Facility, 3.25 per cent. per annum.

Commitment fees, underwriting and arrangement fees, among other fees, are also payable under the terms of the Interim Facilities Agreements and ancillary documentation.

As a condition precedent to the first drawdown of the Interim Facilities under: (1) the Interim Senior Facilities Agreement, the secured parties under the Interim Senior Facilities Agreement receive the benefit of security including an English law security interest over all the shares in the capital of Cobham and Cobham Ultra Limited and a Luxembourg law security interest over all of the shares in the capital of Cobham Ultra SeniorCo S.à r.l.; and (2) the Interim PIK Facility Agreement, the secured parties under the Interim PIK Facility Agreement receive the benefit of security including a Luxembourg law security interest over all of the shares in the capital of Cobham Ultra MidCo S.à r.l..

### ***Equity Commitment Letter***

On 16 August 2021, and in connection with its equity financing of Cobham, certain funds managed by Advent (the “**Advent Funds**”) entered into the Equity Commitment Letter, which sets out the basis on which the Advent Funds have undertaken to pay to Cobham an aggregate of £951,025,038, by way of direct and/or indirect contributions, to enable Cobham to pay the consideration payable for the Ultra Shares. Pursuant to the terms of the Equity Commitment Letter, the Advent Funds will procure that such funding has been paid to Cobham by no later than the date falling 10 calendar days after the Effective Date.

### ***Deed of Minority Investment***

On 25 August 2021, the PIK Lenders entered into the Deed of Minority Investment pursuant to which they agreed the terms that, subject to the Scheme becoming Effective, they will invest in Luxco, an indirect parent company of Cobham. The Deed of Minority Investment also sets out certain other matters relating to regulating the governance and activities of the New Group that will be agreed and set out in an investment agreement.

The Deed of Minority Investment contains standard anti-dilution provisions, including pre-emption rights in favour of each of the PIK Lenders on an allotment of securities, and catch-up rights in the event of a rescue issue.

### ***Disposal of Cobham Aerospace Connectivity***

On 24 November 2020, Lockman Electronic Holdings Limited (“**LEHL**”) and Cobham Holdings, Inc. (“**CHI**” and, together with LEHL, the “**Chelton Sellers**”) entered into a sale and purchase agreement (as amended, the “**Chelton SPA**”) with Transdigm Group Inc., Transdigm European Holdings Limited and Transdigm, Inc. (together, the “**Chelton Purchasers**”) pursuant to which the Chelton Sellers agreed to sell their shares in the entire issued share capital of: (i) Chelton Limited; (ii) Mastsystem Int’l Oy; and (iii) Chelton Avionics Holdings, Inc. (together with their respective subsidiaries, the “**Chelton Companies**”) to the Chelton Purchasers subject to the satisfaction of certain conditions and for consideration of \$959,300,000 (subject to customary adjustments for cash generation in the Chelton Companies prior to completion and any leakage from the Chelton Companies to the remainder of the Cobham Group) (the “**Chelton Acquisition**”). Completion of the Chelton Acquisition took place in two tranches, on 6 January 2021 (in respect of each legal entity except Mastsystem Int’l Oy) and 12 February 2021.

The Chelton SPA contains customary warranties and other obligations given and incurred by the Chelton Sellers which are generally typical for comparable transactions. The obligations incurred by the Chelton Sellers include: (i) indemnities with respect to leakage from the Chelton Companies to the remainder of the Cobham Group and defined benefit pension liabilities of the Chelton Companies; (ii) a two-year non-solicit pursuant to which the Chelton Sellers undertake not to solicit senior employees of the Chelton Companies to leave their employment (subject to customary exceptions); (iii) a two-year non-compete pursuant to which the Chelton Sellers undertake not to directly or indirectly engage in businesses that compete with the business of the Chelton Companies (subject to customary exceptions); and (iv) certain obligations with respect to the separation of the Chelton Companies from the Cobham Group, including with respect to pre-completion reorganisations, insurance, branding, intellectual property and commercial contracts.

### ***Disposal of Cobham Mission Systems***

On 31 January 2021, Cobham Limited, Cobham Holdings, Inc, Lockman Investments Limited and Lockman Electronic Holdings Limited (together, the “**Mission Systems Sellers**”) entered into a sale and purchase agreement (as amended, the “**Mission Systems SPA**”) with Eaton Corporation plc (together with its affiliates, “**Eaton**”) pursuant to which the Mission Systems Sellers agreed to sell their shares in the entire issued share capital of: (i) Cobham Mission Systems Wimborne Limited; (ii) Cobham Mission Systems Orchard Park, Inc.; (iii) Cobham Mission Systems FWB Inc.; and (iv) Cobham India Private Limited (together with their respective subsidiaries, the “**Mission Systems Companies**”) to Eaton subject to the satisfaction of certain conditions and for a base consideration of \$2,830,000,000 subject to customary completion

account adjustments (the “**Mission Systems Acquisition**”). Completion of the Mission Systems Acquisition occurred on 1 June 2021.

The Mission Systems SPA contains customary warranties and other obligations given and incurred by the Mission Systems Sellers which are generally typical for comparable transactions. The obligations incurred by the Chelton Sellers include: (i) an indemnity with respect to defined benefit pension liabilities; (ii) a customary non-solicit pursuant to which the Mission Systems Sellers undertake not to solicit certain employees of the Mission Systems Companies to leave their employment (subject to customary exceptions); (iii) a two-year non-compete pursuant to which the Mission Systems Sellers undertake not to directly or indirectly engage in businesses that compete with the business of the Mission Systems Companies (subject to customary exceptions); and (iv) certain obligations with respect to the separation of the Mission Systems Companies from the Cobham Group, including with respect to pre-completion reorganisations, insurance, branding, intellectual property and commercial contracts.

#### ***Disposal of Cobham Slip Rings***

On 7 June 2021, Cobham Aerospace Holdings S.à r.l, Lockman Electronic Holdings Limited and Cobham Group Limited (the “**Slip Rings Sellers**”) entered into a sale and purchase agreement (the “**Slip Rings SPA**”) with Naxicap Opportunities XV FPCI and Naxicap Investment Opportunities II S.L.P. FPS (together, the “**Slip Rings Buyers**”) pursuant to which the Slip Rings Sellers agreed to sell their interests in the entire issued capital of Cobham France SAS, Siviers Lab Aktiebolag and Cobham Slip Rings Naples Inc. (and their subsidiaries) (together, “**Slip Rings**”) to the Slip Rings Buyers subject to the satisfaction of certain conditions and for base cash consideration of approximately €186,000,000 (subject to customary completion accounts adjustments) (the “**Slip Rings Acquisition**”). Completion of the Slip Rings Acquisition is conditional on the completion of a pre-completion reorganisation by the Cobham Group to separate Slip Rings from the Cobham Group and the Slip Rings Buyers obtaining approval from the Committee on Foreign Investment in the United States. The Slip Rings SPA will automatically terminate prior to completion of the transaction if those conditions have not been satisfied or waived by 30 September 2021 or, in certain circumstances, 31 October 2021. It is expected that completion of the Slip Rings Acquisition will occur in September 2021.

The Slip Rings SPA contains customary warranties and other obligations given and incurred by the Slip Rings Sellers which are generally typical for comparable transactions. The obligations incurred by the Slip Rings Sellers include: (i) a two-year non-solicit pursuant to which the Slip Rings Sellers undertake not to solicit senior employees of Slip Rings to leave their employment (subject to customary exceptions); (ii) a two-year non-compete pursuant to which the Slip Rings Sellers undertake not to directly or indirectly engage in businesses that compete with Slip Rings with respect to the manufacture and sale of slip rings and rotary joints (subject to customary exceptions); and (iii) certain obligations with respect to the separation of Slip Rings from the Cobham Group, including with respect to pre-completion reorganisations, insurance, branding, intellectual property and commercial contracts.

#### ***Disposal of Aviation Services UK***

On 25 September 2020, FR Aviation Group Limited (the “**Aviation Services Seller**”) and Cobham Group Limited entered into a sale and purchase agreement (the “**Aviation Services UK SPA**”) with Draken UK Bidco Limited (the “**Aviation Services Buyer**”) pursuant to which the Aviation Services Seller agreed to sell its interest in the entire issued capital of FR Aviation Limited and Précision Aviation Industries S.à r.l (and their subsidiaries) (“**Aviation Services UK**”) to the Aviation Services Buyer subject to the satisfaction of certain conditions and for consideration of c.£150,000,000 (subject to customary adjustments for any leakage from Aviation Services UK to the remainder of the Cobham Group). Completion of the disposal of Aviation Services UK occurred in two tranches, on 25 September 2020 (in relation to FR Aviation Limited) and 9 February 2021 (in relation to Précision Aviation Industries S.à r.l).

