
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 2, 2021

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or other jurisdiction of
Incorporation or Organization)

1-4982
(Commission
File Number)

34-0451060
(I.R.S. Employer
Identification No.)

6035 Parkland Boulevard, Cleveland, Ohio
(Address of Principal Executive Offices)

44124-4141
(Zip Code)

Registrant's telephone number, including area code: (216) 896-3000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Common Shares, \$.50 par value	PH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On August 2, 2021, Parker-Hannifin Corporation (“Parker” or the “Company”), announced (the “Rule 2.7 Announcement”) pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers (the “Code”), the terms of its offer (the “Offer”) to acquire (the “Acquisition”) Meggitt plc (“Meggitt”), which is intended to be implemented by means of a court-sanctioned scheme of arrangement (the “Scheme”) under Part 26 of the UK Companies Act 2006 (the “Act”).

Rule 2.7 Announcement

Under the terms of the Scheme, Meggitt shareholders will be entitled to receive 800 pence in cash (the “Consideration”) for each share of Meggitt. Based on the GBP:USD exchange rate (US\$1.3913:£1 based on the noon buying rate of the Federal Reserve Bank of New York in effect on July 30, 2021), the value of the cash offer is approximately \$11.13 per Meggitt share. Meggitt has 781,372,024 ordinary shares outstanding and 7,175,487 ordinary shares issuable under various instruments.

The Acquisition is conditional on, among other things, (1) approval of the Scheme by Meggitt’s shareholders, and (2) receipt of certain regulatory approvals. The full terms and conditions of the Acquisition are set forth in full in the Rule 2.7 Announcement. The Offer is subject to termination if not completed within 18 months (or such later date as the Company and Meggitt might agree with the consent of the UK Panel on Takeovers and Mergers (the “Panel”) and as the High Court of Justice of England and Wales may approve (if such consent(s) or approval(s) is/are required) (the “Long Stop Date”).

The foregoing summary of the Rule 2.7 Announcement is subject to, and qualified in its entirety by, the text of the Rule 2.7 Announcement, which is filed as Exhibit 2.1 hereto and incorporated herein by reference.

Parker reserves the right, subject to the prior consent of the Panel, to elect to implement the Acquisition by way of a takeover offer (as such term is defined in Chapter 3 of Part 9 of the Act).

Cooperation Agreement

Under a cooperation agreement, dated August 2, 2021, by and between the Company and Meggitt (the “Cooperation Agreement”), among other things, Meggitt and the Company agreed to cooperate for the purposes of obtaining any regulatory authorizations in connection with the Acquisition, preparing required offering documents and other matters. The Company has agreed to take or cause to be taken all reasonable steps to obtain regulatory authorizations in sufficient time to allow completion by the Long Stop Date. The Company has also agreed with Meggitt to offer a number of legally binding commitments to the government of the United Kingdom. The Cooperation Agreement also contains provisions that will apply in respect of certain employee-related matters and Meggitt’s employee equity plans.

The foregoing summary of the Cooperation Agreement is subject to, and qualified in its entirety by, the text of the Cooperation Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Bridge Loan Facility

The Code imposes what are commonly called “certain funds” requirements on transactions such as the Acquisition. Accordingly, the Company, Citibank, N.A., as administrative agent, and certain financial institution parties entered into a bridge loan credit agreement, dated August 2, 2021 (the “Bridge Credit Agreement”), and the bridge facility provided for therein, the “Bridge Facility”), pursuant to which the lenders thereunder agreed to provide a bridge term loan facility to the Company of up to £6,524,000,000 (collectively, the “Commitments”) to finance the cash consideration payable for the Acquisition.

Subject to the conditions in the Bridge Credit Agreement, the Commitments may be reduced by proceeds of certain equity offerings of the Company and certain additional indebtedness that may be incurred by the Company to finance the Acquisition. The availability of the borrowings under the Bridge Facility are subject to the satisfaction of certain customary conditions for financings of this nature and the Bridge Credit Agreement contains customary representations and warranties, events of default and covenants for transactions of this type.

To the extent borrowings are made under the Bridge Facility, loans made in Sterling would bear interest at a rate per annum based on Daily Simple Sonia plus a margin which is dependent both on the Company’s long-term unsecured debt rating and the length of time since the date the loan was made. Any borrowings made under the Bridge Facility would mature 364 days from the initial funding date. The funding of Commitments under the Bridge would not occur until the closing of the Combination.

Certain of the banks and financial institutions that are parties to the Bridge Facility and their respective affiliates have in the past provided, are currently providing and in the future may continue to provide investment banking, commercial banking and other financial services to Parker and its subsidiaries in the ordinary course of business for which they have received and will receive customary compensation. In the ordinary course of business, such banks and financial institutions and their respective affiliates may participate in loans and actively trade the equity securities of Parker for their own account or for the accounts of customers and, accordingly, such banks and financial institutions and their respective affiliates may at any time hold long or short positions in such securities.

The foregoing summary of the Bridge Credit Agreement is subject to, and qualified in its entirety by, the text of the Bridge Credit Agreement, which is attached hereto as Exhibit 10.2 and incorporated by reference herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Bridge Loan Facility set forth in Item 1.01 above, and the related Exhibit 10.2, are hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
2.1	Rule 2.7 Announcement, dated August 2, 2021
10.1	Cooperation Agreement, dated August 2, 2021, by and between Parker-Hannifin Corporation and Meggitt plc
10.2	Bridge Credit Agreement, dated August 2, 2021, by and between the Company, Citibank, N.A., as administrative agent, and certain financial institution parties thereto
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Further Information; No Offer or Solicitation

This communication is not intended to and does not constitute or form part of an offer to sell or subscribe for or the solicitation of an offer to buy or subscribe for, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation, sale, issuance or transfer would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. It is intended that the Acquisition will be implemented by way of the Scheme. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information provided pursuant to the Scheme.

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. Often but not always, these statements may be identified from the use of forward-looking terminology such as “anticipates,” “believes,” “may,” “should,” “could,” “potential,” “continues,” “plans,” “forecasts,” “estimates,” “projects,” “predicts,” “would,” “intends,” “expects,” “targets,” “is likely,” “will,” or the negative of these terms and similar expressions, and include all statements regarding future performance, earnings projections, events or developments. Neither the Company nor any of its 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 will actually occur. The Company cautions readers not to place undue reliance on these statements. It is possible that the future performance and earnings projections of the

Company, including its individual segments, may differ materially from past performance or current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the Company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. Additionally, the actual impact of changes in tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof on future performance and earnings projections may impact the Company's tax calculations. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance.

The risks and uncertainties in connection with such forward-looking statements related to the proposed Acquisition include, but are not limited to, the occurrence of any event, change or other circumstances that could delay the closing of the proposed Acquisition; the possibility of nonconsummation of the proposed Acquisition; the failure to satisfy any of the conditions to the proposed Acquisition (including the satisfaction of the conditions detailed in the Rule 2.7 Announcement); the possibility that a governmental entity may prohibit the consummation of the proposed Acquisition or may delay or refuse to grant a necessary regulatory approval in connection with the proposed Acquisition, or that in order for the parties to obtain any such regulatory approvals, conditions are imposed that adversely affect the anticipated benefits from the proposed Acquisition or cause the parties to abandon the proposed Acquisition; adverse effects on Parker's common stock because of the failure to complete the proposed Acquisition; Parker's business experiencing disruptions due to Acquisition-related uncertainty or other factors making it more difficult to maintain relationships with employees, business partners or governmental entities; the possibility that the expected synergies and value creation from the proposed Acquisition will not be realized or will not be realized within the expected time period; the parties being unable to successfully implement integration strategies; and significant transaction costs related to the proposed Acquisition. Readers should consider these forward-looking statements in light of risk factors discussed in Parker's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 and other periodic filings made with the Securities and Exchange Commission.

Among other factors which may affect future performance are: the impact of the global outbreak of COVID-19 and governmental and other actions taken in response; changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments; disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the integration of LORD Corporation or Exotic Metals; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to implement successfully capital allocation initiatives, including timing, price and execution of share repurchases; availability, limitations or cost increases of raw materials, component products and/or commodities that cannot be recovered in product pricing; ability to manage costs related to insurance and employee retirement and health

care benefits; legal and regulatory developments and changes; compliance costs associated with environmental laws and regulations; potential labor disruptions; threats associated with and efforts to combat terrorism and cyber-security risks; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; global competitive market conditions, including global reactions to U.S. trade policies, and resulting effects on sales and pricing; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability; local and global political and economic conditions; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); government actions and natural phenomena such as floods, earthquakes, hurricanes and pandemics; and success of business and operating initiatives. Readers should consider these forward-looking statements in light of the risk factors discussion in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 filed on August 26, 2020 and other periodic filings made with the Securities and Exchange Commission. The Company makes these statements as of the date of this disclosure and expressly disclaims any intention or obligation to update or revise them, whether as a result of new information, future events or otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PARKER-HANNIFIN CORPORATION

By: /s/ Joseph R. Leonti

Name: Joseph R. Leonti

Title: Vice President, General Counsel
and Secretary

Date: August 2, 2021

OFFER FOR MEGGITT PLC

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

For immediate release**2 August 2021**

**RECOMMENDED CASH ACQUISITION
of
MEGGITT PLC
by
PARKER-HANNIFIN CORPORATION**

Summary

- The boards of directors of Parker-Hannifin Corporation (*Parker*) and Meggitt PLC (*Meggitt*) are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Meggitt by Parker.
- Under the terms of the Acquisition, each Scheme Shareholder will receive:

for each Meggitt Share: 800 pence in cash

valuing Meggitt's existing issued and to be issued ordinary share capital at approximately £6.3 billion on a fully diluted basis.

- The price of 800 pence per Meggitt Share represents:
 - a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement; and
 - a premium of approximately 73.8 per cent. to the volume-weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Background to and reasons for the Acquisition

- Parker believes Meggitt is very well aligned with Parker and the goals of The Win Strategy™, Parker's global business system, representing a unified strategic vision for its team members worldwide. Parker believes that the Acquisition would be strategically and culturally compelling, and enhance the future prospects of the Combined Group within global aerospace and defence industries, for the following key reasons:

-
- Meggitt is an international group headquartered in the United Kingdom and is a high-value, leading provider of proprietary and differentiated aerospace & defence technologies with over 70 per cent. of revenue from sole-source positions.
 - Meggitt, like Parker, has a rich heritage in the aerospace and defence segments with a strong culture, underpinned by a number of core values focusing on teamwork, engagement, integrity, operational excellence, and innovation.
 - Meggitt has a global brand, a complementary business mix, an impressive international base of blue-chip customers and a leading product portfolio.
 - Meggitt has been transforming its business over the last four years through its focused strategy, streamlining its portfolio, investing in new technologies, and growing through its customer-aligned divisions.
 - Meggitt and Parker are complementary across diverse portfolios of products.
 - The acquisition of Meggitt nearly doubles the size of Parker's Aerospace Systems segment.
 - Parker believes the Combined Group will be able to provide a stronger value proposition for customers. Parker also believes the Combined Group is poised for strong growth, supported by the commercial aerospace recovery, and will be able to maximise its potential by building on a combined product portfolio and geographic footprint and by sharing operational and functional best practices.
 - Meggitt and Parker share a heritage as established manufacturers with significant presence across the UK, serving as trusted defence suppliers to the UK and US governments, and governments across the EU and globally. The UK is an important market to Parker and a key part of its business. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group.
 - Parker expects the combination to be earnings accretive in the first full 12 months after closing. The Acquisition is expected to drive incremental sales growth and cash flow accretion, and to deliver a high single-digit ROIC in year 5 which should grow thereafter.¹ Parker remains committed to maintaining a strong balance sheet and investment grade credit rating.

