

This letter is important and explains the impact of the Acquisition on your RSU Options and what you need to do. 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

RSU Options 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**”). This letter sets out the options you have regarding your vested and unvested RSU Options if the Acquisition proceeds.

ACTION REQUIRED: You will need to take action to receive money from any RSU Options that you hold as this will not happen automatically.

You may exercise your Vested RSU Options at any time before the date of Court Sanction (“Choice A”) by completing the online exercise instruction on the Ultra Share Plans Portal.

You may apply now to exercise your Vested and Unvested RSU Options on Court Sanction (“Choice B”), you must complete the online exercise instruction on the Ultra Share Plans Portal as soon as possible, and by no later than 22 October 2021 (or any earlier deadline notified to you).

If you want to choose Choice A or B, it is recommended that you complete the relevant instruction as soon as possible. Choosing Choices A or B will mean that you receive any money that is payable to you in respect of your RSU Options at the earliest possible opportunity (see below).

If you decide that you do not want to exercise any Vested RSU Options now or to exercise your unexercised Vested and Unvested RSU Options on the Court Sanction Date, you will still be able to exercise your Vested and Unvested RSU Options after Court Sanction (“Choice C”), you must complete the online exercise instruction on the Ultra Share Plans Portal within one month after the date of Court Sanction. Choosing Choice C means that you will receive any money later than under Choices A or B.

PLEASE NOTE THAT IF YOU TAKE NO ACTION YOUR RSU OPTIONS WILL LAPSE ONE MONTH AFTER COURT SANCTION AND YOU WILL NOT RECEIVE ANY MONEY FOR YOUR RSU OPTIONS. Further details about your choices are explained in section 6 below.

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

Summary of the choices available to you

If not exercised, your RSU Options will lapse one month after the date of Court Sanction and you will not receive any value for your RSU Options.

Choice A: Exercise your Vested RSU Options before Court Sanction

- You can exercise any Vested RSU Options at any time before Court Sanction (unless they lapse earlier under the LTIP Rules) by completing an online exercise instruction on the Ultra Share Plans Portal in the usual way.
- On exercise, Ultra Shares will be issued or transferred to you. You will be subject to income tax and social security contributions on the market value of the Ultra Shares on that date, and any applicable fees. Sufficient Ultra Shares will be sold to cover these liabilities.
- If you sell your Ultra Shares before the Scheme Record Time, they will be sold at their market value on the date of sale and the proceeds paid to you (less any applicable fees). If you do not sell all of your Ultra Shares before the Scheme Record Time then they will automatically be purchased in the Acquisition for £35.00 (the “Offer Price”).

If you want to make Choice A, you must complete an online exercise instruction on the Ultra Share Plans Portal before Court Sanction or before your Vested RSU Options lapse (if earlier).

Choice B: Apply now to exercise your Vested or Unvested RSU Options on Court Sanction

- You can choose to exercise your RSU Options conditional on Court Sanction (unless they lapse earlier under the LTIP Rules) by completing an online exercise instruction via the Corporate Action Journey on the Ultra Share Plans Portal.
- The Ultra Shares which will be issued or transferred to you will then automatically be purchased under the Acquisition. You will receive the Offer Price (£35.00) per Ultra Share (less any income tax and social security contributions that Ultra is required to withhold and any applicable fees).

If you want to make Choice B, you must complete an online exercise instruction on the Ultra Share Plans Portal by 22 October 2021.

Choice C: Exercise your RSU Options up to one month following Court Sanction

- If the Acquisition goes ahead, you can still exercise your RSU Options for up to one month from the date of Court Sanction (unless they lapse earlier under the LTIP Rules) by completing an online exercise instruction on the Ultra Share Plans Portal.
- The Ultra Shares which will be issued or transferred to you will then automatically be purchased by Cobham. You will receive the Offer Price (£35.00) per Ultra Share (less any income tax and social security contributions that Ultra is required to withhold and any applicable fees).
- If you decide to exercise your RSU Options under **Choice C**, you will receive the money for your Ultra Shares later than under **Choices A or B**.

Further details about your choices are set out in section 6 of this letter.

1. Why are we writing to you?

We are writing to explain how, if the Acquisition is completed, it will affect your RSU Options and the decisions you need to make. Please read everything in this letter and the

Appendix carefully; the contents are very important.

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/>.

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

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 RSU Options. The terms of the Acquisition are set out in full in the Scheme Document. Your choices are explained in more detail in section 6.

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 RSU Options?

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

Vested RSU Options

If your RSU Options have already vested, or vest before the Acquisition takes place, they are or will become exercisable in accordance with the LTIP Rules.

However, as a result of the Acquisition, the exercise period for your Vested RSU Options will end early. Your Vested RSU Options will cease to be exercisable one month after the date of Court Sanction, unless they lapse earlier in accordance with the LTIP Rules (in which case they will lapse at that point if they are not exercised). If you wish to exercise your Vested RSU Options, an explanation of the steps you will need to take is set out in section 6 below.