The Aviation Services UK SPA contains customary warranties and other obligations given and incurred by the Aviation Services Seller and Cobham Group Limited which are generally typical for comparable transactions. The obligations incurred by the Aviation Services Seller and Cobham Group Limited include: (i) indemnities with respect to leakage from Aviation Services UK

to the remainder of the Cobham Group and defined benefit pension liabilities of Aviation Services UK; (ii) a one-year non-solicit pursuant to which Cobham Group Limited undertakes not to solicit senior employees of Aviation Services UK to leave their employment (subject to customary exceptions); (iii) a three-year non-compete pursuant to which Cobham Group Limited undertakes not to directly or indirectly engage in businesses that competes with the business of Aviation Services UK (subject to customary exceptions); and (iv) certain obligations with respect to the separation of Aviation Services UK from the Cobham Group, including with respect to pre-completion reorganisations, insurance, branding, intellectual property and commercial contracts.

### **2019 Cooperation Agreement**

On 25 July 2019, 2019 Bidco, AIC and Cobham plc entered into the 2019 Cooperation Agreement in relation to the acquisition of Cobham plc by 2019 Bidco (the “**2019 Acquisition**”) pursuant to which, among other things: (i) Cobham plc agreed to cooperate with 2019 Bidco to assist with the satisfaction of certain regulatory conditions; (ii) 2019 Bidco agreed to provide Cobham plc with certain information; and (iii) Cobham plc and 2019 Bidco agreed certain arrangements in respect of the Cobham Share Plans.

### **Pension Framework Agreement**

In connection with the 2019 Acquisition, 2019 Topco entered into a framework agreement dated 14 January 2020 with the trustees of the occupational defined benefit pension scheme known as the “Cobham Pension Plan”. In the Pension Framework Agreement, Cobham plc agreed to make an aggregate of £110 million in cash contributions to the Cobham Pension Plan from the effective date of the 2019 Acquisition to 31 December 2024.

### **2020 Acquisition Financing Agreements**

On 15 January 2020, Al Convoy (Luxembourg) S.à r.l. (“**2019 Borrower**”) Al Convoy Bidco Limited (“**2019 Bidco**”) and certain other members of the Cobham Group entered into a senior facilities agreement with, amongst others Credit Suisse International, Credit Suisse Loan Funding LLC, Citigroup Global Markets Limited, Goldman Sachs Bank USA, Blackstone Holdings Finance Co L.L.C., BNP Paribas Fortis SA/NV, Deutsche Bank Ag, London Branch, NatWest Markets Plc, Unicredit Bank AG and Barclays Bank Plc as mandated lead arrangers and Credit Suisse AG, Cayman Islands Branch as agent and security agent (the “**Senior Facilities Agreement**”). The Senior Facilities Agreement was amended by an amendment letter dated 6 February 2020. Pursuant to the terms of the Senior Facilities Agreement certain lenders made available a euro denominated senior ranking term loan facility in an aggregate amount of EUR 885,000,000 (“**Facility B (EUR)**”), a USD denominated senior ranking term loan facility in an aggregate amount of USD 1,188,000,000 (“**Facility B (USD)**”) and a senior ranking multicurrency revolving credit facility in an aggregate amount of USD 350,000,000 (the “**RCF**”). The rate of interest payable on each loan under the Senior Facilities Agreement is the aggregate of the applicable margin plus LIBOR or EURIBOR (as applicable). The margin on Facility B (EUR) is 3.75% per annum, stepping down to 3.50% per annum subject to the leverage of the group; the margin on Facility B (USD) is 3.50% per annum and the margin on the RCF is 4.25% per annum, stepping down to 3.50% per annum subject to the leverage of the group. In addition to scheduled repayments in accordance with the terms of the Senior Facilities Agreement, on 14 June 2021 the Group made a mandatory prepayment of Facility B (USD) in an amount equal to \$655,713,004.36. On 18 June 2021, the Group made a mandatory prepayment of Facility B (EUR) in an amount equal to €143,810,156.78.

On 15 January 2020, the 2019 Borrower, 2019 Bidco and certain other members of the Cobham Group entered into a second lien facility agreement with, amongst others Credit Suisse Loan Funding LLC, Citigroup Global Markets Limited, Goldman Sachs Bank USA, BNP Paribas Fortis SA/NV, NatWest Markets Plc and Barclays Bank Plc as mandated lead arrangers and Wilmington Trust (London) Limited as agent and Wilmington Trust, National Association as security agent (the “**Second Lien Facility Agreement**”). Pursuant to the terms of the Second Lien Facility Agreement certain lenders made available a USD denominated junior ranking term loan facility in an aggregate amount of USD 672,251,160 (the “**Second Lien Facility**”). The rate of interest payable on the loan under the Second Lien Facility is the aggregate of the applicable margin plus LIBOR. The margin on the Second Lien Facility is 8.25% per annum.



Pursuant to the Senior Facilities Agreement and the Second Lien Facility Agreement, certain members of the Cobham Group granted guarantees and security in favour of the finance parties under such agreements in support of the Cobham Group's obligations thereunder. In addition, certain members of the Cobham Group are party to an intercreditor agreement dated 15 January 2020, entered into pursuant to the terms of the Senior Facilities Agreement and the Second Lien Facility Agreement.

The Senior Facilities Agreement and the Second Lien Facility Agreement replaced in full the corresponding interim financing arrangements dated 24 July 2019 which ceased to have any force or effect and the undrawn commitments thereunder were cancelled in full following the execution of the Senior Facilities Agreement and the Second Lien Facility Agreement.

On 15 January 2020, AI Convoy Topco & Cy S.C.A. (the "**Pref Issuer**") and AI Convoy GP S.à r.l. entered into a deed of amendment and restatement in respect of a subscription and investment deed originally dated 24 July 2019, pursuant to which certain funds subscribed for preference shares in the Pref Issuer in an aggregate amount equal to a USD equivalent of GBP 552,000,000 (the "**Preference Shares**"). The Preference Shares accrue (at the option of the Issuer) an annual dividend at a cash pay rate equal to LIBOR plus 10.25% or a payment-in-kind rate equal to LIBOR plus 10.75%.

#### **2019 Equity Commitment Letter**

On 24 July 2019, the Advent Funds and 2019 Bidco entered into the 2019 Equity Commitment Letter, which sets out the basis on which the Advent Funds were to invest £1,235,686,430 in 2019 Bidco for the purposes of financing the consideration payable under by 2019 Bidco under the 2019 Acquisition.

## **9. Offer-related arrangements**

### **Confidentiality Agreement**

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Confidentiality Agreement.

### **Cooperation Agreement**

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Cooperation Agreement.

### **Joint Defence Agreement**

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Joint Defence Agreement.

### **Clean Team Agreement**

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Clean Team Agreement.

## 10. Offer-related fees and expenses

### 10.1 Fees and Expenses of Cobham

The aggregate fees and expenses expected to be incurred by Cobham in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

| <i>Category</i>  | <i>Amount</i>       |
|--|---------------------|
| Financing arrangements <sup>(1)</sup>  | £56,000,000         |
| Financial and corporate broking advice <sup>(1)</sup>  | £25,000,000         |
| Legal advice <sup>(1)(2)</sup>   | £12,000,000         |
| Accounting advice <sup>(1)</sup>   | £3,000,000          |
| Public relations advice <sup>(1)</sup>   | £2,000,000          |
| Other professional services (including, for example, management consultants, actuaries and specialist valuers) | £4,000,000          |
| Other costs and expenses <sup>(1)</sup>  | £1,000,000          |
| <b>Total</b>   | <b>£103,000,000</b> |

(1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

(2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Acquisition becomes Effective.

In addition, stamp duty of 0.5 per cent. on the purchase price of the Ultra Shares acquired pursuant to the Acquisition will be payable by Cobham.

### 10.2 Ultra Fees and Expenses

The aggregate fees and expenses expected to be incurred by Ultra in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

| <i>Category</i>  | <i>Amount</i>              |
|--|----------------------------|
| Financial and corporate broking advice   | £26,000,000 <sup>(1)</sup> |
| Legal advice   | £6,500,000 <sup>(2)</sup>  |
| Public relations advice  | £425,000 <sup>(3)</sup>    |
| Other professional services (including, for example, management consultants, actuaries and specialist valuers) | £670,000                   |
| Other costs and expenses   | £290,000 <sup>(4)</sup>    |
| <b>Total</b>   | <b>£33,885,000</b>         |

(1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective. The total does not include disbursements.

(2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required prior to the Effective Date.

(3) An element of the total amount payable in respect of the aggregate fees and expenses for these services shall be discretionary.

(4) Amount includes costs of printing, use of the Virtual Meeting Platform, fees payable to the London Stock Exchange and fees relating to the advertisement of the Notice of Court Meeting in The Telegraph.

## 11. Financing arrangements relating to Cobham

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.

Further information on the financing of the Acquisition is included at paragraph 8.2 of this Part VII of this Document.