Binding commitments to HM Government

- Recognising the importance of Meggitt's rich UK heritage and relationships with its key stakeholders, Parker has agreed with Meggitt that it will offer a number of legally binding commitments to HM Government, including to:
 - (i) ensure that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government,

¹ Excludes one-time costs and deal related amortisation.

(ii) maintain its existing technology and manufacturing that resides in the UK for the benefit of HM Government, and (iii) ensure that Meggitt continues to comply with and enforce security protocols prescribed by HM Government and allows for officials to inspect Meggitt's premises to verify compliance, in each case unless HM Government otherwise consents;

- ensure that the majority of the board of directors of Meggitt will be UK nationals;
- maintain Meggitt's UK headquarters, operate each of Meggitt's existing divisions under the combined Parker-Meggitt name and ensure all four current divisions of Meggitt remain in place;
- maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels, while increasing by at least ten per cent. the number of overall apprenticeship opportunities currently offered by Meggitt in the UK;
- at least maintain Meggitt's existing level of R&D expenditure in the UK and, subject to normal levels of aerospace industry growth and activity, increase this by at least 20 per cent. over the next five years; and
- commit to Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Meggitt pension schemes

- Parker is delighted to confirm that it has entered into a legally binding memorandum of understanding with the trustee of the Meggitt UK DB Pension Plan which sets out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan.

Recommendation

- The directors of Meggitt, who have been so advised by Rothschild & Co and Morgan Stanley as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the directors of Meggitt.
- In addition to the financial terms of the Acquisition, the directors of Meggitt have carefully considered Parker's plans for the Meggitt business under Parker's ownership, including the complementary cultures of Parker and Meggitt, the alignment of both Groups' long-term strategies and the commitments Parker has agreed with Meggitt to offer to HM Government to safeguard the interests of Meggitt's key stakeholders.
- Accordingly, the directors of Meggitt intend unanimously to recommend that Meggitt Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the directors of Meggitt have irrevocably undertaken to do in respect of those Meggitt Shares they hold and in respect of which they control the voting rights (representing approximately 0.05 per cent. of the issued ordinary share capital of Meggitt on 30 July 2021 (being the last business day before this announcement)). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

Information on Parker

- Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial and aerospace markets.
- Parker has a long and successful history in the UK, having operated in the UK for over 50 years, and currently employs more than 2,100 team members in 18 facilities across the country.

Comments on the Acquisition

- Commenting on today's announcement, Tom Williams, Chairman and Chief Executive Officer of Parker said:
"The combination of Parker and Meggitt is an exciting opportunity for both companies' team members, customers, shareholders and communities. We strongly believe Parker is the right home for Meggitt. Together, we can better serve our customers through innovation, accelerated R&D and a complementary portfolio of aerospace and defense technologies."
"We are committed to being a responsible steward of Meggitt and are pleased our acquisition has the full support of Meggitt's Board. We fully understand these responsibilities and are making a number of strong commitments that reflect them. During our longstanding presence in the UK we have built great respect for Meggitt, its heritage, and its place in British industry. Our own journey over more than 100 years has taught us the importance of a strong culture and reputation."
- Commenting on today's announcement, Sir Nigel Rudd, Chairman of Meggitt, said:
"Meggitt is one of the world's foremost aerospace, defence and energy businesses, leading the market with a strong portfolio of technology and manufacturing capabilities, and holding a significant amount of intellectual property. Whilst Meggitt is currently pursuing a strong, standalone strategy which will deliver value to shareholders over the long-term, Parker's offer provides the opportunity to significantly accelerate and de-risk those plans, while continuing to deliver for shareholders. Parker's offer also includes far-reaching commitments that will ensure that Meggitt remains a significant presence in the UK, increasing investment in research and development, and increasing the number of apprenticeship opportunities. The Board of Meggitt is confident that Parker will be a responsible steward of Meggitt and unanimously recommends Parker's offer."
- Tony Wood, Chief Executive of Meggitt, said:
"Bringing together the Meggitt and Parker businesses will provide increased benefit to the UK with the provision of technologies, products and capabilities through Meggitt, and a leading aerospace business in Parker. The offer from Parker is an endorsement of the work undertaken to transform the Meggitt Group in recent years, and the Combined Group will maximise the opportunities for future growth and profitability with a shared commitment to operational excellence, allowing us to continue to invest in our people, products and services for customers worldwide for years to come."

Implementation, Conditions and Timing

- The terms of the Acquisition will be put to Meggitt Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable Meggitt Shareholders to consider and, if thought fit, vote in favour of the Scheme and the Resolutions to implement the Scheme. In order to become effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Meggitt Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document.
- The Acquisition is conditional on a number of antitrust and regulatory approvals and Parker will make further announcements in respect of such approvals as appropriate.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be sent to Meggitt Shareholders as soon as practicable and in any event within 28 days of this announcement. It is expected that the Acquisition will complete during Q3 of 2022, subject to the satisfaction (or, where applicable, waiver) of the Conditions and certain further terms set out in Appendix 1 to this announcement. An expected timetable of principal events will be included in the Scheme Document.

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

The person responsible for making this announcement on behalf of Meggitt is Marina Thomas, Company Secretary.

Parker will hold a press conference at 10.00 a.m. BST today. Topre-register for the conference call, please go to the following link:

<https://www.incommglobalevents.com/registration/client/8419/brunswick/>

Enquiries

Parker

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Nick Hasell	
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Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Parker in connection with the Acquisition.

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

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Meggitt in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which, together with the Forms of Proxy, will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

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

*Citigroup Global Markets Limited (**Citi**), which is authorised in the UK by the PRA and regulated by the FCA and PRA, is acting exclusively for Parker and no one else in connection with the Acquisition and will not be responsible to anyone other than Parker for providing the protections afforded to clients of Citi nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein, the Acquisition or otherwise.*

*NM Rothschild & Sons Limited (**Rothschild & Co**), which is authorised and regulated in the UK by the FCA, is acting exclusively for Meggitt and no one else in connection with the Acquisition and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

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

*Merrill Lynch International (**BofA Securities**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for Meggitt and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the subject matter of this announcement or any other matter or arrangement referred to herein.*

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, 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 Meggitt 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. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (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 and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. Certain financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if Parker exercises its right to implement the acquisition of the Meggitt Shares by way of a Takeover Offer in accordance with the terms of the Cooperation Agreement, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Meggitt Shareholder is urged to consult with independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to it.

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

To the extent permitted by applicable law, in accordance with normal UK practice, Parker or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Meggitt Shares 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. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. If Parker elects to implement the Acquisition by way of Takeover Offer in accordance with the terms of the Cooperation Agreement, such Takeover Offer will be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act, as amended, and Regulation 14E thereunder, subject to exemptive relief, including in respect of Rule 14e-5 thereunder.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, BofA Securities, Morgan Stanley and their affiliates will continue to act as exempt principal traders in Meggitt securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Parker and Meggitt 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. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Parker and Meggitt about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Parker and Meggitt, the expected timing and scope of the Acquisition and other statements other than historical

facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “targets”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Parker and Meggitt believe that the expectations reflected in such forward-looking statements are reasonable, Parker and Meggitt can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; government actions and natural phenomena such as floods, earthquakes, hurricanes and pandemics; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Parker nor Meggitt, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the FCA), neither Parker nor Meggitt is under any obligation, and Parker and Meggitt expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

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

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

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

No profit forecasts, estimates or quantified financial benefits statements

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

Note regarding non-US GAAP financial measures

This announcement contains references to non-US GAAP financial information for Meggitt, including EBITDA, adjusted EBITDA, and adjusted EBITDA margin. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Although EBITDA, adjusted EBITDA, and EBITDA margin are not measures of performance calculated in accordance with US GAAP, Parker believes that they are useful to an investor in evaluating the company performance for the period presented. For further information, see Appendix 2 (Bases and Sources).

Rounding

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

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Parker's website at www.aerospacegrowth.com and Meggitt's website at www.meggittoffer.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Meggitt Shareholders may request a hard copy of this announcement by contacting Computershare during business hours on +44 (0) 370 703 6210 or by submitting a request in writing to Computershare Investor Services PLC at The Pavilions, Bridgwater, Bristol, BS99 6ZZ. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

For immediate release

2 August 2021

**RECOMMENDED CASH ACQUISITION
of
MEGGITT PLC
by
PARKER-HANNIFIN CORPORATION
to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

1. Introduction

The boards of directors of Parker-Hannifin Corporation (*Parker*) and Meggitt PLC (*Meggitt*) are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Meggitt by Parker. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share: 800 pence in cash

The Acquisition values Meggitt's entire issued and to be issued share capital at approximately £6.3 billion on a fully diluted basis.

The price of 800 pence in cash for each Scheme Share represents:

- a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement; and
- a premium of approximately 73.8 per cent. to the volume-weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement.

If, after the date of this announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of capital or value is declared, made or paid or becomes payable in respect of the Meggitt Shares, Parker reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Meggitt Shareholders would be entitled to retain any such dividend and/or other distribution and/or other return of capital or value.

3. Background to and reasons for the Acquisition

Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial, and aerospace markets.

In considering prospective acquisitions, Parker looks for targets that are well aligned culturally, as well as strategically, with the goals of The Win Strategy™. This is Parker's global business system, representing a unified strategic vision for its team members worldwide. Anchored by Parker's culture, values and purpose, The Win Strategy™ defines the key operational priorities and metrics used to drive team member engagement, customer experience, profitable growth, and financial performance.

Parker believes Meggitt is very well aligned with Parker and the goals of The Win Strategy™. Parker further believes that the Acquisition would be strategically and culturally compelling, and enhance the future prospects of the Combined Group within global aerospace and defence industries, for the following key reasons:

- Meggitt is an international group headquartered in the United Kingdom and is a high-value, leading provider of proprietary and differentiated aerospace & defence technologies with over 70 per cent. of revenue from sole-source positions.
- Meggitt, like Parker, has a rich heritage in the aerospace and defence segments with a strong culture, underpinned by a number of core values focusing on teamwork, engagement, integrity, operational excellence, and innovation.
- Meggitt has a global brand, a complementary business mix, an impressive international base of blue-chip customers and a leading product portfolio.
- Meggitt has been transforming its business over the last four years through its focused strategy including: (i) streamlining its portfolio and investing in new technologies; (ii) delivering organic growth through its customer-aligned divisions; (iii) creating a high performance culture across the group; and (iv) improving operational performance and execution through strategic footprint reductions and supplier consolidations, an area where Parker intends to continue to deliver savings across the Combined Group.
- Meggitt and Parker are complementary across diverse portfolios of products, and will thus expand and develop core product lines, add new capabilities, and enable innovations on more-electric, low-carbon and other key technologies.

- The acquisition of Meggitt nearly doubles the size of Parker's Aerospace Systems segment, increasing the proportion of the business focused on the aerospace aftermarket by 500 bps.
- Parker believes the Combined Group will be able to provide a stronger value proposition for customers. Parker also believes the Combined Group is poised for strong growth, supported by the commercial aerospace recovery, and will be able to maximise its potential by building on a combined product portfolio and geographic footprint and by sharing operational and functional best practices.

