

This letter is important and explains the impact of the Acquisition on your LTIP Awards. Please read this letter carefully as it requires your immediate attention.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from a stockbroker, bank manager, solicitor, accountant or other independent financial or legal 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 in a territory outside the United Kingdom.

14 September 2021

ULTRA

Cobham Ultra Acquisitions Limited
Tringham House, 580 Deansleigh
Road, Bournemouth, United Kingdom,
BH7 7DT
(incorporated in England with
registered number 13552764)

Dear Participant

LTIP Awards granted under the Ultra Electronics Long Term Incentive Plan 2017 (“LTIP”) and the recommended all-cash offer for Ultra Electronics Holdings plc by Cobham Ultra Acquisitions Limited

On 16 August 2021, Ultra Electronics Holdings plc (“**Ultra**”) and Cobham Ultra Acquisitions Limited (“**Cobham**”) (a wholly-owned indirect subsidiary of Cobham Group Holdings Limited) announced that they had reached agreement on the terms and conditions of a recommended all-cash acquisition by Cobham of the entire issued, and to be issued, share capital of Ultra (the “**Acquisition**”).

An explanation of the defined terms used in this letter is provided in the Appendix.

1. Why are we writing to you?

We are writing to explain how the Acquisition will affect your LTIP Awards if the Acquisition is completed. **Please read everything in this letter and the Appendix carefully; the contents are very important.**

You do not need to take any action as a result of the Acquisition – your LTIP awards will vest automatically.

2. The Acquisition

The Acquisition will result in Ultra and its subsidiaries becoming wholly-owned subsidiaries of Cobham.

The Acquisition will take place through what is called a “scheme of arrangement” (the “**Scheme**”). This is a procedure that is subject to approval by Ultra Shareholders. It is also subject to the approval of the Court on a date referred to in this letter as “**Court Sanction**”. Court Sanction is not the date on which the Acquisition will be completed. The Acquisition is currently due to complete a couple of days after Court Sanction on “**Completion**”.

Further information on the Scheme is set out in the Scheme Document sent to Ultra Shareholders on 8 September 2021. A copy of the Scheme Document is also available on the Ultra website: <https://www.ultra.group/gb/investors/offer-for-ultra/>.

3. What are the terms of the Acquisition?

Ultra Shareholders will be entitled to receive the Offer Price (£35.00) in cash for each Ultra Share they own at the Scheme Record Time. This will include any shares you receive in respect of your LTIP Awards (see below). The terms of the Acquisition are set out in full in the Scheme Document.

4. When is the Acquisition likely to take place?

The Acquisition is currently expected to take place in Q1 2022.

5. How will the Acquisition affect my Awards?

The Acquisition will change the usual treatment of your Awards.

Normally, your Awards would vest on or after the third anniversary of the grant date (or the date notified in your grant documentation, if different) or, if later, on the date when any performance conditions applying to your Awards have been satisfied. The performance conditions (if any) are normally assessed after the end of the relevant performance period and the extent to which the conditions are satisfied will determine whether (or to what extent) your Awards vest and, accordingly, the number of Ultra Shares which you will be entitled to receive on vesting.

However, as a result of the Acquisition, your Awards will vest on Court Sanction (unless they vest or lapse earlier in accordance with the LTIP Rules).

IF YOU LEAVE ULTRA BEFORE THE COURT SANCTION DATE, YOU ARE ADVISED TO CHECK THE LTIP RULES AS UNLESS YOU ARE A GOOD LEAVER, YOUR LTIP AWARDS WILL LAPSE AND YOU WILL NOT RECEIVE ANY VALUE FOR THEM UNDER THE ACQUISITION (SEE PARAGRAPH 9 BELOW).

The extent to which your Awards will vest is subject to: (i) satisfaction of applicable performance conditions (if any), which will be determined by the Ultra Remuneration Committee on or shortly before Court Sanction; and (ii) unless the Ultra Remuneration Committee decides otherwise, time pro-rating. Once the Ultra Remuneration Committee has determined the extent to which your Awards will vest (if at all), you will be notified of its decision. Any part of your Award that does not vest will lapse on Court Sanction.

Based on the information currently available, the Ultra Remuneration Committee is currently minded to take a positive view on the satisfaction of the applicable performance conditions and time pro-rating having considered the significant role that the senior leadership group has played in generating the value shown in the Offer Price, the execution of the strategy and this year's business plans. This reflects strong support and endorsement of our plans from the Ultra Remuneration Committee, but the Committee will make a final determination taking into account the performance of the Group in the period up to the date on which it makes its determination.

The Ultra Shares which will be issued or transferred to you in respect of any Awards which vest on Court Sanction will be automatically acquired by Cobham and you will receive £35.00 per Ultra Share, less any applicable fees and any deductions for income tax and employee's National Insurance contributions that Ultra is required to withhold (see section 10).

It is expected that any Ultra Shares to which you become entitled as a result of the vesting of your Awards in connection with the Acquisition will be held on your behalf by Sanne Trust Company Limited, the EBT Trustee, as your nominee (alternative arrangements may apply if necessary to comply with local laws and regulations in your jurisdiction).

6. When will I receive the money?

If your Ultra Shares are automatically acquired by Cobham on Completion, the money will be paid to you as soon as reasonably practicable once the funds are received from Cobham after Completion – this is expected to be within 14 days of Completion. The money will be paid into your usual salary bank account.

7. What if the Acquisition does not complete?

If Court Sanction does not happen for any reason, your Awards will continue as normal, subject to the LTIP Rules.