## 12. Cash confirmation

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.



### 13. Persons acting in concert

In addition to the Cobham Directors (together with their close relatives and related trusts), and members of the Cobham Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Cobham are:

| <i>Name</i>   | <i>Registered Office</i>   | <i>Relationship with Cobham</i>                     |
|---|--|---|
| Credit Suisse   | One Cabot Square, Canary Wharf,<br>London, E14 4QJ, United Kingdom                                 | Financial Adviser to Cobham                         |
| Rothschild & Co                                       | New Court, St Swithin's Lane,<br>London EC4N 8AL, United Kingdom                                   | Financial Adviser to Cobham                         |
| Goldman Sachs   | 25 Shoe Lane, London EC4A 4AU,<br>United Kingdom   | Financial Adviser to Cobham                         |
| Morgan Stanley  | 25 Cabot Square, Canary Wharf,<br>London E14 4QA, United Kingdom                                   | Financial Adviser to Cobham                         |
| KKR Credit Advisors<br>(US) LLC                       | 555 California Street, 50th Floor,<br>San Francisco, California 94104,<br>United States of America | Investor pursuant to Deed of<br>Minority Investment |
| KKR Credit Advisors<br>(Ireland) Unlimited<br>Company | 75 St Stephan's Green, Dublin 2,<br>Ireland  | Investor pursuant to Deed<br>of Minority Investment |
| CCOF II Master, L.P.                                  | One Vanderbilt Avenue, Suite 3400,<br>New York, NY 10017,<br>United States of America              | Investor pursuant to Deed of<br>Minority Investment |
| AlbaCore Capital LLP                                  | 10 Earlsfort Terrace, Dublin, D02 T380,<br>Ireland   | Investor pursuant to Deed of<br>Minority Investment |
| Canyon Capital<br>Advisors LLC                        | 2000 Avenue of the Stars, 11th Floor,<br>Los Angeles, CA 90067,<br>United States of America        | Investor pursuant to Deed of<br>Minority Investment |

In addition to the Ultra Directors (together with their close relatives and related trusts) and members of the Ultra Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Ultra are:

| <i>Name</i>             | <i>Address/Registered office</i>                      | <i>Relationship with Ultra</i>                          |
|-------------------------|---|---|
| J.P. Morgan<br>Cazenove | 25 Bank Street, London E14 5JP,<br>United Kingdom     | Lead Financial Adviser and<br>Corporate Broker to Ultra |
| Numis                   | 45 Gresham Street, London,<br>EC2V 7BF United Kingdom | Financial Adviser and<br>Corporate Broker to Ultra      |

### 14. No significant change

There has been no significant change in the financial or trading position of Ultra since 2 July 2021, being the date to which the latest interim financial information published by Ultra was prepared.

### 15. Consent

Each of Credit Suisse, Rothschild & Co, Morgan Stanley, Goldman Sachs, J.P. Morgan Cazenove and Numis has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included.

### 16. Documents incorporated by reference

- 16.1 Parts of other documents are incorporated by reference into, and form part of, this Document.
- 16.2 Part V (*Financial and Ratings Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.
- 16.3 A person who has received this Document may request a hard copy of such documents incorporated by reference. A copy of any such documents or information incorporated by

reference will not be sent to such persons unless requested, free of charge, 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 3842050. 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.

#### **17. Documents available for inspection**

Copies of the following documents will be available for viewing on Ultra's and Cobham's websites at [www.ultra.group](http://www.ultra.group) and [www.cobham.com](http://www.cobham.com) respectively by no later than 12:00 p.m. on the Business Day following the date of publication of this Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (A) this Document;
- (B) the Forms of Proxy;
- (C) the Virtual Meeting Guide;
- (D) the memorandum and articles of association of each of Ultra and Cobham;
- (E) a draft of the articles of association of Ultra as proposed to be amended at the General Meeting;
- (F) the 2.7 Announcement;
- (G) the financial information relating to Ultra referred to in Part A of Part V (*Financial and Ratings Information*) of this Document;
- (H) the financial information relating to Cobham referred to in Part C of Part V (*Financial and Ratings Information*) of this Document;
- (I) the written consents referred to in paragraph 15 of this Part VIII;
- (J) the material contracts referred to in paragraph 8 of this Part VIII entered into in connection with the Acquisition;
- (K) the Confidentiality Agreement;
- (L) the Cooperation Agreement;
- (M) the Clean Team Agreement;
- (N) the Joint Defence Agreement; and
- (O) copies of the irrevocable undertakings referred to in paragraph 5 of this Part VIII.

#### **18. Sources of information and bases of calculation**

In this Document, 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 73,269,960 Ultra Shares, calculated as
  - (a) 71,346,099 Ultra Shares in issue as at the Latest Practicable Date; plus
  - (b) 1,959,808 Ultra Shares which may be issued on or after the date of this Document pursuant to the Ultra Share Plans as at the Latest Practicable Date; less
  - (c) 35,947 Ultra Shares as at Latest Practicable Date 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 £2.58 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 who were on the register on 27 August 2021; and
  - (b) Ultra's fully diluted issued ordinary share capital of 73,269,960 Ultra Shares, as set out in paragraph 1 above.
- (3) The premium calculations to the price per Ultra Share used in this Document 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 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) £2.58 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; and (d) 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 Document have been subject to rounding adjustments.

## PART IX

### DEFINITIONS

|                                     |   |
|-------------------------------------|---|
| <b>“2.7 Announcement”</b>           | the announcement made by Cobham on 16 August 2021 of its firm intention to make a cash offer for Ultra;   |
| <b>“2019 Bidco”</b>                 | AI Convoy Bidco Limited;  |
| <b>“2019 Borrower”</b>              | AI Convoy (Luxembourg) S.à r.l.;  |
| <b>“2019 Cooperation Agreement”</b> | the cooperation agreement dated 25 July 2019 between 2019 Bidco, AIC and Cobham plc;  |
| <b>“2019 Topco”</b>                 | AI Convoy Holdco Limited (subsequently renamed Cobham Group Limited);   |
| <b>“2019 Ultra Annual Report”</b>   | the annual report and audited accounts of the Ultra Group for the 12 months ended 31 December 2019;   |
| <b>“2020 Ultra Annual Report”</b>   | the annual report and audited accounts of the Ultra Group for the 12 months ended 31 December 2020;   |
| <b>“Acquisition”</b>                | means the acquisition of the entire issued, and to be issued, share capital of Ultra by Cobham (other than Ultra Shares already held by or on behalf of 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; |
| <b>“AIC”</b>                        | Advent International Corporation;   |
| <b>“Advent”</b>                     | AIC and funds managed and/or advised by AIC;  |
| <b>“Advent Responsible Persons”</b> | David Mussafer, David McKenna and John Maldonado, being the persons whose names are set out in paragraph 2.4 of Part VIII ( <i>Additional Information on Ultra, Cobham, the Cobham Group and Advent</i> );  |
| <b>“Arrangers”</b>                  | Barclays Bank PLC, BNP Paribas SA, Credit Suisse International, Credit Suisse Loan Funding LLC, HSBC Bank PLC, Jefferies Finance LLC, Morgan Stanley International Limited, Royal Bank of Canada, Goldman Sachs Bank USA and UniCredit Bank AG;   |
| <b>“Articles of Association”</b>    | the articles of association of Ultra from time to time;   |
| <b>“associated undertaking”</b>     | shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations;  |
| <b>“Authorisations”</b>             | in relation to a Third Party, regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;   |
| <b>“Award”</b>                      | any award or option under a Ultra Share Plan;   |