If the Acquisition does not happen for any reason, your Vested RSU Options will continue to be exercisable until their normal lapse date, subject to the LTIP Rules.

Unvested RSU Options

The Acquisition will change the usual treatment of your Unvested RSU Options.

Normally, your Unvested RSU Options would vest and become exercisable on or after the third anniversary of the grant date (or the date notified in your grant documentation, if different). You would then be able to exercise your RSU Options (to the extent vested) at any time during the exercise period.

However, as a result of the Acquisition, your Unvested RSU Options will vest and become exercisable on Court Sanction (unless they lapse earlier in accordance with the LTIP Rules).

The extent to which your RSU Options will vest and become exercisable is subject to time pro-rating, unless the Ultra Remuneration Committee decides otherwise. Based on the information currently available, the Ultra Remuneration Committee is currently minded to not apply time pro-rating. Once the Ultra Remuneration Committee has determined the extent to which your RSU Options will vest and become exercisable, you will be notified of its decision. Any part of your RSU Options that does not vest will lapse on Court Sanction.

If the Acquisition does not happen for any reason, your Unvested RSU Options will continue as normal, subject to the LTIP Rules.

6. What are my choices?

You will have the following choices in relation to your RSU Options.

Choice A: Exercise your Vested RSU Options before Court Sanction

If you hold Vested RSU Options they are already exercisable. You can elect to exercise your Vested RSU Options before Court Sanction by completing an online exercise instruction on the Ultra Share Plans Portal (shareplansportal.ultra.group) in the usual way. If you have any RSU Options that vest before Court Sanction then you will also be able to elect those RSU Options before Court Sanction in this way.

If you exercise your Vested RSU Options and sell your Ultra Shares on exercise, the Ultra Shares will be sold at the market value on the date of sale and the money (less any applicable fees and deductions for income tax and employee's social security contributions) will be paid to you as soon as practicable after the date of exercise.

If you exercise your Vested RSU Options and choose to retain the Ultra Shares on exercise, a sufficient number of the Ultra Shares that you acquire on exercise will be sold on your behalf to cover any applicable fees and deductions for income tax and employee's social security contributions. The balance of Ultra Shares that you hold at the Scheme Record Time will be acquired by Cobham under the Acquisition and you will receive £35.00 per Ultra Share.

If you want to make Choice A, please access the Ultra Share Plans Portal and complete an online exercise instruction as soon as possible during Ultra's normal exercise windows.

Choice B: Apply now to exercise your RSU Options conditional on Court Sanction

You can elect to exercise your Vested and/or Unvested RSU Options to the maximum extent possible conditional on Court Sanction.

If you do this, your RSU Options will be exercised on Court Sanction and the Ultra Shares which will be issued or transferred to you 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 social security contributions that Ultra is required to withhold (see section 11).

If you want to make *Choice B*, please access the Ultra Share Plans Portal and complete an online exercise instruction as soon as possible and by no later than 22 October 2021 or any earlier deadline notified to you.

You should check the date on which your Vested RSU Options lapse before electing for this choice, to make sure that they do not lapse before Court Sanction.

Choice C: Exercise your RSU Options up to one month after Court Sanction

If the Acquisition goes ahead, you will still be able to exercise your Vested RSU Options (which will include any Unvested RSU Options that vest early as a result of the Acquisition, as set out in section 5) until one month after the date of Court Sanction, in each case unless they lapse earlier in accordance with the LTIP Rules.

If you do this, the Ultra Shares which will be issued or transferred to you 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 social security contributions that Ultra is required to withhold (see section 11).

Please note that if you decide to exercise your RSU Options under ***Choice C***, you will receive the money due to you later than under ***Choices A*** and ***B***.

If you want to make *Choice C*, please access the Ultra Share Plans Portal and complete an online exercise instruction before your RSU Options lapse.

If you do not exercise your RSU Options within one month after Court Sanction, all your RSU Options will lapse automatically and you will not receive any value.

It is expected that any Ultra Shares to which you become entitled as a result of the exercise of your RSU Options in connection with the Acquisition will be held on your behalf by Sanne Trust Company Limited, the EBT Trustee, as your nominee (if you are resident outside the UK alternative arrangements may apply).

7. When will I receive the money?

If you select ***Choice A*** and sell your Ultra Shares straightaway, the money will be paid as soon as practicable after the date of exercise.

If you select either ***Choice A*** and keep your Ultra Shares or select ***Choice B***, 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.

If you select ***Choice C***, the money will be paid as soon as practicable following receipt from Cobham.

In all cases the money will be paid into your usual salary bank account.

8. What if the Acquisition does not complete?

If you hold Vested RSU Options and Court Sanction does not happen for any reason, your Vested RSU Options will continue to be exercisable until they lapse as normal under the LTIP Rules.