8. What if my Awards vest before the Acquisition?

If any of your Awards vest before Court Sanction, Ultra Shares will be issued or transferred to you (less any Ultra Shares that are sold on your behalf to cover any applicable fees and deductions for income tax and employee's social security contributions) in the usual way. Any Ultra Shares you own at the Scheme Record Time will be automatically acquired by Cobham as part of the Scheme.

9. What if I leave employment with the Ultra Group?

If you leave employment with the Ultra Group before Court Sanction (or if you have already left as a “good leaver”), the leaver provisions under the LTIP Rules will apply in the normal way. This means that:

- if you leave for a “good leaver” reason under the LTIP Rules, the default position is that your Awards will not lapse but will vest (subject to the satisfaction of any applicable performance conditions and any time pro-rating that may be applied) on the normal vesting date (or on Court Sanction, if earlier).
- if you leave for a reason other than a “good leaver” reason, your Awards will lapse immediately when you leave employment.

Special rules apply on death.

10. What are the tax implications?

General tax notes outlining the tax implications applicable to your Awards can be accessed from Ultranet. This information is intended as a general guide only and does not constitute tax advice to any individual participant. Please remember that tax law can and often does change, and you should not necessarily assume the current tax position will continue. We strongly recommend that if you are unsure how your Awards will be taxed you seek advice from an independent financial or tax adviser.

Please note that none of Ultra, Cobham or Equiniti can provide you with legal, personal tax or financial advice. If you are in any doubt as to the contents of this letter or the action you should take, you are recommended to seek your own independent financial advice immediately from a stockbroker, bank manager, accountant or other appropriately authorised independent financial adviser.

11. What if I participate in other Ultra share plans?

If you participate in other Ultra share plans you will receive separate letters about the effect of the Acquisition on your other share awards/options. Please also read those letters carefully.

12. What if I have questions?

If you have any questions that relate to your LTIP Awards, please contact your local HR business partner. We will be setting up weekly calls via Microsoft Teams to give you the opportunity to ask questions.

If you have any questions about how to access your Ultra Share Plans Portal account, please contact the Equiniti helpline on 0371 384 2891. Lines are open 08:30 – 17:30 Monday to Friday, excluding weekends and UK Bank Holidays. Please note that no legal, tax or financial advice on the merits of the Acquisition or its effect on your Awards can be provided.

Details of your Awards are available to view on the Ultra Share Plans Portal (shareplansportal.ultra.group).

To login to your account you will need to do the following:

- Access the Ultra Share Plans Portal at: shareplansportal.ultra.group
- Enter your Payroll Number, Last Name and Date of Birth.
- Then enter your password (when you first registered you will have been asked to create a password).
- If you have forgotten your password, select '*Forgotten your password?*' and you will be asked some security questions before being prompted to reset your password.

If you are yet to register on the Ultra Share Plans Portal:

- Go to shareplansportal.ultra.group
- Click the '*Register*' button and enter the information as requested. You will need the following information to register: Payroll Number, Last Name and Date of Birth.

Please register using your company email address if possible so that your activation code can be emailed to you immediately following your registration. If you use a personal email address the activation code will be posted to you which may cause some delays.

Once logged in to your Ultra Share Plans Portal account you will need to:

- Click the '*My Investments tab*'.
- Click 'view' next to '*Discretionary Awards*'.

If you experience any difficulties registering or logging in, please contact the Equiniti helpline on 0371 384 2891.

You are strongly advised to seek your own independent financial and/or tax advice regarding your personal circumstances and the effect of the Acquisition on your Awards.

13. Important notes

Nothing in this letter or its appendices constitutes financial advice to any holder of shares, share awards or share options in Ultra or Cobham.

If you have received this letter electronically, you may request a hard copy of this letter, free of charge, by contacting Equiniti on 0371 384 2891. You 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.

If there is a conflict between the information in this letter and appendices and the LTIP Rules or applicable legislation, the LTIP Rules and the legislation will prevail.

Yours faithfully

Yours faithfully



For and on behalf of

For and on behalf of

Ultra Electronics Holdings plc

Cobham Ultra Acquisitions Limited

Appendix

A brief explanation of some definitions

“Acquisition” means the acquisition by Cobham of the entire issued and to be issued ordinary share capital of Ultra (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 a takeover offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

“Awards” means a conditional right to receive Ultra Shares in accordance with the rules of the LTIP;

“Cobham” means Cobham Ultra Acquisitions Limited (a wholly-owned indirect subsidiary of Cobham Group Holdings Limited, which is a company indirectly owned by funds managed by Advent International Corporation);

“Cobham Group” means Cobham Group Holdings Limited and its subsidiaries and subsidiary undertakings from time to time;

“Completion” means the date on which the Scheme becomes effective in accordance with its terms;

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

“Court Sanction” means the date on which the Court sanctions the Scheme under section 899 of the Companies Act 2006;

“LTIP” means the Ultra Electronics Long Term Incentive Plan 2017, as amended from time to time;

“LTIP Rules” means the rules of the LTIP (as amended from time to time);

“Offer Price” means £35.00 per Ultra Share;

“Scheme” means the proposed procedure by which Cobham will become the holder of the entire issued and to be issued ordinary share capital of Ultra;

“Scheme Document” means the document setting out the terms of the Scheme dated 8 September 2021 sent to Ultra Shareholders;

“Scheme Record Time” means the time and date specified as such in the Scheme Document or such other time as Ultra and Cobham may agree;

“Ultra” means Ultra Electronics Holdings plc, a company incorporated in England and Wales with registered number 02830397;

“Ultra Board” means the Ultra Directors acting together as the board of directors of Ultra;

“Ultra Group” means Ultra and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;

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

“Ultra Shares” means ordinary shares of £0.05 each in the capital of Ultra.