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| <b>“Business Day”</b>                           | a day (other than a Saturday, Sunday or a public or bank holiday in the United Kingdom) on which clearing banks in London are generally open for normal business;  |
| <b>“certificated” or “in certificated form”</b> | a share or other security which is not in uncertificated form (that is, not in CREST);   |
| <b>“CGT”</b>                                    | UK capital gains tax;  |
| <b>“Clean Team Agreement”</b>                   | the clean team agreement entered into between Ultra and Cobham Limited on 23 August 2021 to regulate the terms on which only a selected group of individuals at AIC and Cobham Limited can access information that Ultra would consider “commercially sensitive” primarily for the purposes of integration planning;   |
| <b>“Clearances”</b>                             | has the meaning given to it in the Cooperation Agreement, namely, 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; |
| <b>“Closing Price”</b>                          | the closing middle market price of a Ultra Share as derived from the Daily Official List on any particular date;   |
| <b>“CMA”</b>                                    | the Competition and Markets Authority of the United Kingdom;   |
| <b>“Cobham”</b>                                 | Cobham Ultra Acquisitions Limited, a wholly-owned indirect subsidiary of Cobham Group Holdings;  |
| <b>“Cobham Board”</b>                           | the Cobham Directors acting together as the board of directors of Cobham;  |
| <b>“Cobham Directors”</b>                       | the directors of Cobham, whose names are set out in paragraph 2.2 of Part VIII ( <i>Additional Information on Ultra, Cobham, the Cobham Group and Advent</i> );  |
| <b>“Cobham Group”</b>                           | Cobham Group Holdings Limited and its subsidiary undertakings (including Cobham) and where the context permits, each of them;  |
| <b>“Cobham Group Holdings”</b>                  | Cobham Group Holdings, a company incorporated in the Cayman Islands with registered number MC-353292 and with its registered office address at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman;  |
| <b>“Cobham Group Responsible Person”</b>        | Michael Ristaino, being the person whose name is set out in paragraph 2.3 of Part VIII ( <i>Additional Information on Ultra, Cobham, the Cobham Group and Advent</i> );  |
| <b>“Cobham Share Plans”</b>                     | the Cobham Deferred Bonus Share Plan, the Cobham Executive Share Option Scheme 2004, the Cobham Long Term Incentive Plan, the Cobham plc Share Incentive Plan and the Cobham Savings-Related Share Option Scheme;  |
| <b>“Combined Group”</b>                         | the enlarged group following completion of the Acquisition, comprising the Cobham Group and the Ultra Group;   |
| <b>“Companies Act”</b>                          | the Companies Act 2006;  |

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| <b>“Conditions”</b>                  | the conditions to the implementation of the Acquisition (including the Scheme) which are set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;   |
| <b>“Confidentiality Agreement”</b>   | the confidentiality agreement entered into between Ultra, AIC and Cobham, dated 19 July 2021 as described in paragraph 13 of Part II ( <i>Explanatory Statement</i> ) of this Document;   |
| <b>“Consideration”</b>               | the consideration payable to Ultra Shareholders pursuant to the Acquisition, comprising £35.00 in cash per Ultra Share;   |
| <b>“Cooperation Agreement”</b>       | the cooperation agreement between Cobham, Cobham Group Holdings, AIC and Ultra dated 16 August 2021 as described in paragraph 13 of Part II ( <i>Explanatory Statement</i> ) of this Document;  |
| <b>“Court Meeting”</b>               | the meeting of Scheme Shareholders (and any adjournment, postponement or reconvening thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part X ( <i>Notice of Court Meeting</i> ) of this Document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, including any adjournment, postponement or reconvening thereof; |
| <b>“Court Order”</b>                 | the order of the Court sanctioning the Scheme under section 899 of the Companies Act;   |
| <b>“Court Sanction Date”</b>         | the date on which the Scheme is sanctioned by the Court;  |
| <b>“Court”</b>                       | the High Court of Justice in England and Wales;   |
| <b>“Credit Suisse”</b>               | Credit Suisse International;  |
| <b>“CREST Manual”</b>                | the CREST Manual published by Euroclear, as amended from time to time;  |
| <b>“CREST Regulations”</b>           | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));   |
| <b>“CREST”</b>                       | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);   |
| <b>“CSOP”</b>                        | means the Ultra Electronics Company Share Option Plan 2007;   |
| <b>“Daily Official List”</b>         | the daily official list of the London Stock Exchange;   |
| <b>“Dealing Disclosure”</b>          | an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;   |
| <b>“Deed of Minority Investment”</b> | a deed of minority investment dated 25 August 2021 from the PIK Lenders to Holdco and Luxco;  |
| <b>“Disclosed”</b>                   | the information (i) disclosed by, or on behalf of Ultra in the 2020 Ultra Annual Report; (ii) disclosed by or on behalf of Ultra in the interim results announcement for the six-month period to 2 July 2021; (iii) disclosed by, or on behalf of Ultra in the 2.7 Announcement, (iv) fairly prior to the date of the 2.7   |



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|   | 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; (v) as otherwise publicly announced by Ultra prior to the date of the 2.7 Announcement (by the delivery of an announcement to a Regulatory Information Service);   |
| <b>“Disclosure Guidance and Transparency Rules”</b> | the disclosure guidance and transparency rules of the FCA made under section 73A of FSMA and forming part of the FCA’s Handbook of rules and guidance, as amended from time to time;   |
| <b>“Disclosure Period”</b>                          | the period commencing on 25 June 2020 (being the date 12 months prior to the start of the Offer Period) and ending on the Latest Practicable Date;   |
| <b>“Document”</b>                                   | this Document dated 8 September 2021 addressed to Ultra Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;   |
| <b>“EEA Agreement”</b>                              | has the meaning given in Condition 3(B) set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;   |
| <b>“Effective Date”</b>                             | the date on which the Acquisition becomes Effective;   |
| <b>“Effective”</b>                                  | in the context of the Acquisition: <ul style="list-style-type: none"> <li>(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(ii) if the Acquisition is implemented by way of the Takeover Offer (with the Panel’s consent and subject to and in accordance with the terms of the Cooperation Agreement), the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code;</li> </ul> |
| <b>“EFTA State”</b>                                 | one of the member states of the European Free Trade Association from time to time;   |
| <b>“Equity Commitment Letter”</b>                   | an equity commitment letter dated 16 August 2021 from the Advent Funds addressed to Cobham;  |
| <b>“ESOS”</b>                                       | means the Ultra Electronics Executive Share Options Scheme 2007;   |
| <b>“EU Member State”</b>                            | one of the member states of the European Union from time to time;  |
| <b>“EUMR”</b>                                       | Council Regulation (EC) 139/2004/EC;   |
| <b>“Euroclear”</b>                                  | Euroclear UK & Ireland Limited;  |
| <b>“Excluded Shares”</b>                            | any Ultra Shares which are: <ul style="list-style-type: none"> <li>(i) registered in the name of or beneficially owned by: <ul style="list-style-type: none"> <li>(1) Cobham and/or any member of the Cobham Group;</li> <li>(2) AIC and funds managed by AIC and/or any of their respective subsidiaries and subsidiary undertakings; and/or</li> <li>(3) any nominee of the foregoing; or</li> </ul> </li> <li>(ii) held in treasury,</li> </ul>   |

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|   | in each case, immediately prior to the Scheme Record Time;  |
| <b>“Executive Directors”</b>            | the executive directors of Ultra as at the date of this Document and <b>“Executive Director”</b> means any one of them;   |
| <b>“Explanatory Statement”</b>          | the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this Document;  |
| <b>“FATA”</b>                           | the Foreign Acquisitions and Takeovers Act 1975 (Cth);  |
| <b>“FCA Handbook”</b>                   | the FCA’s Handbook of rules and guidance as amended from time to time;  |
| <b>“FCA”</b>                            | the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA, or its successor from time to time;  |
| <b>“Fitch”</b>                          | Fitch Ratings, Inc.;  |
| <b>“Form(s) of Proxy”</b>               | either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and/or the YELLOW Form of Proxy in relation to the General Meeting;  |
| <b>“FSMA”</b>                           | the Financial Services and Markets Act 2000;  |
| <b>“General Meeting”</b>                | the general meeting of Ultra Shareholders, convened by the notice set out in Part XI ( <i>Notice of General Meeting</i> ) of this Document, including any adjournment, postponement or reconvening thereof, for the purposes of considering and, if thought fit, approving the Special Resolution;      |
| <b>“Goldman Sachs”</b>                  | Goldman Sachs International;  |
| <b>“Groups”</b>                         | the Cobham Group and the Ultra Group;   |
| <b>“H1 2021 Ultra Interim Results”</b>  | the interim results of the Ultra Group for the half year ended 2 July 2021;   |
| <b>“HM Government”</b>                  | the government of the United Kingdom of Great Britain and Northern Ireland;   |
| <b>“HMRC”</b>                           | Her Majesty’s Revenue and Customs or its successor from time to time;   |
| <b>“Holdco”</b>                         | Cobham Group Holdings Limited;  |
| <b>“holder”</b>                         | a registered holder and includes any person(s) entitled by transmission;  |
| <b>“International SAYE”</b>             | means the Ultra Electronics International Savings Related Share Option Scheme 2007;   |
| <b>“Interim Dividend”</b>               | has the meaning given to it in paragraph 2 of Part I ( <i>Letter from the Chairman of Ultra</i> ) of this Document;   |
| <b>“Interim Facilities Agreements”</b>  | the Interim Senior Facilities Agreement and the Interim PIK Facility Agreement;   |
| <b>“Interim PIK Facility Agreement”</b> | the interim facility agreement dated 13 August 2021, incorporating an interim term facility in an aggregate principal amount equal to £315,000,000, entered into between, among others, Cobham PikCo S.à r.l. (as borrower), the Interim PIK Lenders (as interim lenders), HSBC Bank PLC as interim PIK |