Meggitt and Parker share a heritage as established manufacturers with significant presence across the UK, serving as trusted defence suppliers to the UK and US governments, and governments across the EU and globally. The UK is an important market to Parker and a key part of its business. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group. The Acquisition of Meggitt is aligned with Parker's capital deployment strategy. Consistent with its track record as an acquirer, Parker will be a responsible steward of Meggitt, recognising Meggitt's strong UK heritage and safeguarding relevant stakeholders' interests. Parker has therefore agreed with Meggitt to offer a number of legally binding commitments to HM Government, as further detailed in paragraph 9 below.

Based on the preliminary analysis to identify potential synergies and relying principally on Parker's understanding of the market and experience in conducting and integrating previous acquisitions, Parker expects that, following completion of the Acquisition, it can achieve \$300 million (approximately £216 million) of pre-tax synergies from its combination with Meggitt. It is expected that these synergies will be achieved by the end of the third full year following completion of the Acquisition, and Parker expects to incur approximately \$250 million (approximately £180 million) in cumulative one-time pre-tax costs to achieve these synergies. Parker anticipates synergies to be achieved primarily through the implementation of The Win Strategy™, improvements to the Combined Group's supply chain, lean, productivity and SG&A operations, as well as continuing Meggitt's strategy of footprint optimisation.

The terms of the Acquisition imply a US GAAP Enterprise Value multiple of 16.3x 2019 US GAAP EBITDA and 10.9x 2019 US GAAP EBITDA (including estimated pre-tax synergies of £216 million) for Meggitt.

Parker expects the combination to be earnings accretive in the first full 12 months after closing. The Acquisition is expected to drive incremental sales growth and cash flow accretion, and deliver a high single-digit ROIC in year 5 which should grow thereafter.² Parker remains committed to maintaining a strong balance sheet and investment grade credit rating.

² Excludes one-time costs and deal related amortisation.

4. Recommendation

The directors of Meggitt, who have been so advised by Rothschild & Co and Morgan Stanley as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the directors of Meggitt.

Accordingly, the directors of Meggitt intend unanimously to recommend that Meggitt Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the directors of Meggitt have irrevocably undertaken to do in respect of those Meggitt Shares they hold and in respect of which they control the voting rights (representing approximately 0.05 per cent. of the issued ordinary share capital of Meggitt on 30 July 2021 (being the last business day before this announcement)). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

5. Background to and reasons for the recommendation

Meggitt is one of the world's leading aerospace, defence and selected energy market businesses, with a unique portfolio of technologies, products and capabilities that underpin strong market positions.

In recent years, management has been successfully delivering a strategy that has fundamentally improved Meggitt's competitive position and its standing with customers, transitioning the business from a conglomerate holding company to a focused and strategically cohesive business through a programme of non-core disposals and targeted partnerships and acquisitions. Meggitt has continued to increase its exposure to attractive and growing markets where it has strong competitive positions through its investment in differentiated technology and capabilities. The company's strategy to develop best-in-class products and technologies for aerospace and defence markets, with very high requirements for product safety, performance and reliability, has resulted in strong sole-source, life-of-programme positions on growing aerospace platforms. In turn, this has delivered an increase of approximately 70 per cent. in shipset content on average on the latest generation of platforms. This strong position in original equipment underpins Meggitt's presence in the aftermarket which has enabled Meggitt to secure attractive long-term annuity revenue streams. In combination with its strong aerospace and defence positions, Meggitt has a highly attractive aero-derived Energy business with strong growth opportunities in renewables and low carbon applications.

The benefits of Meggitt's strategy were increasingly clear prior to COVID-19, with Meggitt recording seven consecutive quarters of revenue growth, achieving record operating profit and strong cash generation in FY 2019, and creating significant value for shareholders.

With the onset of COVID-19 in early 2020, management took quick and decisive action in the face of unprecedented challenges in the aerospace sector, resulting in significant cash savings and positioning the business to remain competitive in that environment. Meggitt successfully delivered £450m of in-year cash savings, generated positive free cash flow and reduced net debt in FY 2020. Meggitt also continued to progress key strategic initiatives including the sale of its Training Systems business, investment in the Ansty Park campus, and the acceleration of Meggitt's existing sustainability strategy.

As such, Meggitt remains strongly positioned, with a compelling standalone strategy which the Meggitt Board believes would deliver attractive value for Meggitt Shareholders over the long term as Meggitt's key markets, particularly commercial aerospace, recover. At the same time, however, there remains significant uncertainty as to the precise timing and speed of that recovery.

In that context, although the Meggitt Board did not solicit an offer for Meggitt, and several earlier, lower proposals from Parker were rejected, the Meggitt Board believes that the Acquisition substantially accelerates and de-risks the delivery of that value. In considering the financial terms of the Acquisition and determining whether they reflect an appropriate valuation of Meggitt and its future prospects, the Meggitt Board has taken into account a number of factors including that:

- the terms of the Acquisition represent an immediate and significant premium to the current share price, reflective of the significant value inherent in the Meggitt Group, whilst also providing Meggitt Shareholders with certainty of value in cash;
- the terms of the Acquisition represent a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement;
- the terms of the Acquisition represent a premium of approximately 73.8 per cent. to the volume weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement; and
- the terms of the Acquisition imply an IFRS Enterprise Value multiple of approximately 24.5x 2020 IFRS EBITDA for Meggitt.

In addition to the financial terms of the Acquisition, the Meggitt Board has carefully considered:

- the interests of its wider stakeholders and accordingly held extensive discussions with Parker in relation to the commitments Parker would be willing to offer in order to appropriately safeguard these interests as part of the Acquisition. The Meggitt Board has therefore taken due account of Parker's agreement to offer HM Government a number of legally binding commitments, as further detailed in paragraph 9 below;
- the alignment of Parker and Meggitt's respective business models and long-term outlook to support customers, as well as the investment required to develop next generation programmes and the benefits the enhanced scale of the Combined Group would bring to a broader and more diversified customer base globally;

- Meggitt’s cultural compatibility with Parker, which shares Meggitt’s core values of high performance teamwork, integrity and excellence, in addition to Parker’s long history of operating within the UK and other geographies in which Meggitt has a presence; and
- the legally binding Memorandum of Understanding that Parker and Meggitt have entered into with the trustee of the Meggitt UK DB Pension Plan.

Accordingly, following careful consideration of both the financial terms of the Acquisition and Parker’s plans for the Meggitt business under Parker’s ownership, the Meggitt Board intends to recommend unanimously the Acquisition to Meggitt Shareholders.

6. Irrevocable undertakings

As described above, Parker has received irrevocable undertakings from the directors of Meggitt to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Parker in accordance with the terms of the irrevocable undertakings) in respect of those Meggitt Shares that they legally and/or beneficially hold and the voting rights of which they control, amounting to, in aggregate, 409,769 Meggitt Shares, representing approximately 0.05 per cent. of the issued ordinary share capital as at 30 July 2021 (being the last business day before this announcement).

The undertakings from the directors of Meggitt remain binding in the event of a higher competing offer for Meggitt and will cease to be binding only if (i) the Scheme Document is not despatched to Meggitt Shareholders within 28 days (or such longer period as may be permitted by the Panel) after the date of this announcement; (ii) Parker announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time; (iii) if the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement Takeover Offer or Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time; or (iv) any competing offer for the entire issued and to be issue share capital of Meggitt becomes or is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

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

7. Information relating to Parker

Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial and aerospace markets. Parker was founded in Cleveland, Ohio, USA in 1917 and incorporated in Ohio, USA in 1938.

Parker currently has over 50,000 team members globally, and manufacturing, service, sales, distribution and administrative facilities in 49 countries. Parker supplies its products to approximately 464,000 customers in virtually every significant manufacturing, transportation and processing industry.

In its most recently completed and reported fiscal year, which ended 30 June 2020, Parker reported net sales of US\$13.70 billion and net income of US\$1.21 billion.

Parker has a long and successful history in the UK, having operated in the UK for over 50 years, and currently employs more than 2,100 team members in 18 facilities across the country. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group. Parker believes strongly in the importance of cultural fit and leadership, as well as employee engagement, in creating and nurturing successful organisations. These priorities are thus prominently reflected in The Win Strategy™ and practised and reinforced throughout the Parker organisation.

8. Information relating to Meggitt

Headquartered in the United Kingdom, Meggitt is an international group and a world leader in the aerospace, defence and energy markets, employing more than 9,000 people at over 40 manufacturing facilities and regional offices worldwide.

Working closely with its customers, Meggitt delivers technologically differentiated systems and products for the most demanding environments with high certification requirements for applications across its core end markets. Through focusing on engineering and operational excellence, Meggitt builds broad installed bases of equipment and provides through life services and support across a fleet of approximately 73,000 aircraft. As well as ensuring that its products and technologies satisfy the highest requirements for product safety, performance and reliability, Meggitt continues to prioritise investment in sustainable technology solutions for customers.

Meggitt's defence business accounts for 46 per cent. of Meggitt Group revenue with over 70 per cent. of revenue derived from its core US market. With equipment on an installed base of around 22,000 fixed wing and rotary aircraft and a significant number of ground vehicles, Meggitt is well placed, having secured strong positions on some of the newest and hardest worked platforms.

In energy and other markets, which represents 11 per cent. of Meggitt Group revenue, Meggitt's leading technologies and aerospace derived innovation serve a number of core end markets, primarily onshore and offshore gas and LNG and power generation applications. While Meggitt already has significant exposure to lower carbon applications, primarily in gas and LNG, it continues to build a strong pipeline of new opportunities in these areas as well as renewables.

Meggitt operates across four vertically integrated, customer aligned divisions:

- *Airframe Systems* – Meggitt is a market-leading industry provider of braking systems for commercial, business and defence aircraft, fire protection and safety systems, power and motion, fuel systems, avionics and sensors and advanced polymer seals for around 51,000 in-service civil and 22,000 defence aircraft.
- *Engine Systems* – Meggitt holds a market-leading position in advanced engine composites, thermal and safety systems with a broad range of technologies including vibration monitoring and engine health management systems. This division also provides aerospace engine flow control and sensing solutions.
- *Energy & Equipment* – Meggitt specialises in energy and defence equipment ranging from electronics cooling to ammunition handling systems and heat transfer equipment for off-shore oil and gas facilities and renewable energy applications.
- *Services & Support* – Meggitt provides a full-service aftermarket offering including spares distribution and maintenance, repair and overhaul to its commercial, business jet and defence customers throughout the lifecycle of our products.

Meggitt's primary operating locations are in the US and the UK, with a broad footprint in other locations across the world. Meggitt is headquartered in the United Kingdom and listed on the London Stock Exchange.

For the financial year ended 31 December 2020, Meggitt's revenue was £1,684m.

9. Binding commitments to HM Government

Parker has long recognised the unparalleled alliance that exists between the UK and the US in the defence and aerospace community.