If you hold Unvested RSU Options and Court Sanction does not happen for any reason, your Unvested RSU Options will continue and vest on the normal vesting date and become exercisable in accordance with the LTIP Rules.

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

If you leave employment with the Ultra Group before exercising your Vested RSU Options (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 Unvested RSU Options will not lapse but will vest (subject to any time pro-rating that may be applied) on the date you leave employment (or on Court Sanction, if earlier) and will be exercisable until the earlier of: (i) 12 months from the date of vesting; and (ii) the date one month after the date of Court Sanction.
 - your Vested RSU Options will continue to be exercisable until the earlier of: (i) 12 months from the date on which you leave employment; and (ii) the date one month after the date of Court Sanction; or
- if you leave for a reason other than a “good leaver” reason, your RSU Options will lapse immediately when you leave employment.

Special rules apply on death.

Please note that if you leave the Ultra Group and do not qualify as a “good leaver”, your RSU Options will lapse before Court Sanction, meaning that any **Choice B** instruction you have made will not take effect. Your election will not be affected if you qualify as a “good leaver”, provided your RSU Options have not lapsed before Court Sanction. **You will not receive any money for RSU Options that lapse.**

10. What if I am a PDMR or an insider?

If the Ultra PDMR Dealing Policy and/or the Ultra Inside Information and Share Dealing Policy applies to you, you must obtain permission to exercise your RSU Options before you submit a Choice A, Choice B or Choice C instruction. You can seek permission to deal by following the process set out in the relevant dealing policy. However, unless exceptional circumstances exist it is unlikely that you will be granted permission to deal while you are an insider or, if you are a PDMR or a closely associated person of a PDMR, during a closed period.

11. What are the tax implications?

General tax notes outlining the tax implications applicable to your RSU Options 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 RSU Options will be taxed you seek advice from an independent financial or tax adviser in your country.

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 independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended from time to time), if you are resident in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

12. 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.

13. What if I have questions?

If you have any questions that relate to your RSU Options, 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 RSU Options can be provided.

Details of your RSU Options 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*'.
- Once through to the Discretionary Awards sub-portal you will see a section called '*Available Instructions*'. Below this there will be a heading that says '*Corporate Action Journey (Choice B)*' and a link that says '*Make your choice*'. Click this link to continue.
- Follow the steps on the next page to complete your online exercise instruction.

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 RSU Options.

14. Proposals: Recommendation

The Ultra Board recommends that you select either *Choice A* or *Choice B*. You should, however, consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your options.

The Ultra Board, which has been so advised by Numis as to the financial terms of the proposals, considers the terms of the proposals described above to be fair and reasonable in the context of the Acquisition. In providing their advice to the Ultra Board, Numis has taken into account the commercial assessments of the Ultra Board. Numis is providing independent financial advice to the Ultra Board for the purposes of the City Code on Takeovers and Mergers.

15. 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;

“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 Directors” means the directors of Cobham as at the date of this letter;

“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;

“RSU Options” means options over Ultra Shares granted to employees and former employees of Ultra and its subsidiaries under the LTIP;

“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 Directors” means the directors of Ultra as at the date of this letter;

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

“Ultra Remuneration Committee” means the remuneration committee of the Ultra Board;

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

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

“Unvested RSU Options” means any RSU Option which is not a Vested RSU Option; and

“Vested RSU Options” means RSU Options over Ultra Shares which have vested and become exercisable subject to the LTIP Rules.

Notes

The distribution of this document (in whole or in part) in 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.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this letter and will not regard any other person as its client in relation to the matters set out in this letter 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 any matter referred to herein. Neither Numis nor any of its affiliates, nor any of its or their directors or employees, 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 Numis in connection with this letter, the matters referred to herein, any statement contained herein, the Acquisition or otherwise.

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.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any securities by any person in any jurisdiction (a) in which such offer or invitation is not authorised, (b) in which the person making such offer or invitation is not qualified to do so, or (c) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Ultra, Cobham or any of their respective directors, officers, agents, affiliates and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of any securities in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither Ultra nor Cobham nor their respective directors, officers, agents, affiliates or advisers accept any responsibility for any violation of any of these restrictions by any other person.

The Ultra Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion and, without limitation, all information in respect of Ultra which has been incorporated by reference in this document), except for that information for which the Cobham Directors accept responsibility. 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 letter (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Cobham Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion) relating to the Cobham Group (including, without limitation, all information in respect of the Cobham Group which has been incorporated by reference in this document) and the Cobham Directors, their close relatives, related trusts and other connected persons and persons acting in concert with Cobham. 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 letter (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Cobham Group Responsible Persons and the Advent Responsible Persons, whose names are set out in the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), the Cobham Group, Advent and Cobham. To the best of the knowledge and belief of the Cobham Group Responsible Persons and the Advent Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (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.