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|  | facility agent and HSBC Corporate Trustee Company (UK Limited) as interim PIK security agent;   |
| <b>“Interim Senior Facilities Agreement”</b> | the interim facilities agreement dated 13 August 2021, incorporating (i) interim term facilities in an aggregate principal amount equal to £1,355,000,000; and (ii) an interim multicurrency revolving facility in an aggregate amount equal to £190,000,000, entered into between, among others, Cobham Ultra SeniorCo S.à r.l. (as borrower), the Interim Senior Lenders and the Interim SUN Lenders (as interim lenders) and Credit Suisse AG, Cayman Islands Branch (as interim facility agent and interim security agent);   |
| <b>“Interim PIK Lenders”</b>                 | WSSS Investments O, S.à r.l., WSSS Investments P, S.à r.l., WSSS (C) Investments O, S.à r.l., WSSS Investments G, S.à r.l., WSSS Investments S, S.à r.l., WSSS Investments D, S.à r.l., Broad Street Credit Holdings Europe S.à r.l., WSSS (CT) Investments O, S.à r.l., Carlyle Credit Opportunities Fund II, L.P., Carlyle Credit Opportunities fund (Parallel) II, SCSP, Carlyle Global Credit Investment Management L.L.C., KKR-BARMENIA EDL DAC, KKR EDL II (EUR) DAC, KKR EDL II (USD) DAC, KKR-DUS EDL Designated Activity Company, KKR DAF Direct Lending Fund DAC, FS KKR Capital Corp, KKR Credit Opportunities Portfolio, Canyon Global Funding LP and Albacore Partners III Investment Holdings Loan Origination Designated Activity Company; |
| <b>“Interim Senior Lenders”</b>              | Barclays Bank PLC, BNP Paribas SA, BNP Paribas Fortis SA/NV, Credit Suisse International, Credit Suisse AG, Cayman Islands Branch, HSBC Bank PLC, Jefferies Finance LLC, Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, Goldman Sachs Bank USA, UniCredit Bank AG, Lloyds Bank plc, National Westminster Bank plc, NatWest Markets plc and Sumitomo Mitsui Banking Corporation, London Branch;  |
| <b>“Interim SUN Lenders”</b>                 | WSSS Investments O, S.à r.l., WSSS Investments P, S.à r.l., WSSS (C) Investments O, S.à r.l., WSSS Investments G, S.à r.l., WSSS Investments S, S.à r.l., WSSS Investments D, S.à r.l., Broad Street Credit Holdings Europe S.à r.l., WSSS (CT) Investments O, S.à r.l., Carlyle Credit Opportunities Fund II, L.P., Carlyle Credit Opportunities fund (Parallel) II, SCSP, Carlyle Global Credit Investment Management L.L.C., KKR-BARMENIA EDL DAC, KKR EDL II (EUR) DAC, KKR EDL II (USD) DAC, KKR-DUS EDL Designated Activity Company, KKR DAF Direct Lending Fund DAC, FS KKR Capital Corp, KKR Credit Opportunities Portfolio and Canyon Global Funding LP;   |
| <b>“Joint Defence Agreement”</b>             | 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 13 of Part II ( <i>Explanatory Statement</i> ) of this Document;  |
| <b>“J.P. Morgan Cazenove”</b>                | J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), as Lead Financial Adviser to Ultra;   |
| <b>“Latest Practicable Date”</b>             | close of business on 6 September 2021, being the latest practicable date before publication of this Document;   |
| <b>“Listing Rules”</b>                       | the listing rules, made by the FCA under Part 6 FSMA, as amended from time to time;   |

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| <b>“London Stock Exchange”</b>       | the London Stock Exchange plc or its successor;   |
| <b>“Longstop Date”</b>               | 5 August 2022, or such later date as may be agreed in writing between Cobham and Ultra (with the Panel’s consent and as the Court may approve (if such approval(s) is/are required));   |
| <b>“LTIP”</b>                        | means the Ultra Electronics Long Term Incentive Plan 2017;  |
| <b>“Luxco”</b>                       | Cobham Ultra 1 & Cy S.C.A.;   |
| <b>“Market Abuse Regulation”</b>     | the retained EU law version of Regulation (EU) No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;  |
| <b>“Meeting”</b>                     | the Court Meeting and/or the General Meeting, as the case may be;   |
| <b>“Memorandum of Understanding”</b> | as described in paragraph 8 of Part I ( <i>Letter from the Chairman of Ultra</i> ) of this Document;  |
| <b>“Moody’s”</b>                     | Moody’s Investor Services, Inc.;  |
| <b>“Morgan Stanley”</b>              | Morgan Stanley & Co. International plc;   |
| <b>“New Group”</b>                   | Luxco and its subsidiaries, including, following the Scheme becoming Effective, the Ultra Group;  |
| <b>“NS&amp;I Act”</b>                | the National Security and Investment Act 2021, together with its secondary legislation, associated regulatory rules and any legislation amending, augmenting or replacing the same from time to time;   |
| <b>“Numis”</b>                       | Numis Securities Limited, Financial Adviser and Corporate Broker to Ultra;  |
| <b>“Offer Period”</b>                | the offer period (as defined in the Takeover Code) relating to Ultra, which commenced on 25 June 2021, and ending on the earlier of the date on which it is announced that the Scheme has become Effective and/or the date on which it is announced that the Scheme has lapsed or has been withdrawn (or such other date as the Takeover Code may provide or the Panel may decide); |
| <b>“Official List”</b>               | the Official List maintained by the FCA pursuant to Part 6 of FSMA;   |
| <b>“Opening Position Disclosure”</b> | has the same meaning as in Rule 8 of the Takeover Code;   |
| <b>“Overseas Shareholders”</b>       | Ultra Shareholders (or nominees of, or custodians or trustees for Ultra Shareholders) who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;  |
| <b>“Panel”</b>                       | the Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;   |
| <b>“Pension Framework Agreement”</b> | the pension framework agreement dated 14 January 2020 between Topco and the trustees of the occupational defined benefit pension scheme known as the “Cobham Pension Plan”;   |
| <b>“PIK Lenders”</b>                 | KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) Unlimited Company, CCOF II Master, L.P., Albacore Capital LLP and Canyon Capital Advisors LLC;  |
| <b>“PRA”</b>                         | the Prudential Regulation Authority or its successor from time to time;   |

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| <b>“Registrar of Companies”</b>                       | the Registrar of Companies in England and Wales;   |
| <b>“Registrar” or “Receiving Agent” or “Equiniti”</b> | Equiniti Limited;  |
| <b>“Regulatory Conditions”</b>                        | means Conditions 3, 4 and 5 set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;   |
| <b>“Regulatory Information Service”</b>               | any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;   |
| <b>“Relevant Authority”</b>                           | has the meaning given to it in the Cooperation Agreement, namely, 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, Department for Business, Energy and Industrial Strategy of the UK government and any relevant Secretary of State; |
| <b>“Remedy” or “Remedies”</b>                         | has the meaning given to it in the Cooperation Agreement, namely, 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;  |
| <b>“Restricted Jurisdiction”</b>                      | 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;  |
| <b>“Rothschild &amp; Co”</b>                          | N.M. Rothschild & Sons Limited;  |
| <b>“SAYE”</b>   | means the Ultra Electronics Savings Related Share Option Scheme 2007;  |
| <b>“Scheme Court Hearing”</b>                         | the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act and any adjournment, postponement or reconvening thereof;   |
| <b>“Scheme Record Time”</b>                           | 6:00 p.m. on the Business Day immediately following the date on which the Court makes the Court Order or such other time as Ultra and Cobham may agree;  |
| <b>“Scheme Shareholders”</b>                          | The holders of Scheme Shares;  |
| <b>“Scheme Shares”</b>                                | the Ultra Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme;</li> <li>(ii) (if any) issued after the date of this Document and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time either on terms that the</li> </ul>   |

original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme,

in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares;

**“Scheme” or “Scheme of Arrangement”**

the proposed scheme of arrangement under Part 26 of the Companies Act between Ultra and holders of Scheme Shares, as set out in Part IV (*The Scheme of Arrangement*) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Ultra and Cobham;

**“Scheme Voting Record Time”**

the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined;

**“SEC”**

the US Securities and Exchange Commission;

**“SIP”**

means the Ultra Electronics Share Incentive Plan;

**“Special Resolution”**

the special resolution to be approved at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of the Articles of Association of Ultra 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 (or as it may direct) (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) and such other matters as may be necessary to implement the Scheme and the delisting of Ultra Shares;

**“Standard & Poor’s”**

Standard & Poor’s Financial Services LLC;

**“subsidiary”, “subsidiary undertaking” and “undertaking”**

shall be construed in accordance with the Companies Act;

**“Takeover Code”**

The City Code on Takeovers and Mergers, as amended from time to time;

**“Takeover Offer”**

if (subject to the consent of the Panel and subject to and in accordance with 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 29 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 to be set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);

**“Third Party”**

a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;

**“treasury shares”**

any ordinary shares of Ultra held by Ultra as treasury shares;