In recognition of the importance of Meggitt's rich UK heritage and relationships with its key stakeholders, Parker has agreed as part of the Cooperation Agreement with Meggitt that it will offer legally binding commitments to HM Government to the effect that, following completion of the Acquisition, it will:

- (i) ensure that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government, (ii) maintain its existing technology and manufacturing that resides in the UK for the benefit of HM Government, and (iii) ensure that Meggitt continues to comply with and enforce security protocols prescribed by HM Government and allows for officials to inspect Meggitt's premises to verify compliance, in each case unless HM Government otherwise consents;
- maintain Meggitt's UK headquarters and new operational centre of excellence at Ansty Park to facilitate growth in its UK and European defence and aerospace businesses and operate each of Meggitt's existing divisions under the combined Parker-Meggitt name beneath a UK legal entity;

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- ensure all four current divisions of Meggitt (being Airframe Systems, Engine Systems, Energy & Equipment and Services & Support) remain in place following completion of the Acquisition;
 - maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels (assuming no material change to current levels between the date of this announcement and the Effective Date and subject to normal productivity improvements and business conditions);
 - increase by at least ten per cent. the number of overall apprenticeship opportunities currently offered by Meggitt in the UK;
 - at least maintain Meggitt's existing level of expenditure with respect to R&D in the UK and, subject to normal levels of growth and activity occurring in the aerospace industry, increase this by at least 20 per cent. over the next five years;
 - in line the with HM Government's sustainability commitments, maintain Meggitt's target of investing at least two-thirds of its research and technology budget for the UK in projects relating to sustainable aviation and low-carbon energy;
 - ensure the majority of the board of directors of Meggitt, which will be a subsidiary of Parker, and relevant Meggitt UK subsidiaries, will be UK nationals and, where required, security cleared; and
 - commit to Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Parker intends to agree the form, nature and detail (including duration) of these commitments in discussions with HM Government and other stakeholders. No statement in this paragraph 9 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

10. Intentions regarding business, employees, pension schemes, locations and research and development

Parker believes that a combination with Meggitt will maximise the Combined Group's future growth and profitability potential through complementary product portfolios and geographic footprint, commitment to technology rich innovation, complementary cultures, and shared commitment to operational excellence.

Parker is committed to being a responsible steward of Meggitt through the next stage of its evolution and, as described in more detail below, intends to support Meggitt's management in implementing a number of their existing strategies.

UK strategic capability and commitment

Parker recognises the important role that Meggitt plays, both as a leading UK business and in supporting the UK's strategic capabilities. Under its ownership, Parker will be a responsible steward of the Meggitt business and will continue to demonstrate a commitment to supporting the success of the UK, at home and abroad.

Parker will commit to ensuring that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government, and maintain Meggitt's existing technology and manufacturing that resides in the UK for the benefit of HM Government, as required.

Demonstrating Parker's commitment to the UK, following completion of the Acquisition, the majority of the board of directors of Meggitt, which will be a subsidiary of Parker, will be UK nationals and, where required, security-cleared. Further, the majority of the board of directors of relevant subsidiaries of Meggitt will also be UK nationals and, where required, security-cleared. Parker will also support Meggitt's continued active participation in the ADS Group.

Parker recognises the high standards and protocols that need to be observed, and Parker remains committed to ensuring that Meggitt continues to comply with and enforce applicable security protocols prescribed by HM Government, and to allow officials to inspect Meggitt's premises, as required, to verify compliance.

Evaluation of the Meggitt business and implications of the Acquisition

Prior to this announcement, consistent with market practice, Parker has been granted limited access to certain Meggitt information for the purposes of confirmatory due diligence. However, because of applicable regulatory controls, and the constraints of a public offer process, Parker has not received sufficiently detailed information to formulate definitive plans regarding the impact of the Acquisition on the Meggitt Group.

Based on the limited work it has been able to conduct so far and subject to such further review, the principal sources of synergies across the Combined Group are currently anticipated to be in, among others, the following areas: procurement savings opportunities; footprint optimisation; overlap in central corporate and support functions; and general and administrative expenses.

Following completion of the Acquisition, Parker intends to undertake a full evaluation of the Meggitt Group which is expected to last up to 12 months after the Effective Date (the ***Evaluation***). While the parameters of the Evaluation have not yet been finalised, Parker expects that it will involve, among others, the following areas:

- engaging with Meggitt's customers, suppliers and other key stakeholders;
- identifying areas of duplication or overlap across the Combined Group (principally the central corporate and support functions) and other possible efficiencies where Parker may be able to streamline and implement "best-in-class" practices in the Combined Group, including relating to cost management, efficiency improvements, productivity enhancements, and operational and administrative restructuring;

- continuing the consolidation of the supply chain for the Meggitt business that Meggitt management have been recently pursuing, and considering any potential additional actions to support this; and
- identifying existing and new growth and development opportunities to drive additional profitable growth.

Parker is supportive of the Meggitt Footprint Optimisation (as described below) and intends to work with Meggitt management to continue to implement it. Additionally, as part of the Evaluation, Parker intends to explore opportunities to enhance cost savings in these areas. This includes assessing Parker's legacy facilities and fixed assets to identify opportunities for these to be combined with Meggitt facilities.

Business locations and fixed assets

Parker recognises the important role that Meggitt plays in defining the UK defence and aerospace sector as world-leading and is committed to protecting Meggitt's rich UK heritage.

In recognition of the importance of supporting HM Government's levelling up agenda and to facilitate growth in its UK and European aerospace and defence businesses, Parker will maintain Meggitt's UK headquarters, together with its new operational centre of excellence, at Ansty Park in Coventry, the West Midlands. Meggitt's operations at Ansty Park will continue to comprise a range of manufacturing, engineering and support functions. Meggitt's headquarter functions will also remain in Coventry (save for any changes to headquarter functions due to the reduction of PLC-related functions and overlaps, as described above). The Combined Group's headquarters will be located at Parker's head office in Cleveland, Ohio, USA.

Subject to the ongoing execution of the Meggitt Footprint Optimisation (as described further above), Parker does not envisage any other material change to Meggitt's or Parker's other locations of business, or any need to redeploy any of the Meggitt Group's or Parker Group's fixed assets, as a result of the Acquisition.

Brand

Parker values and recognises the importance of Meggitt's brand. After the Effective Date, each of Meggitt's existing four divisions (being Airframe Systems, Engine Systems, Energy & Equipment and Services & Support) will operate under the combined Parker-Meggitt names.

Research and development

An effective R&D function lies at the heart of the success of both Parker and Meggitt and is central to the growth potential for the Combined Group. Parker will remain committed to enhancing the UK's position in defence and aerospace through R&D investment following the completion of the Acquisition.

Parker will continue to work collaboratively across industry and with universities (including in the UK), government authorities and other companies as part of its leading R&D programmes. As Governments and businesses around the world combine to face the challenge posed by climate change, Parker is excited by the potential of the Combined Group's R&D function to accelerate the innovation of more-electric and low-carbon technologies.

Parker plans to continue to innovate and invest in R&D at Meggitt following the Acquisition. Parker will at least maintain Meggitt's existing level of expenditure with respect to R&D in the UK and, subject to normal levels of growth and activity occurring in the aerospace industry, intends to increase this by at least 20 per cent. over the next five years.

Parker recognises the important role that sustainability plays in R&D and innovation, both in Meggitt's long term strategy and HM Government's ambitions to address environmental, societal and governance concerns worldwide.

Parker will therefore maintain Meggitt's target of investing at least two-thirds of its research and technology budget in projects relating to sustainable aviation and low-carbon energy. Furthermore, Parker fully supports and will adopt Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Management and employees

Parker welcomes the opportunity to combine the skills and experience of the employees of the Meggitt Group in the Combined Group, for the benefit of both companies around the world.

Based on Parker and Meggitt's strong cultural alignment, Parker sees the Acquisition as a significant opportunity to combine the talent, learnings, and best practices of Meggitt and Parker, creating a stronger team and environment for the employees of the Combined Group. Furthermore, employees of Meggitt will benefit from new opportunities within the Combined Group.

As described above, Parker will undertake the Evaluation following completion of the Acquisition, and whilst Parker is, as yet, unable to draw any conclusions as to its likely outcomes insofar as they may impact employees, a number of commitments can be made at this point.

Parker intends to safeguard the existing employment rights of the management and employees of the Combined Group in accordance with applicable law and does not envisage any material change in their conditions of employment.

Parker is particularly mindful of HM Government's initiatives that seek to provide alternative routes into employment through apprenticeships and retraining, and encouraging further take-up of vocational careers. Parker greatly values Meggitt's commitments to these initiatives and to ensuring it attracts and develops the best talent in order to shape the future of the Meggitt business. As such:

- Parker will maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels (assuming no material change to current levels between the date of this announcement and the Effective Date and subject to normal productivity improvements and business conditions); and
- Parker will increase, by at least ten per cent., the number of overall apprenticeship opportunities currently offered by Meggitt in the UK.

Whilst protecting and increasing investment in these areas, Parker sees the benefit of reviewing the ways in which the operations of the Combined Group can be further improved, which may impact employment roles within the organisation. Preliminary evaluation to date of impact on employees suggests that:

- Parker anticipates overlap between the two businesses, particularly in central corporate and support functions and a reduced need for roles currently supporting Meggitt's status as a public listed company at Meggitt's UK headquarters; and
- the Acquisition may give rise to operational economies of scale and opportunities for commercial benefits, which will be assessed as part of the Evaluation and may result in headcount reductions or relocation of Meggitt employees.

In addition, Parker will continue to implement Meggitt's publicly announced global footprint consolidation strategy, reducing Meggitt's footprint by a total of 50 per cent. from its 2016 baseline by 2023. This will include site consolidations, closures and rationalisations (the ***Meggitt Footprint Optimisation***), together with an assessment as to whether Parker's legacy facilities and fixed assets located in North America may form part of the optimisation of the Combined Group's footprint, which may result in headcount reductions or relocation of Combined Group employees.

These reductions will not include employees engaged in R&D, product engineers, direct manufacturing labour or apprentices in the UK.

The finalisation and implementation of any restructuring, integration and workforce reductions will be subject to detailed and comprehensive planning as part of the Evaluation, will be based on growth prospects (in particular the rate of recovery of the aerospace industry), productivity and other similar considerations, and will be subject to appropriate engagement and consultation with stakeholders, including affected employees and any appropriate employee representative bodies in accordance with the legal obligations of the Combined Group. It is expected that, where appropriate, Parker will seek to reallocate staff from discontinued roles to other roles within the Combined Group.

Parker would commence this engagement and consultation process long enough before any final decision is taken to implement any job reductions, so as to ensure compliance with relevant legal obligations.

Retention Arrangements

For the purpose of protecting the business of Meggitt to be acquired through the Acquisition, Parker has agreed that Meggitt may implement certain employee retention arrangements for a number of key Meggitt employees whose retention is considered critical for the business.

As part of such arrangements, Parker has agreed that Mr Tony Wood (CEO of Meggitt) and Ms Louisa Burdett (CFO of Meggitt) will each be entitled to receive a cash payment equal to 50 per cent. of their respective annual base salaries (less any required deductions) which, in each case, will be payable, subject to and conditional upon: (i) completion of the Acquisition; (ii) de-listing of the Company; and (iii) the relevant director remaining in employment with a member of the Meggitt Group or the Parker Group and not having resigned prior to the payment date (the ***Executive Retention Arrangements***). Subject to applicable leaver terms, such cash payments will be paid to the executive within 30 days after the Effective Date (or, if later the day following the date on which Meggitt is de-listed from the London Stock Exchange). The total aggregate value of all Executive Retention Arrangements is £540,000.

In order to promote the retention of certain Meggitt employees (including the Meggitt executive directors), Parker has agreed that, conditional upon completion of the Acquisition, it will implement a new transitional cash plan and will grant cash awards (the ***Transition Awards***) under such plan to Meggitt employees who: (i) are employed with the Meggitt Group on the Effective Date; and (ii) hold unvested awards granted in 2019, 2020 and/or 2021 under the Meggitt 2014 Long Term Incentive Plan (the ***LTIP Awards***). Such Transition Awards will be payable by Parker, subject to applicable leaver terms, on or as soon as practical after: (a) in respect of LTIP Awards granted in 2019, on the Effective Date; and (b) in respect of LTIP Awards granted in 2020 and/or 2021, on the normal vesting date of such LTIP Awards, subject to continued employment. The value of each eligible participant's Transition Award(s) will equal the aggregate of the value of the Meggitt Shares underlying any portion of their LTIP Award(s) that lapsed due to the application of time pro-rating and/or any assessment of the applicable performance conditions in accordance with the rules of the LTIP, based on the same consideration payable per Meggitt Share as is payable under the Scheme.

As required by, and solely for the purposes of, Rule 16.2 of the Code, Rothschild & Co and Morgan Stanley have (in their capacity as independent advisers to Meggitt for the purposes of Rule 3 of the Code) reviewed the terms of the Executive Retention Arrangements and the Transition Awards together with other information deemed relevant and advised Meggitt that the Executive Retention Arrangements and the Transition Awards are fair and reasonable so far as Meggitt Shareholders are concerned. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the Meggitt directors.

The existing non-executive directors of Meggitt will resign from office as directors of Meggitt with effect from the Effective Date.

Pensions

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

Meggitt operates a defined benefit pension scheme in the UK, the Meggitt Pension Plan (the ***Meggitt UK DB Pension Plan***). The Meggitt UK DB Pension Plan is closed to new members and to future accrual. It is not intended that any changes shall be made to reopen this scheme to the admission of new members or to the future accrual of benefits.

Parker has held constructive discussions with the trustee (the ***Trustee***) of the Meggitt UK DB Pension Plan and Parker, the Trustee and Meggitt have entered into a legally binding memorandum of understanding dated 2 August 2021 (the ***Memorandum of Understanding***) setting out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan. The key terms of the Memorandum of Understanding include:

- an open-ended uncapped parent company guarantee from Parker from completion of the Acquisition in respect of all present and future employer obligations and liabilities in respect of the Meggitt UK DB Pension Plan;
- a lump sum cash payment of £25 million to be paid to the Meggitt UK DB Pension Plan within one month of completion of the Acquisition;
- the payment of employer contributions to the Meggitt UK DB Pension Plan from completion of the Acquisition at a flat rate of £35 million per annum until the statutory funding deficit under the Meggitt UK DB Pension Plan's valuation as at 5 April 2021 is eliminated or the actuarial valuation of the Meggitt UK DB Pension Plan as at 5 April 2024 is completed; and
- a commitment from Parker to agree appropriate information sharing provisions with the Trustee for the benefit of the Meggitt UK DB Pension Plan following the date of this announcement.

The Trustee has confirmed in the Memorandum of Understanding that, based on the information available to the Trustee as at the date of the Memorandum of Understanding and taking into account the undertakings provided by Parker under the Memorandum of Understanding, the Trustee has no reason to believe that the Acquisition would be materially detrimental to the ability of the Meggitt UK DB Pension Plan to meet its liabilities or to the likelihood of the accrued Meggitt UK DB Pension Plan benefits being received.

Meggitt also operates defined contribution pension arrangements in the UK and both defined benefit and defined contribution pension schemes in other jurisdictions (together, the *Other Pension Schemes*). Parker does not intend to make any changes to the Other Pension Schemes (including with regard to accrual of benefits for existing members, the admission of new members and current arrangements for the funding of any scheme deficit) and confirms its intention for employer contributions to Other Pension Schemes to continue in line with current arrangements.

Trading facilities

Meggitt is currently listed on the Official List and, as set out in paragraph 15, a request will be made to the London Stock Exchange to cancel trading in Meggitt Shares and delist Meggitt from the Official List, to take effect on or shortly after the Effective Date.

Post offer undertakings

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

11. Financing

The cash consideration payable by Parker under the terms of the Acquisition, together with certain fees and expenses in connection with the Acquisition, is expected to be funded by a combination of cash resources, borrowing under debt facilities to be entered into or otherwise available to Parker and net proceeds of debt securities to be issued by Parker. Nothing in this announcement shall constitute the offer for sale of any securities. In support of its obligations to pay the cash consideration and such fees and expenses, Parker has entered into a term loan bridge facility obtained from Citibank, N.A. (the *Bridge Facility*). Parker has obtained the fully committed Bridge Facility from Citibank, N.A., as sole lead arranger, sole bookrunner, sole administrative agent and, together with Citicorp North America, Inc., as lenders.

In due course, and in place of drawing under the Bridge Facility, Parker intends to obtain and enter into: (i) a new \$2,000,000,000 senior unsecured term loan facility, which will be used to reduce (and partially replace) the Bridge Facility; and (ii) an amendment to its existing revolving credit agreement to increase the commitments thereunder and to make certain other changes to the terms thereof in connection with the Acquisition.

Citi confirms that it is satisfied that sufficient resources are available to Parker to satisfy in full the cash consideration payable under the terms of the Scheme.

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

12. Meggitt Share Schemes

Participants in the Meggitt Share Schemes will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to such participants in due course. Details of these proposals will be set out in separate letters to be sent to participants in the Meggitt Share Schemes.

13. Offer-related arrangements and Memorandum of Understanding

Confidentiality Agreement

Parker and Meggitt have entered into a confidentiality agreement dated 1 July 2021 (the *Confidentiality Agreement*) pursuant to which Parker has undertaken, amongst other things: (a) to keep confidential information relating to the Acquisition and Meggitt and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation or with the consent of Meggitt; and (b) to use the confidential information for the sole purpose of evaluating, negotiating, or implementing the Acquisition. These confidentiality obligations remain in force until the earlier of: (i) 18 months from the date of the Confidentiality Agreement; and (ii) the date of completion of the Acquisition. The agreement also contains provisions pursuant to which Parker has agreed not to solicit certain employees, consultants or independent contractors of Meggitt, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement.

Cooperation Agreement

Parker and Meggitt have entered into a cooperation agreement dated 2 August 2021, (the *Cooperation Agreement*) pursuant to which, among other things:

- Parker has agreed to take or cause to be taken all necessary steps in order to secure the regulatory clearances and authorisations necessary to satisfy Conditions 3 to 20 (inclusive) of Part A of Appendix 1 to this announcement, in sufficient time to enable the Effective Date to occur prior to the Long-Stop Date; and
- Parker and Meggitt have each agreed to certain undertakings to co-operate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made in relation to such regulatory clearances and authorisations.

Under the terms of the Cooperation Agreement, Parker has agreed with Meggitt that it will offer a number of legally binding commitments to HM Government, as further described at paragraph 9 above.

The Cooperation Agreement records the parties' intentions to implement the Acquisition by way of Scheme, subject to the ability of Parker to implement the Acquisition by way of a Takeover Offer in certain circumstances set out in the Cooperation Agreement and with the consent of the Panel.

The Cooperation Agreement will be capable of termination by either party in certain circumstances, including if the Scheme does not become Effective by the Long-Stop Date, a competing transaction completes, becomes effective or is declared or becomes unconditional in all respects, any Condition has been invoked by Parker (in circumstances where invocation of the relevant Condition is permitted by the Panel) prior to the Long-Stop Date or if the Acquisition is withdrawn or lapses in accordance with its terms prior to the Long-Stop Date.

In addition, Parker may terminate the Cooperation Agreement on written notice to Meggitt where the Meggitt directors have publicly withdrawn, adversely qualified, adversely modified or failed to reaffirm or re-issue (when reasonably requested by Parker to do so) their unanimous and unconditional recommendation that Meggitt Shareholders vote in favour of the Scheme or a competing transaction is either recommended by the directors of Meggitt or completes, becomes effective or is declared or becomes unconditional in all respects.

Pursuant to the terms of the Cooperation Agreement, Parker has undertaken that it will deliver a notice in writing to Meggitt on the business day prior to the Scheme Court Hearing confirming either: (i) the satisfaction or waiver of all conditions (other than Condition 2); or (ii) if permitted by the Panel, that it intends to invoke one or more Conditions.

The Cooperation Agreement also contains provisions that will apply in respect of the Meggitt Share Schemes and certain other employee incentive arrangements.

Clean Team Agreement

Parker and Meggitt have entered into a due diligence clean team agreement dated 7 July 2021 (the ***Clean Team Agreement***), which sets out how any confidential information that is commercially sensitive can be disclosed, used or shared for the purposes of due diligence, synergies evaluation, integration planning and regulatory clearance. Such commercially sensitive information must only be made available to the party receiving information through designated persons removed from day-to-day commercial or strategic operations and decisions and external professional advisers. The findings of such designated persons and external advisers may only be relayed to other employees, officers and directors of the receiving party in specified circumstances and subject to certain restrictions.

CJDA

Further, Parker, Meggitt and their respective legal counsel have entered into a confidentiality and joint defence agreement dated 5 July 2021 (the ***CJDA***), the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective legal counsel and external experts, and 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.

Memorandum of Understanding

Parker, the Trustee and Meggitt have entered into a legally binding Memorandum of Understanding dated 2 August 2021 setting out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan. Further details of the Memorandum of Understanding are set out at paragraph 10 above under the heading 'Pensions'.

14. Structure of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Meggitt and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure involves, among other things, an application by Meggitt to the Court to sanction the Scheme, by which Scheme Shares held by Scheme Shareholders will be transferred to Parker in consideration for which the Scheme Shareholders will receive cash on the basis described in paragraph 2 above. The purpose of the Scheme is to provide for Parker to become the owner of the entire issued and to be issued share capital of Meggitt.

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document. In particular, the Scheme will only become effective if, among other things, the following events occur on or before the Long-Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either 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 or classes thereof);
- the Resolutions are passed by the requisite majority of Meggitt Shareholders at the General Meeting (which will require the approval of Meggitt Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy);
- certain antitrust and foreign investment approvals and clearances are obtained as detailed in Appendix 1 to this announcement;
- the Scheme is sanctioned by the Court (with or without modification, on terms agreed by Parker and Meggitt); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Any Meggitt Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Meggitt Shares issued or transferred after the Scheme Record Time (other than to Parker and/or its nominees) to be automatically transferred to Parker (and, where applicable, for consideration to be paid to the transferee or the original recipient of the Meggitt Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Parker and its nominees) holding Meggitt Shares after the Effective Date.

Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour);

and (ii) share certificates in respect of Meggitt Shares will cease to be valid and entitlements to Meggitt Shares held within the CREST system will be cancelled. The consideration for the transfer of Scheme Shares to Parker will be dispatched to Scheme Shareholders no later than 14 days after the Effective Date.

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Parker 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 Parker has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Meggitt, specified a new date by which that Condition must be satisfied (with the Panel's consent and as the Court may approve (if such consent(s) or approval(s) is/are required)).

If the Scheme does not become effective on or before the Long-Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel requires an extension to the Long-Stop Date pending final determination of an issue under section 3(g) of Appendix 7 of the Code).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Meggitt Shareholders. It is expected that the Scheme Document, together with the Forms of Proxy, will be sent to Meggitt Shareholders and, for information only, to persons with information rights and to holders of options granted under the Meggitt Share Schemes, as soon as practicable and in any event within 28 days of this announcement.