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| <b>“Trustee”</b>                                    | the trustee of the UK DB Pension Scheme;  |
| <b>“UK DB Pension Scheme”</b>                       | the pension scheme known as the Ultra Electronics Pension Scheme operated under a definitive trust deed and rules dated 29 July 2021, referred to in paragraph 8 of Part I ( <i>Letter from the Chairman of Ultra</i> ) of this Document;                                   |
| <b>“UK” or “United Kingdom”</b>                     | the United Kingdom of Great Britain and Northern Ireland;   |
| <b>“Ultra Board”</b>                                | the Ultra Directors acting together as the board of directors of Ultra;   |
| <b>“Ultra Directors”</b>                            | the directors of Ultra, whose names are set out in paragraph 2.1 of Part VIII ( <i>Additional Information on Ultra and Cobham</i> ) of this Document;   |
| <b>“Ultra Group”</b>                                | Ultra and its subsidiaries and subsidiary undertakings and, where the context permits, each of them;  |
| <b>“Ultra Share Plans”</b>                          | the means each of the CSOP, ESOS, LTIP, SIP, SAYE and International SAYE;   |
| <b>“Ultra Share(s)”</b>                             | ordinary shares of 5 pence each in the capital of Ultra, but excluding any such shares held or which become held in treasury;   |
| <b>“Ultra Shareholders”</b>                         | the holders of Ultra Shares from time to time;  |
| <b>“Ultra” or “Company”</b>                         | Ultra Electronics Holdings plc, a company incorporated in England and Wales with registered number 02830397;  |
| <b>“uncertificated” or “in uncertificated form”</b> | a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;   |
| <b>“US Exchange Act”</b>                            | the US Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;  |
| <b>“US Ultra Shareholder”</b>                       | an Ultra Shareholder resident or located in the United States of America;   |
| <b>“US Securities Act”</b>                          | the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;  |
| <b>“US” or “United States”</b>                      | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;  |
| <b>“Virtual Meeting Guide”</b>                      | the guide prepared by Lumi explaining how Scheme Shareholders and Ultra Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform;  |
| <b>“Virtual Meeting Platform”</b>                   | the Lumi virtual meeting platform;  |
| <b>“Voting Record Time”</b>                         | 6:30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6:30 p.m. on the day which is two Business Days before the date of such adjourned Meeting; |
| <b>“Wider Ultra Group”</b>                          | Ultra and the subsidiaries and subsidiary undertakings of Ultra and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Ultra  |

Group and any such undertakings (aggregating their interests) have a Substantial Interest); and

**“Wider Cobham Group”**

Cobham and the subsidiaries and subsidiary undertakings of Cobham and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Cobham Group and any such undertakings (aggregating their interests) have a Substantial Interest).

For the purposes of this Document:

- “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” have the meanings given by the Companies Act;
- 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 the 2.7 Announcement;
- all references to “£”, “GBP”, “pence” and “p” are to the lawful currency of the United Kingdom;
- references to the singular include the plural and vice versa; and
- all times referred to are London time unless otherwise stated.

## PART X

### NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR--2021-001390

#### IN THE MATTER OF ULTRA ELECTRONICS HOLDINGS PLC

and

#### IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 6 September 2021 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme (defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Companies Act**”) between Ultra Electronics Holdings PLC (the “**Company**”) and the holders of Scheme Shares (the “**Scheme**”) and that such meeting will be held at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH at 11.00 a.m. on 4 October 2021.

A copy of the Scheme and a copy of the explanatory statement required to be published pursuant to section 897 of the Companies Act are incorporated in the Document of which this notice forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the Document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

#### **COVID-19 Restrictions**

Whilst COVID-19 restrictions have been lifted as at the date of publication of this notice, the COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders will be permitted to attend, ask questions and/or raise any objections and vote at the Court Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the Court Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Court Meeting, that proxy may not be permitted to attend the Court Meeting in person (but will be able to remotely attend, ask questions and/or raise any objections and vote at the Court Meeting via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide).

In addition to being able to attend, ask questions and/or raise any objections and vote at the Court Meeting in person, Scheme Shareholders will also be able to attend, ask questions and/or raise any objections and vote at the Court Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide.

Any changes to the arrangements for the Court Meeting will be communicated to you before the Meetings, including through Ultra’s website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

All references in this notice to “attend” and “vote” or “attending” and “voting” in the context of the Meetings include remote attendance via the Virtual Meeting Platform and voting by proxy or remotely via the Virtual Meeting Platform respectively.

#### ***Instructions for accessing the Virtual Meeting Platform***

As noted above, in addition to being able to attend, ask questions and/or raise any objections and vote at the Court Meeting in person, Scheme Shareholders will be given the opportunity to remotely attend,

ask questions, raise any objections and/or vote at the Court Meeting via the Virtual Meeting Platform provided by Lumi.

Scheme Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To remotely attend, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 141-231-087. You will then be prompted to enter your unique shareholder reference number (“**SRN**”) and PIN. These can be found printed on your proxy form. If you are unable to access your SRN or PIN please contact the Company’s Registrar, Equiniti, by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the Court Meeting via the website will be available from 10:30 a.m. on 4 October 2021, as further detailed below. However, voting functionality will not be enabled until the Chairman of the Court Meeting declares the poll open. Scheme Shareholders will be permitted to ask questions (via the Virtual Meeting Platform) during the course of the Court Meeting. Scheme Shareholders can use the same function to raise any objections they may have to the Scheme. Scheme Shareholders may also submit questions to be considered at the Court Meeting at any time up to 48 hours before the Court Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com).

The Chairman of the Court Meeting will ensure that all such questions and/or any objections relating to the formal business of the Court Meeting are addressed during the Court Meeting, unless no response is required to be provided under the Companies Act or the Company’s Articles of Association, including if the provision of a response would, at the Chair’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Court Meeting.

**During the Court Meeting, Scheme Shareholders must ensure that they are connected to the internet at all times in order to submit written questions and/or raise any objections and vote when the Chairman commences polling. Therefore, it is the responsibility of each Scheme Shareholder to ensure their connectivity for the duration of the Court Meeting via their wireless or other internet connection.** The Virtual Meeting Guide contains further information on remotely accessing and participating in the Meeting via the Virtual Meeting Platform, <https://web.lumiagm.com> and is available on Ultra’s website at [www.ultra.group](http://www.ultra.group).

If you wish to appoint a proxy and for the proxy to attend the virtual meeting on your behalf, please contact Equiniti by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

If your shares are held within a nominee and you wish to access the electronic meeting, you will need to contact your nominee immediately. Duly appointed proxies and corporate representatives should e-mail a scanned copy of their letter of representation and shareholder reference number to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) by no later than 48 hours before the start of the Court Meeting in order to obtain a unique username and PIN to use to access the electronic meeting.

### **Right to Appoint a Proxy; Procedure for Appointment**

Voting at the Court Meeting will be by poll. Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST) set out below.

The completion and return of the BLUE Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent you from attending and voting at the Court Meeting (in person or remotely via the Virtual Meeting Platform) if you are entitled to and wish to do so.

(a) ***Sending BLUE Form of Proxy by post***

A BLUE Form of Proxy, for use at the Court Meeting, has been provided with this notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, by post to Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and ideally not later than 11.00a.m. on 30 September 2021 (or, in the case of an adjournment of the Court Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(b) ***Online appointment of proxies***

As an alternative to completing and returning the printed BLUE Form of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting (as set out in paragraph (a) above) or any adjournment thereof. If the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(c) ***Electronic appointment of proxies through CREST***

If you hold Ultra Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting (as set out in (a) above or any adjournment thereof). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If the CREST proxy appointment or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any

particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Ultra may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **Voting Record Time**

Entitlement to attend and vote (in person, remotely (via the Virtual Meeting Platform) or by proxy) at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6:30 p.m. on 30 September 2021 or, if the Court Meeting is adjourned, 6:30 p.m. on the date which is two Business Days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote (in person, remotely (via the Virtual Meeting Platform) or by proxy) at the Court Meeting.

### **Joint Holders**

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

### **Corporate Representatives**

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Tony Rice or, failing him, Simon Pryce, or failing him, any other Ultra Director to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 8 September 2021

Slaughter and May  
One Bunhill Row  
London EC1Y 8YY  
*Solicitors for the Company*

### **Nominated Persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.



## PART XI

### NOTICE OF GENERAL MEETING

#### ULTRA ELECTRONICS HOLDINGS PLC

Notice is hereby given that a general meeting of Ultra Electronics Holdings PLC (the “**Company**”) will be held at The Hyatt Regency London, The Churchill, 30 Portman Square, London W1H 7BH, at 11.15 a.m. on 4 October 2021 (or as soon thereafter as the Court Meeting (as defined in Part IX (*Definitions*) of the Document of which this notice forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the Document of which this notice forms part.