The Acquisition is expected to complete during Q3 of 2022, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of principal events will be included in the Scheme Document.

The Acquisition is conditional on a number of antitrust and regulatory approvals and Parker will make further announcements in respect of such approvals as appropriate.

15. Delisting and re-registration

It is intended that an application will be made to the FCA for the cancellation of the listing of the Meggitt Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Meggitt Shares on the London Stock Exchange's main market for listed securities, with effect as of or shortly following the Effective Date.

It is expected that the last day for dealings in Meggitt Shares on the main market of the London Stock Exchange is expected to be the last business day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. (London time) on that date.

It is also intended that, following the Scheme becoming effective, Meggitt will be re-registered as a private company under the relevant provisions of the Companies Act.

16. Disclosure of interests in Meggitt relevant securities

Except for the irrevocable undertakings referred to in paragraph 6 above, as at close of business on 30 July 2021 (being the business day before this announcement), neither Parker, nor any of the directors of Parker or any member of the Parker Group, nor, so far as the directors of Parker are aware, any person acting in concert with Parker for the purposes of the Acquisition had any interest in, right to subscribe for, or had borrowed or lent any Meggitt Shares or securities convertible or exchangeable into Meggitt Shares, nor did any such person have 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 take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Meggitt Shares or in relation to any securities convertible or exchangeable into Meggitt Shares.

In the interests of secrecy prior to this announcement, Parker has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Parker for the purposes of the Scheme. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

17. Overseas shareholders

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

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

18. Meggitt's issued share capital

In accordance with Rule 2.9 of the Code, Meggitt confirms that, as at close of business on 30 July 2021 (being the last business day before to the date of this announcement), it has 781,372,024 Meggitt Shares in issue (excluding shares held in treasury). The International Securities Identification Number for Meggitt Shares is GB0005758098.

19. Documents published on a website

Copies of the following documents will, by no later than 12 noon (London time) on 3 August 2021, be published on Meggitt's website at www.meggittoffer.com and Parker's website at www.aerospacegrowth.com until the end of the Acquisition:

- (a) this announcement;

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- (b) the irrevocable undertakings described in paragraph 6 above;
 - (c) the documents relating to the Bridge Facility referred to in paragraph 11 above;
 - (d) the Confidentiality Agreement, Cooperation Agreement, Clean Team Agreement and CJDA referred to in paragraph 13 above; and
 - (e) the consent letters from each of Citi, Morgan Stanley, BofA Securities and Rothschild & Co referred to in paragraph 20 below.

Neither the contents of Meggitt's website and Parker's website, nor the contents of any other website accessible from hyperlinks on such websites, are incorporated into or form part of this announcement.

20. General

Parker reserves 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 Meggitt not already held by Parker as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme, including the inclusion of an acceptance condition set at 75 per cent. of the Meggitt Shares (or such other lower percentage as Parker may, subject to the rules of the Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide).

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, Parker intends to: (i) make a request to the FCA to cancel the listing of the Meggitt Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Meggitt 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 Meggitt Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Certain terms used in this announcement are defined in Appendix 4 to this announcement.

Each of Citi, Morgan Stanley, BofA Securities and Rothschild & Co has given and not withdrawn its consent to the inclusion in this announcement of references to its name in the form and context in which they appear.

Enquiries

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Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Parker in connection with the Acquisition.

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

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Meggitt in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which, together with the Forms of Proxy, will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

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

Citi, which is authorised in the UK by the PRA and regulated by the FCA and PRA, is acting exclusively for Parker and no one else in connection with the Acquisition and will not be responsible to anyone other than Parker for providing the protections afforded to clients of Citi nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein, the Acquisition or otherwise.

Rothschild & Co, which is authorised and regulated in the UK by the FCA, is acting exclusively for Meggitt and no one else in connection with the Acquisition and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

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

BofA Securities, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for Meggitt and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the subject matter of this announcement or any other matter or arrangement referred to herein.

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, 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 Meggitt 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. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (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 and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in

the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. Certain financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if Parker exercises its right to implement the acquisition of the Meggitt Shares by way of a Takeover Offer in accordance with the terms of the Cooperation Agreement, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Meggitt Shareholder is urged to consult with independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to it.

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

To the extent permitted by applicable law, in accordance with normal UK practice, Parker or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Meggitt Shares 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. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. If Parker elects to implement the Acquisition by way of Takeover Offer in accordance with the terms of the Cooperation Agreement, such Takeover Offer will be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act, as amended, and Regulation 14E thereunder, subject to exemptive relief, including in respect of Rule 14e-5 thereunder.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, BofA Securities, Morgan Stanley and their affiliates will continue to act as exempt principal traders in Meggitt securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Parker and Meggitt 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. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Parker and Meggitt about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Parker and Meggitt, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “targets”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Parker and Meggitt believe that the expectations reflected in such forward-looking statements are reasonable, Parker and Meggitt can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; government actions and natural phenomena such as floods, earthquakes, hurricanes and pandemics; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Parker nor Meggitt, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the FCA), neither Parker nor Meggitt is under any obligation, and Parker and Meggitt expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

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

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

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

No profit forecasts, estimates or quantified financial benefits statements

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

Note regarding non-US GAAP financial measures

This announcement contains references to non-US GAAP financial information for Meggitt, including EBITDA, adjusted EBITDA, and adjusted EBITDA margin. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Although EBITDA, adjusted EBITDA, and EBITDA margin are not measures of performance calculated in accordance with US GAAP, Parker believes that they are useful to an investor in evaluating the company performance for the period presented. For further information, see Appendix 2 (Bases and Sources).

Rounding

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

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Parker's website at www.aerospacegrowth.com and Meggitt's website at www.meggittoffer.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Meggitt Shareholders may request a hard copy of this announcement by contacting Computershare during business hours on +44 (0) 370 703 6210 or by submitting a request in writing to Computershare Investor Services PLC at The Pavilions, Bridgwater, Bristol, BS99 6ZZ. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Appendix 1

Conditions and Certain Further Terms of the Scheme and the Acquisition

A. Conditions to the Scheme and Acquisition

Long-Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than the Long-Stop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) (i) approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the 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 meeting); and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required));
 - (b) (i) all Resolutions being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required)); and
 - (c) (i) the sanction of the Scheme by the Court without modification or with modification on terms acceptable to Parker and Meggitt and the delivery of an office copy 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 to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required)).

In addition, Parker and Meggitt have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived.

Official authorisations and regulatory clearances

UK CMA clearance

3. Insofar as the Acquisition creates a relevant merger situation within the meaning of Section 23 of the Enterprise Act 2002, the CMA or, as the case may be, the Secretary of State adopting and formally notifying to the parties 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 clearance of the Acquisition having been satisfied or complied with).

European Commission clearance

4. Insofar as the Acquisition falls within the scope of Council Regulation (EC) 139/2004 (*the EUMR*), closing shall be conditional upon:
 - (a) either:
 - (i) the European Commission adopting and formally notifying to the parties, or having been deemed under the EUMR or Protocol 24 to the European Economic Area Agreement (*the EEA Agreement*) to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions or obligations contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with); or
 - (ii) in the event that all or any part of the Acquisition is referred, or is deemed under the EUMR or Protocol 24 of the EEA Agreement to have been referred, by the European Commission to the competent authorities of one or more EU Member State or EFTA State:
 - (A) all such competent authorities adopting, or having been deemed under relevant laws to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with) or any waiting periods applicable to the Acquisition otherwise having expired or been terminated; and
 - (B) Condition 4(a)(i) above being satisfied in respect of all parts of the Acquisition not so referred; and
 - (b) in the event that any EU Member State or EFTA State has indicated that it is considering whether, or intends, to take measures in relation to the Acquisition to protect legitimate interests pursuant to Article 21(4) of the EUMR or Article 7 of Protocol 24 of the EEA Agreement, all such EU Member States and EFTA States adopting, or having been deemed under relevant laws to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with).

United States Hart Scott Rodino clearance

- 5.
- (a) all filings having been made and all or any applicable waiting periods (including any extensions thereof or any timing agreements with the United States antitrust authorities) under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, 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.

Australia ACCC clearance

6. Insofar as a filing is considered necessary or appropriate by Parker, Parker having received notice in writing from the Australian Competition and Consumer Commission (***ACCC***) that it does not intend to investigate further, or has no objection to, and does not intend to take any action to prevent or oppose the Acquisition (including where subject to the implementation of conditions).

Brazil CADE clearance

7. Insofar as the Acquisition triggers a mandatory filing requirement, the Administrative Council for Economic Defense of Brazil (***CADE***) having approved the consummation of the Acquisition either by means of:
- (a) a final clearance decision issued by CADE's Superintendence-General, and the expiration of the 15-day waiting period with no third party appeals or request for further review by CADE's Administrative Tribunal for Economic Defense;
 - (b) a final clearance decision issued by CADE's Administrative Tribunal for Economic Defense, subject to the implementation of conditions agreed with CADE (if applicable); or
 - (c) the expiration of the formal review period provided for under article 88, paragraphs 2 and 9, of the Brazilian competition law No 12529 of 30 November 2011, without a final decision being made by CADE.

China SAMR clearance

8. Insofar as the Acquisition triggers a mandatory filing requirement, a filing having been made to and accepted by the State Administration for Market Regulation (***SAMR***) pursuant to the Anti-Monopoly Law and SAMR having issued a formal notice confirming that it will not conduct further review of the Acquisition or allowing the Acquisition to proceed with or without conditions, or all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Acquisition having expired.

Mexico Competition Authority clearance

9. Insofar as the Acquisition triggers a mandatory filing requirement, the Mexican Competition Authority having cleared the Acquisition, whether unconditionally pursuant to Article 90 of the Mexican Federal Economic Competition Law or subject to conditions pursuant to Articles 90 and 91 of the Mexican Federal Economic Competition Law, or the Mexican Competition Authority not having issued a decision within the required deadlines, with the consequence of deeming the Acquisition as authorized pursuant to Article 90 of the Mexican Federal Economic Competition Law.

Turkey TCA clearance

10. Insofar as the Acquisition triggers a mandatory filing requirement, pursuant to Law No. 4054 on the Protection of Competition (**Law No. 4054**) and Communiqué No. 2010/4 on Mergers and Acquisitions Subject to the Approval of the Competition Board:
- (a) the Turkish Competition Board (*Rekabet Kurulu*), the competent decision-making organ of the Turkish Competition Authority (*Türk Rekabet Kurumu*) having declined jurisdiction over the Acquisition or approved the Acquisition conditionally or unconditionally; or
 - (b) the applicable waiting period having expired pursuant to Article 10(2) of the Law No. 4054.

Other national security and foreign investment clearances

Australia

11. Insofar as a filing is considered necessary by Parker, the occurrence of one of the following events:
- (a) Parker receiving a written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia stating, or to the effect that, that the Commonwealth Government does not object to the Acquisition, with or without imposing conditions; or
 - (b) it having been determined by Parker that the Acquisition is not a significant action, a notifiable action or a notifiable national security action under FATA and, to the extent that any notification has already been made under the FATA in connection with the Acquisition, such notification having been withdrawn; or
 - (c) the Treasurer of the Commonwealth of Australia becoming precluded from making an order under Division 2 of Part 3 of FATA in relation to the Acquisition under the FATA; or
 - (d) if an interim order is made under the FATA in respect of the Acquisition, the subsequent period for making a final order prohibiting the transactions contemplated by this announcement elapsing without a final order being made.

Denmark

12. Insofar as a filing is considered necessary by Parker), obtaining Danish FDI clearance by means of a decision of the Danish Business Authority under Act no. 842 of 10 May 2021, *Act on screening of certain foreign direct investments etc. in Denmark* or the Ministry of Justice under the Consolidated Act no. 1004 of 22 October 2012, *Consolidated Act on War Material etc* or any other office, department or branch of the Danish State competent to issue and release the clearance under the Danish FDI Regulation stating that:
- (a) the Acquisition does not fall within the scope of the Danish FDI Regulation; or
 - (b) the Acquisition is expressly approved without any requirements, measures and/or conditions to be complied with; or
 - (c) the Acquisition is expressly approved with the imposition of requirements and conditions.

France

13. Insofar as a filing is considered necessary by Parker, obtaining French foreign investment clearance for the Acquisition pursuant to Articles L.151-3 and R. 151-1 et seq. of the French Monetary and Financial Code, by means of the French Ministry of the Economy having:
- (a) issued a decision stating that the Acquisition does not fall within the scope of the French foreign investment regulation; or
 - (b) expressly approved the Acquisition without any requirements, measures and/or conditions to be complied with; or
 - (iii) expressly approved the Acquisition with the imposition of requirements and conditions.

Germany

14. Insofar as a filing under the German AWG is necessary or considered appropriate by Parker, the Acquisition not having been prohibited according to sec. 4 para. 1 no. 4, sec. 5 para. 2 of the German Foreign Trade Act (*Außenwirtschaftsgesetz – AWG*) in conjunction with sec. 59 or sec. 62 of the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung – AWV*). This condition shall be deemed satisfied if the German Federal Ministry for Economic Affairs and Energy (*Bundeswirtschaftsministerium – BMWi*) has:
- (a) granted a Certificate of non-objection (*Unbedenklichkeitsbescheinigung*) in accordance with sec. 58 para. 1 sentence 1 AWV or issued a clearance decision (*Freigabe*) in accordance with sec. 58a or sec. 61 AWV or otherwise informed Parker that it will not initiate formal proceedings (*Prüfverfahren*) within the two months' time period specified in sec 14a para. 1 no. 1 AWG; or

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- (b) informed Parker in writing, after initiating formal proceedings (*Prüfverfahren*), that the Acquisition will not be prohibited or does not meet the requirements for a prohibition; or
 - (c) not prohibited the Acquisition, after initiating formal proceedings (*Prüfverfahren*), within the four months' time period specified in sec. 14a para. 1 no. 2 AWG, as possibly extended pursuant to sec. 14a paras. 4, 5 and 6 AWG; or
 - (d) declared in writing that the Acquisition can be closed without having obtained prior approval from the German Federal Ministry for Economic Affairs and Energy.

Italy

- 15. Insofar as a filing is necessary or considered appropriate by Parker, obtaining Italian FDI clearance, by means of, alternatively, either:
 - (a) a decision of the Italian FDI Authority stating that: (i) the Acquisition does not fall within the scope of the Italian FDI Regulation; or (ii) the Acquisition is expressly approved without any requirements, measures and/or conditions to be complied with; or (iii) the Acquisition is expressly approved with the imposition of requirements and conditions; or
 - (b) the expiration of all the applicable statutory periods for the issuance by the Italian FDI Authority of an express decision on the Acquisition pursuant to the Italian FDI Regulation, that is qualified as tacit approval of the Acquisition under the Italian FDI Regulation.

UK

- 16. To the extent that the NS&I Act commences prior to the Effective Date and a mandatory and suspensory notification is required under that Act, a notification having been accepted and:
 - (a) the Secretary of State confirming before the end of the review period that no further action will be taken in relation to the Acquisition; or
 - (b) if the Secretary of State issues a call-in notice in relation to the Acquisition, the parties receiving a final notification containing confirmation that the Secretary of State will take no further action in relation to the call-in notice and the Acquisition under the NS&I Act; or
 - (c) the Secretary of State making a final order in relation to the Acquisition (and, to the extent relevant, all conditions or obligations contained in such an order necessary for completion of the Acquisition having been satisfied or complied with).

Other

- 17. To the extent that any new or amended public interest, foreign investment or national security laws, rules or regulations become effective before the Effective Date, and such laws, rules or regulations apply to the Acquisition, all mandatory and suspensory approvals as are legally required, or in the reasonable opinion of Parker advisable, pursuant to such laws, rules or regulations to permit the Acquisition to occur having been obtained.

General Third Party official authorisations and regulatory clearances

18. Excluding filings, applications, obligations, notifications, waiting and other time periods, and clearances relating to those antitrust, merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, all notifications to and filings with, Third Parties which are necessary or considered appropriate by Parker having been made, all appropriate or 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 of any shares or other securities in, or control or management of, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker Group or the carrying on by any member of the Wider Meggitt Group of any material aspect of its business.
19. No Third Party having intervened (other than any Third Party having intervened in respect of those antitrust, merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, in respect of which those aforementioned paragraphs 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 those antitrust or merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, in respect of which those aforementioned paragraphs shall apply) in each case which would or would reasonably be expected to:
 - (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition by Parker or any member of the Wider Parker Group of any shares or other securities in, or control or management of, Meggitt or any member of the Wider Meggitt Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material 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 of any Meggitt Shares or the acquisition of control or management of Meggitt or the Wider Meggitt Group by Parker or any member of the Parker Group;
 - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Parker Group or any member of the Wider Meggitt 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 Meggitt Group or any member of the Wider Parker Group;

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- (c) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Parker Group of any shares or other securities in any member of the Meggitt Group;
 - (d) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Parker Group or by any member of the Wider Meggitt Group of all or a material part 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;
 - (e) 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 Parker Group or of the Wider Meggitt 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;
 - (f) materially adversely limit the ability of any member of the Wider Parker Group or of the Wider Meggitt 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 Parker Group or of the Wider Meggitt Group;
 - (g) result in any member of the Wider Meggitt Group or the Wider Parker Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Meggitt Group or of the Wider Parker Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

20. All Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition of any shares or other securities in, or control or management of, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker Group or the carrying on by any member of the Wider Meggitt Group of its business having been obtained from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider Meggitt Group has entered into contractual arrangements in each case where the absence of such Authorisation would have a material adverse effect on the Meggitt Group taken as a whole and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

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

21. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Meggitt 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, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker 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 Meggitt 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 Meggitt 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 Meggitt 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 Meggitt Group;
 - (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any such member of the Wider Meggitt Group thereunder, being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (d) any asset or interest of any such member of the Wider Meggitt Group being or falling to be disposed of or charged or ceasing to be available to any such member of the Wider Meggitt 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 Meggitt Group otherwise than in the ordinary course of business;
 - (e) any such member of the Wider Meggitt Group ceasing to be able to carry on business under any name under which it presently does so;
 - (f) the creation of material liabilities (actual or contingent) by any such member of the Wider Meggitt Group other than trade creditors or other liabilities incurred in the ordinary course of business;
 - (g) the rights, liabilities, obligations or interests of any such member of the Wider Meggitt 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

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- (h) the financial or trading position or the value of any member of the Wider Meggitt 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 (h) of this Condition 21 occurring, in any case to an extent which is or would be material and adverse in the context of the Meggitt Group taken as a whole.
22. Since 31 December 2020 and except as Disclosed, no member of the Wider Meggitt 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 Meggitt and wholly-owned subsidiaries of Meggitt and/or on the exercise of options or vesting of awards granted in the ordinary course under or in connection with the Meggitt Share Schemes;
 - (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 Meggitt) is material in the context of the Meggitt 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 to Meggitt or a wholly-owned subsidiary of Meggitt);
 - (d) save for intra-Meggitt 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 Meggitt Group taken as a whole;
 - (e) other than pursuant to the Acquisition (and except for any transactions in the ordinary course of business or between Meggitt and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) 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) or authorised the same (in each case to an extent which is material in the context of the Meggitt Group taken as a whole);
 - (f) except in the ordinary course of business or except as between Meggitt and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or authorised the issue of, or made any change in or to, any debentures or incurred or increased any indebtedness or liability (actual or contingent) which in any case is material and adverse in the context of the Meggitt 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:

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- (i) is of a long term, onerous or unusual nature or magnitude or which would or would be reasonably expected to involve an obligation of such nature or magnitude (save in the ordinary course of business); or
 - (ii) would or would reasonably be likely to restrict the business of any member of the Wider Meggitt 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 in the context of the Wider Meggitt Group taken as a whole.
- (h) entered into or materially varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Meggitt Group which is material and adverse in the context of the Wider Meggitt Group taken as a whole;
 - (i) (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 Meggitt Group taken as a whole;
 - (j) 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 Meggitt Group taken as a whole;
 - (k) other than claims between Meggitt 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 Meggitt Group taken as a whole;
 - (l) 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;
 - (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:
 - (i) any material change:
 - (A) to the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or

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- (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
- in each case, which has or would reasonably be expected to have an effect that is material in the context of the Wider Meggitt Group taken as a whole; or
- (ii) any non-ordinary course change to the trustees of the pension scheme(s) including the appointment of a trust corporation;
- (n) (other than pursuant to the directors' remuneration policy approved by Meggitt Shareholders at the annual general meeting of Meggitt held on 29 April 2021) proposed, agreed to provide or 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 Meggitt Group in a manner which is material in the context of the Meggitt Group taken as a whole, other than in accordance with the terms of the Acquisition or as agreed by the Panel or Parker; or
 - (o) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 22.

No adverse change, litigation or regulatory enquiry

23. 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 Meggitt Group which in any case is material and adverse in the context of the Meggitt Group taken as a whole;
- (b) no contingent or other liability of any member of the Wider Meggitt 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 Meggitt 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 Meggitt Group is or may become a party (whether as plaintiff, defendant or otherwise) 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 Meggitt Group which in any case is or would reasonably be expected to have a material adverse effect in the context of the Wider Meggitt Group taken as a whole;

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- (d) (other than as a result of or in connection with the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Meggitt Group which in any case would reasonably be expected to have an adverse effect that is material in the context of the Meggitt Group taken as a whole;
 - (e) on or after the date of this announcement, and other than with the consent of Parker, no action having been taken or proposed by any member of the Wider Meggitt Group, or having been approved by Meggitt Shareholders, which requires or would require the approval of Meggitt Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code; or
 - (f) no member of the Wider Meggitt Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Meggitt Group taken as a whole.

No discovery of certain matters

24. Except as Disclosed, Parker not having discovered:

- (a) that any financial or business or other information concerning the Wider Meggitt Group disclosed at any time by or on behalf of any member of the Wider Meggitt Group, whether publicly, to any member of the Wider Parker 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 2 August 2021 by disclosure either publicly or otherwise to Parker, in each case to an extent which is material in the context of the Wider Meggitt Group taken as a whole;
- (b) that any member of the Wider Meggitt Group is subject to any liability (actual or contingent) which in any case is material in the context of the Wider Meggitt Group taken as a whole;
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Meggitt Group and which is material in the context of the Wider Meggitt Group taken as a whole;
- (d) that any past or present member of the Wider Meggitt Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any human, 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, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Meggitt Group which in any case is material in the context of the Meggitt Group taken as a whole; or

- (e) that there is, or is reasonably likely to be, any material liability, whether 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 Meggitt Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Meggitt Group taken as a whole.