#### SPECIAL RESOLUTION

THAT:

- (A) for the purpose of giving effect to the scheme of arrangement dated 8 September 2021 (as amended or supplemented) (the “**Scheme**”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Cobham Ultra Acquisitions Limited and approved or imposed by the High Court of Justice of England and Wales, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 170:

#### “**Scheme of Arrangement**”

- (a) In this article 170, references to the “**Scheme**” are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 8 September 2021 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company, Cobham Ultra Acquisitions Limited (“**Cobham**”)) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.
- (b) Notwithstanding any other provisions in these articles, if the Company issues or transfers out of treasury any Ultra Shares (other than to Cobham, any subsidiary of Cobham, any parent undertaking of Cobham or any subsidiary of such parent undertaking, or any nominee of Cobham (each a “**Cobham Company**”)) on or after the date of the adoption of this article 170 and prior to the Scheme Record Time (as defined in the Scheme) such Ultra Shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original holder or subsequent holders of such Ultra Shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these articles, subject to the Scheme becoming Effective, any shares issued, transferred out of treasury or transferred pursuant to article 170(d) below, to any person (other than a Cobham Company or its nominee(s)) at or after the Scheme Record Time (a “**New Member**”) (each a “**Post-Scheme Share**”) shall be issued or transferred on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of articles 170(d) and 170(e) below)), be immediately transferred to Cobham (or such person as it may direct) (the “**Purchaser**”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Cobham to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to

which a New Member would have been entitled pursuant to the Scheme becoming Effective had such Post-Scheme Share been a Scheme Share.

- (d) Any person who is beneficially entitled to shares issued or transferred to a New Member (other than, for the avoidance of doubt, a person who becomes beneficially entitled to shares by virtue of a transfer pursuant to this article 170(d)) may, prior to the issue or transfer of Post-Scheme Shares to the New Member pursuant to the exercise of an option or satisfaction of an award under one of the Ultra Share Plans (as defined in the Scheme), give not less than two Business Days' written notice to the Company in such manner as the board shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on or before such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner beneficial ownership of any such Post-Scheme Shares, provided that such Post-Scheme Shares (including both legal and beneficial ownership thereof) will then be immediately transferred to the Purchaser pursuant to article 170(c) above. If notice has been validly given pursuant to this article 170(d) but the beneficial owner does not immediately transfer to his or her spouse or civil partner, both the legal and beneficial ownership of the Post-Scheme Shares in respect of which notice was given will be transferred to the Purchaser and/or its nominee(s) pursuant to article 170(c) above. If notice is not given pursuant to this article 170(d), both the legal and beneficial ownership of the Post-Scheme Shares will be immediately transferred to the Purchaser pursuant to article 170(c) above.
- (e) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under article 170(c) shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this article to Ultra Shares shall, following such adjustment, be construed accordingly.
- (f) To give effect to any transfer of Post-Scheme Shares required pursuant to article 170(c) and/or 170(d), the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to article 170(c) above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- (g) If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 6(B) of the Scheme, this article 170 shall cease to be of any effect.

- (h) Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme.”

8 September 2021

*By Order of the Board*

**Louise Ruppel**  
*Group General Counsel and Company Secretary*

*Registered Office:*  
35 Portman Square  
London  
United Kingdom  
W1H 6LR

Registered in England and Wales No. 02830397

**Notes:**

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf. The General Meeting is being held as a simultaneous physical and electronic Meeting. The nature of business of the General Meeting is to consider and, if thought fit, pass the Special Resolution.

**1. Special Resolution**

In order for the Special Resolution above to be passed, not less than 75% of the votes cast by those entitled to vote must be in favour in order to pass the resolution as a Special Resolution.

**2. Attendance at the Meeting**

Whilst COVID-19 restrictions have been lifted as at the date of publication of this notice, the COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings. As such, while Ultra Shareholders will be permitted to attend, ask questions and vote at the General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Ultra Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person (but will be able to remotely attend, ask questions and vote at the relevant Meeting via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide).

In addition to being able to attend, ask questions and vote at the General Meeting in person, Ultra Shareholders will also be able to attend, ask questions and/or vote at the General Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide.

Any changes to the arrangements for the General Meeting will be communicated to Ultra Shareholders before the Meetings, including through Ultra’s website [www.ultra.group](http://www.ultra.group) and by announcement through a Regulatory Information Service.

All references in this notice to “attend” and “vote” or “attending” and “voting” in the context of the Meetings include remote attendance via the Virtual Meeting Platform and voting by proxy or remotely via the Virtual Meeting Platform respectively.

**3. Instructions for accessing the Virtual Meeting Platform**

As noted above, in addition to being able to attend, ask questions and/ and vote at the General Meeting in person, Ultra Shareholders will be given the opportunity to remotely attend, ask questions and vote at the General Meeting via the Virtual Meeting Platform provided by Lumi. Ultra Shareholders may also submit questions to be considered at the General Meeting at any time up to 48 hours before the General Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com).

Ultra Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To remotely attend, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 141-231-087. You will then be prompted to enter your unique shareholder reference number (“**SRN**”) and PIN. These can be found printed on your proxy form. If you are unable to access your SRN or PIN please contact the Company’s Registrar, Equiniti, by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the General Meeting via the website will be available from 10:30 a.m. on 4 October 2021, as further detailed below. However, voting functionality will not be enabled until the Chairman of the General Meeting declares the poll open. Ultra Shareholders will be permitted to ask questions (via the Virtual Meeting Platform) during the course of the General Meeting. Ultra Shareholders may also submit questions to be considered at the General Meeting at any time up to 48 hours before the Court Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com).

The Chairman of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

**During the General Meeting, Ultra Shareholders must ensure that they are connected to the internet at all times in order to submit written questions and vote when the Chairman commences polling. Therefore, it is the responsibility of each Ultra Shareholder to ensure their connectivity for the duration of the General Meeting via their wireless or other internet connection.** The Virtual Meeting Guide contains further information on remotely accessing and participating in the Meeting via the Virtual Meeting Platform, <https://web.lumiagm.com> and is available on Ultra's website at [www.ultra.group](http://www.ultra.group).

If you wish to appoint a proxy and for the proxy to attend the virtual meeting on your behalf, please contact Equiniti by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:00 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

If your shares are held within a nominee and you wish to access the electronic meeting, you will need to contact your nominee immediately. Duly appointed proxies and corporate representatives should e-mail a scanned copy of their letter of representation and shareholder reference number to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) by no later than 48 hours before the start of the General Meeting in order to obtain a unique username and PIN to use to access the electronic meeting.

#### **4. Entitlement to attend and vote**

Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members registered on the register of members of the Company at 6:30 p.m. on 30 September 2021 (the "**Voting Record Time**") (or, if the meeting is adjourned to a time more than 48 hours after the Voting Record Time, by 6:30 p.m. on the day which is two Business Days prior to the time of the adjourned meeting) shall be entitled to attend and vote (in person, remotely (via the Virtual Meeting Platform) or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

#### **5. Appointment of proxies**

Ultra Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, online, or electronically through CREST) set out below. In particular, given the ongoing uncertainty regarding the ongoing COVID-19 situation, Ultra Shareholders are encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person (but will be able to remotely attend, ask questions and vote at the General Meeting via the Virtual Meeting Platform).

A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they should contact Equiniti for further YELLOW forms of proxy or photocopy the YELLOW Form of Proxy as required.

The completion and return of the YELLOW Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent Ultra Shareholders from attending and voting at the General Meeting (in person or remotely, via the Virtual Meeting Platform) if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force).

##### **(a) Sending YELLOW Form of Proxy by post**

A YELLOW Form of Proxy, for use at the General Meeting, has been provided with this notice. Instructions for its use are set out on the form. It is requested that the YELLOW Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, by post to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and in any event not later than 11.15 a.m. on 30 September 2021 (or, in the case of an adjournment of the General Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

(b) **Online appointment of proxies**

As an alternative to completing and returning the printed YELLOW Form of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting (as set out in paragraph (a) above) or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

(c) **Electronic appointment of proxies through CREST**

If you hold Ultra Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting (as set out in paragraph (a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Ultra may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

**6. Appointment of a proxy by joint holders**

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

**7. Corporate representatives**

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares: if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and in other cases, the power is treated as not exercised.

**8. Votes to be taken by a poll and results**

At the General Meeting voting on the Special Resolution will be by poll. The results of the polls will be announced through a Regulatory Information Service and published on the Company's website as soon as reasonably practicable following the conclusion of the General Meeting.

The 'Withheld' option on the YELLOW Form of Proxy is provided to enable Ultra Shareholders to abstain from voting on the Special Resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of proportion of votes 'For' and 'Against' the Special Resolution.

**9. Nominated persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.



#### **10. Website providing information regarding the General Meeting**

Information regarding the General Meeting, including information required by section 311A of the Companies Act, and a copy of this Notice may be found on Ultra's website at: [www.ultra.group](http://www.ultra.group).

#### **11. Issued share capital and total voting rights**

As at 6 September 2021 (being the last Business Day prior to the publication of this notice) the Company's issued share capital consisted of 71,346,099 ordinary shares of 5 pence each, carrying one vote each (there are currently no shares held in treasury). Therefore, the total voting rights in the Company as at 6 September 2021 were 71,346,099 votes.

#### **12. Further questions and communication**

Under section 319(a) of the Companies Act, any shareholder attending the General Meeting has the right to ask questions. As set out above, Ultra Shareholders, if attending in person, will be permitted to ask questions at the General Meeting (subject to the applicable COVID-19 restrictions then in force).

If Ultra Shareholders choose to attend remotely, they will be permitted to ask questions and also submit written questions (via the Virtual Meeting Platform) during the course of the General Meeting.

Ultra Shareholders may also submit questions to be considered at the General Meeting at any time up to 48 hours before the General Meeting by emailing [investor.relations@ultra-electronics.com](mailto:investor.relations@ultra-electronics.com). The Chairman of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chair's discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

Ultra Shareholders who have any queries about the General Meeting should contact the Shareholder Helpline operated by Equiniti, the Company's Registrar, on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8:30 a.m. and 5:30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Ultra Shareholders may not use any electronic address or fax number provided in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communications, including the lodgement of any electronic proxy form, received by the Company, or its agents, that is found to contain any virus will not be accepted.



**APPENDIX 1**

**OPINION OF THE TRUSTEE OF THE UK DB PENSION SCHEME IN RELATION  
TO THE PROPOSED ACQUISITION**

## **Opinion of the Trustee of the UK DB Pension Scheme in relation to the proposed Acquisition**

### **Introduction**

Under the Takeover Code, the trustee directors of Ultra Electronics Pension Trustee Company Limited (as Trustee of the UK DB Pension Scheme) are entitled to provide an opinion on the effects of the Acquisition on the UK DB Pension Scheme, published in this Document to Ultra Shareholders concerning the Acquisition.

For the avoidance of doubt, this opinion relates to the effects of the Acquisition on the UK DB Pension Scheme only and does not constitute a recommendation as to the Acquisition.

This opinion does not consider the personal and individual circumstances of recipients and neither the Trustee nor its advisers intend to provide any legal, tax, investment or other advice. Any vote in favour of the Acquisition should be based on an assessment of the Acquisition as a whole. You should undertake your own analysis of the Acquisition and seek independent advice as appropriate.

This opinion is set out below.

### **Overview of the Trustee's role**

Ultra Electronics Limited ("**UEL**"), registered under company number 2830644 and a wholly owned subsidiary of Ultra, is the principal employer of the UK DB Pension Scheme; and Ultra also participates in the UK DB Pension Scheme. The UK DB Pension Scheme is closed to accrual of new benefits.

In the ordinary course of events, the primary legal obligations of the Trustee are to administer the UK DB Pension Scheme in accordance with its governing provisions and all applicable statutory and regulatory requirements; to ensure that the UK DB Pension Scheme is appropriately funded and invested; and to exercise its powers and discretions to further the objects of the UK DB Pension Scheme.

In the context of the Acquisition, the Trustee's duty is to assess the implications of the Acquisition on the UK DB Pension Scheme, including any impact on the strength of the employer covenant provided to the UK DB Pension Scheme by its principal and participating employers (the "**Employer Covenant**").

An important focus for the Trustee is therefore to assess the impact which the Acquisition will have on the Employer Covenant supporting the UK DB Pension Scheme. However, the Trustee has no role in approving the Acquisition, or any specific legal rights to enforce in respect of the Acquisition itself.

In assessing the impact of the Acquisition on the UK DB Pension Scheme, the Trustee has to take into account the current funding position and length of time over which UEL and Ultra (together referred to as "Ultra" below) have agreed to meet the deficit and the current investment strategy. In particular, the Trustee notes the proposal to fund the Acquisition with approximately 50% equity and 50% debt, and so has taken specific advice and steps to identify

the impact of Ultra’s increased debt profile on the Employer Covenant supporting the UK DB Pension Scheme.

With this in mind, the Trustee has had discussions with Cobham, with the aim of ensuring that the Acquisition results in a satisfactory outcome for the UK DB Pension Scheme.

**Steps taken by the Trustee to date to assess the impact on the Employer Covenant**

Since the Trustee was first informed of the proposed Acquisition in July 2021, it has:

- engaged its professional advisers (Lincoln Pensions Limited (covenant), Eversheds Sutherland (legal) and XPS (actuarial)) to assist in understanding all the relevant aspects of the Acquisition, both pre and post completion;
- received advice from Lincoln Pensions Limited, regarding the information Lincoln would need, from Ultra, Cobham and the Trustee, in order to advise the Trustee fully on the potential Employer Covenant implications of the Acquisition;
- lodged any necessary requests for information with the relevant parties and received the requested information;
- met on multiple occasions to consider the implications of the Acquisition on the UK DB Pension Scheme;
- discussed with Cobham its plans in respect of Ultra’s business, to better understand the potential impact of the Acquisition on the Employer Covenant;
- discussed with Ultra management the potential implications of the Acquisition on the Employer Covenant;
- liaised with the Pensions Regulator on the proposed Acquisition, and has kept the Pensions Regulator informed of any significant issues;
- entered into a legally binding Memorandum of Understanding with Cobham - details of which are set out below;
- provided updates to UK DB Pension Scheme members; and
- liaised with its advisers in preparing this Trustee opinion.

**Implications of the Acquisition for the UK DB Pension Scheme**

The latest actuarial valuation was as at 5 April 2019, with annual updates as at 5 April 2020 and 5 April 2021. The results of these valuations are shown below.

|             | Actuarial Valuation at 5 April 2019 | Update at 5 April 2020 | Update at 5 April 2021 |
|-------------|-------------------------------------|------------------------|------------------------|
| Liabilities | £381.6m                             | £402.6m                | £392.7m                |
| Assets      | £304.4m                             | £312.0m                | £342.5m                |
| Deficit     | £77.2m                              | £90.6m                 | £50.2m                 |

As things stand i.e. pre-Acquisition, under the current schedule of contributions agreed between Ultra and the Trustee, Ultra is required to pay £11 million per year into the UK DB Pension Scheme in order to eliminate the deficit (on a technical provisions basis) revealed at the 5 April 2019



actuarial valuation over the period ending March 2025. As at 24 August 2021, the aggregate amount remaining to be paid by Ultra under the schedule of contributions is £40.333m.

Following completion of the Acquisition, Cobham has agreed:

- To increase the above payments to the UK DB Pension Scheme to £100 million in aggregate over five years, with £53 million to be paid on or before the first anniversary of the completion of the Acquisition, and the remaining £47 million to be paid in the subsequent four years.
- That, as soon as practicable after the closing of the Acquisition, the UK DB Pension Scheme will be granted £125 million of security (which will rank alongside the security granted to senior lenders to the Ultra Group post-Acquisition), which will secure the current and future liabilities of the Ultra Group to the UK DB Pension Scheme, in the event of Ultra's insolvency. To effect this, the Trustee will also be a party to a future intercreditor agreement in respect of the security granted.
- That the parties will agree additional documentation which will set out Ultra's obligations with regards to the sharing of information with the Trustee, and with regards to the sharing of any future proceeds generated by disposals of any shares or assets of the Ultra Group.

The next actuarial valuation is due as at 5 April 2022. The contributions agreed by Cobham and set out above are expected to remove the deficit to be disclosed at the 2022 valuation, allowing for a more prudent basis for calculating liabilities than that adopted at the 2019 valuation, by the fifth anniversary of the completion of the Acquisition.

Cobham has also confirmed that it intends to fully safeguard the existing contractual and statutory rights and terms and conditions of employment, including pension obligations.

Cobham Group has separate obligations in respect of the pension arrangements of the Cobham Group. Cobham has confirmed that the Cobham Group pension schemes and their employers and associated assets and obligations will remain separate as from the UK DB Pension Scheme.

## **Opinion**

The UK DB Pension Scheme is supported by the Employer Covenant of Ultra. Following completion of the Acquisition, the UK DB Pension Scheme will continue to benefit from this Employer Covenant, and will be further supported by the measures set out above.

On the condition that Cobham provides the support as set out above, the Trustee, having taken appropriate professional advice, believes that the Acquisition will not materially weaken the Employer Covenant available to the UK DB Pension Scheme following the Acquisition and will not be materially detrimental to the security of the accrued UK DB Pension Scheme benefits.



MIKE JAFFE, DIRECTOR, THE LAW DEBENTURE PENSION TRUST CORPORATION

**Trustee Director**

**Ultra Electronics Pension Trustee Company Limited**

**31 August 2021**