Anti-corruption, sanctions and criminal property

25. Parker not having discovered other than Disclosed that:

- (a) (i) any past or present member, director, officer or employee of the Wider Meggitt 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 (ii) any person that performs or has performed services for or on behalf of the Wider Meggitt Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services 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 reasonably be expected to be material in the context of the Wider Meggitt group taken as a whole, any asset of any member of the Wider Meggitt 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 Meggitt 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: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) 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, which in each case would cause any member of Meggitt Group to be in breach of any economic sanctions laws applicable to the Meggitt Group; or

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- (d) a member of the Meggitt Group has engaged in any transaction which would cause the Meggitt 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;
- (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; and
- (iii) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licenses, clearances, provisions and approvals, in each case, of a Third Party.

B. Waiver and invocation of the Conditions

1. Subject to the requirements of the Panel, Parker reserves the right in its sole discretion to waive in whole or in part, all or any of the Conditions set out in Part A above, except Conditions 2(a)(i), 2(b)(i) and 2(c)(i) which cannot be waived. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Parker 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 Meggitt to extend the relevant deadline.
2. Parker shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions set out in paragraphs 3 to 25 in Part A above by a date earlier than the latest date for the fulfilment of that Condition, notwithstanding that the other Conditions may at an 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.
3. Under Rule 13.5(a) of the Code and subject to paragraph 4, Parker 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 Parker 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.

4. Conditions 2(a)(i), 2(b)(i) and 2(c)(i) of Part A of this Appendix 1 (and any Takeover Offer acceptance condition adopted on the basis specified in Part C of this Appendix 1) are not subject to Rule 13.5(a) of the Code.
5. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Parker.
6. The Scheme will not become effective unless the Conditions have been fulfilled or (to the extent capable of waiver) waived or, where appropriate, have been determined by Parker to be or remain satisfied by no later than the Long-Stop Date.
7. If the Panel requires Parker to make an offer or offers for any Meggitt Shares under the provisions of Rule 9 of the Code, Parker may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

C. Implementation by way of Takeover Offer

Parker reserves 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 as an alternative to the Scheme. In such event, such Takeover Offer will be implemented on the same terms and conditions, 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 Meggitt Shares (or such other lower percentage as Parker may, subject to the rules of the 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 been either satisfied or (if capable of waiver) waived.

D. Certain further terms of the Acquisition

1. Meggitt Shares will be acquired by Parker fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption 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, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital or value made, on or after Effective Date.
2. If, on or after the date of this announcement, any dividend and/or other distribution and/or other return of capital or value is declared, made or paid or becomes payable in respect of the Meggitt Shares, Parker reserves the right (without prejudice to any right of Parker, with the consent of the Panel, to invoke Condition 22(c) in Part A of this Appendix 1 to reduce the consideration payable under the terms of the Acquisition for the Meggitt Shares by an amount up to the amount of such dividend and/or distribution

and/or return of capital or value, in which case any reference in this announcement or in the Scheme 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, Meggitt Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital or value. Any exercise by Parker of its rights referred to in this paragraph 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. To the extent that any such dividend and/or distribution and/or other return of capital or value is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Parker to receive the dividend and/or distribution and/or other return of capital or value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph.

3. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.
4. This announcement and any rights or liabilities arising hereunder are, and the Acquisition, the Scheme, and any proxies will be, governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the FCA and the Listing Rules.

Appendix 2

Bases and Sources

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

1. The financial information on Parker is extracted (without material adjustment) from Parker's Annual Report and Accounts for the year ended 30 June 2020, from Parker's results for the three months ended 31 March 2021 and from Parker's internal records.
2. The financial information on Meggitt is extracted (without material adjustment) from Meggitt's Annual Report and Accounts for the year ended 31 December 2020 and from the announcement of Meggitt's interim results for the six months ended 30 June 2021.
3. The value attributed to the existing issued and to be issued ordinary share capital of Meggitt is based upon the 781,381,883 Meggitt Shares in issue on 30 July 2021 (except for the 9,859 Meggitt Shares held as treasury shares on such date) and the 8,957,944 Meggitt Shares which are the subject of share-settled options and awards outstanding on 30 July 2021 and those expected to be granted prior to 31 December 2021, offset by 1,782,457 Meggitt Shares held in Meggitt's employee benefit trust.
4. The implied US GAAP Enterprise Value for Meggitt of £7.1 billion incorporates the value attributed to the existing issued and to be issued ordinary share capital of Meggitt set out under paragraph 3, plus total bank and other borrowings of £798.0 million, plus retirement benefit obligations relating to Meggitt's pension and healthcare schemes of £201.1 million (adjusted for an estimated effective tax rate of 22.0 per cent., resulting in estimated tax-adjusted retirement benefit obligations relating to Meggitt's pension and healthcare schemes of £156.9 million), less cash and cash equivalents of £139.3 million, less investments of £19.8 million.
5. The implied IFRS Enterprise Value for Meggitt of £7.3 billion incorporates the US GAAP Enterprise Value set out under paragraph 4, plus total lease liabilities of £163.9 million.
6. Meggitt's US GAAP EBITDA of £240.6 million for the financial year ended 31 December 2020 is calculated as Meggitt's Underlying EBITDA of £296.9 million, less capitalised R&D development costs of £41.4 million, less capitalised programme participation costs of £1.6 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.0 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.6 million, plus past service costs of £0.1 million.
7. The implied multiple of Meggitt's US GAAP Enterprise Value to Meggitt's US GAAP EBITDA of 16.3x is calculated with reference to the US GAAP Enterprise Value set out under paragraph 4, divided by US GAAP EBITDA of £436.8 million, calculated as Meggitt's Underlying EBITDA of £507.3 million, less capitalised R&D development costs of £54.7 million, less capitalised programme participation costs of £2.0 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.5 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.7 million.

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8. The implied multiple of Meggitt's US GAAP Enterprise Value to Meggitt's US GAAP EBITDA (including estimated pre-tax synergies of £216 million) of 10.9x is calculated with reference to the US GAAP Enterprise Value set out under paragraph 5, divided by US GAAP EBITDA of £652.6 million, calculated as Meggitt's Underlying EBITDA of £507.3 million, less capitalised R&D development costs of £54.7 million, less capitalised programme participation costs of £2.0 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.5 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.7 million, plus estimated pre-tax synergies of £215.8 million (based on estimated pre-tax synergies of \$300.0 million).
 9. The implied multiple of Meggitt's IFRS Enterprise Value to Meggitt's IFRS EBITDA of 24.5x is calculated with reference to the IFRS Enterprise Value set out under paragraph 5, divided by IFRS EBITDA of £296.9 million.
 10. ROIC is calculated as Parker's expected Net Operating Profit After Tax attributable to Meggitt, including the after-tax impact of expected synergies and costs to achieve, divided by the US GAAP Enterprise Value set out under paragraph 4.
 11. Unless otherwise stated, all market prices for Meggitt Shares are derived from information published by the London Stock Exchange and represent Closing Prices on the relevant date(s).
 12. The conversion of all figures originally reported in Pounds Sterling into U.S. Dollars has been calculated at an exchange rate of 1.3900, derived from Bloomberg on 30 July 2021.
 13. The conversion of all figures originally reported in U.S. Dollars into Pounds Sterling has been calculated at an exchange rate of 0.7194, derived from Bloomberg on 30 July 2021.
 14. The referenced volume weighted average prices are derived from Bloomberg and refer to trading on the London Stock Exchange only.
 15. Certain figures in this announcement have been subject to rounding adjustments.

Appendix 3

Details of Irrevocable Undertakings

The directors of Meggitt have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in relation to the following Meggitt Shares:

<u>Name</u>	<u>Number of Meggitt Shares</u>	<u>Percentage of issued ordinary share capital of Meggitt</u>
Sir Nigel Rudd	250,000	0.03
Colin Day	76,937	0.01
Tony Wood	47,204	0.01
Guy Berruyer	13,000	0.00
Louisa Burdett	8,628	0.00
Alison Goligher	6,000	0.00
Caroline Silver	5,000	0.00
Guy Hachey	3,000	0.00
Nancy Gioia	NIL	0.00
Total	409,769	0.05

In view of the nature of the arrangements governing:

- Guy Berruyer's holding of a further 25,000 Meggitt Shares beyond those Meggitt Shares set against his name above; and
- Nancy Gioia's holding of 3,188 Meggitt Shares,

(such Meggitt Shares, the *Additional Meggitt Shares*), under the terms of the irrevocable undertakings given by Guy Berruyer and Nancy Gioia, Guy Berruyer and Nancy Gioia have each undertaken to use their reasonable endeavours to procure that their respective holdings of Additional Meggitt Shares are voted in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.

The obligations of the directors of Meggitt under the irrevocable undertakings shall lapse and cease to have effect on and from the earlier of the following occurrences:

- if the Scheme Document is not despatched to Meggitt Shareholders within 28 days (or such longer period as may be permitted by the Panel) after the date of this announcement;
- Parker announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time;

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- if the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement Takeover Offer or Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time; or
 - any competing offer for the entire issued and to be issue share capital of Meggitt becomes or is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

Appendix 4

Definitions

The following definitions apply throughout this announcement unless the context requires otherwise.

“£”, “Sterling”, “Pounds Sterling” “pence” or “p”	the lawful currency of the United Kingdom
“\$” “US\$” or “U.S Dollars”	the lawful currency of the United States
“ACCC”	the Australian Competition and Consumer Commission
“Acquisition”	the acquisition of the entire issued and to be issued share capital of Meggitt by Parker (other than Meggitt Shares already held by Parker, if any) to be implemented by way of the Scheme or (should Parker so elect, subject to the terms of the Cooperation Agreement and the consent of the Panel) by way of the Takeover Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof
“Additional Meggitt Shares”	has the meaning given to such term in Appendix 3
“Articles”	the articles of association of Meggitt from time to time
“BofA Securities”	Merrill Lynch International
“Bridge Facility”	the term loan bridge facility referred to in paragraph 11
“business day”	a day (other than a Saturday, Sunday or public holiday in London or New York) on which banks are open for general commercial business in London and New York
“CADE”	the Administrative Council for Economic Defense of Brazil
“Citi”	Citigroup Global Markets Limited
“CJDA”	the agreement dated 1 July 2021 between Parker and Meggitt and their respective legal counsel as described in paragraph 13
“Clean Team Agreement”	the agreement dated 7 July 2021 between Parker and Meggitt as described in paragraph 13
“Closing Price”	the closing middle market price of a Meggitt Share as derived from the Daily Official List of the London Stock Exchange
“CMA”	the Competition and Markets Authority

“Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Combined Group”	the enlarged group following completion of the Acquisition, comprising the Parker Group and the Meggitt Group
“Companies Act”	the Companies Act 2006
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
“Confidentiality Agreement”	the agreement dated 1 July 2021 between Parker and Meggitt as described in paragraph 13
“Cooperation Agreement”	the agreement dated 2 August 2021 between Parker and Meggitt as described in paragraph 13
“Court”	the High Court of Justice of England and Wales
“Court Meeting”	the meeting(s) of the Scheme Shareholders (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
“Daily Official List”	the daily official list published by the London Stock Exchange
“Danish FDI Regulation”	collectively, Act no. 842 of 10 May 2021, <i>Act on screening of certain foreign direct investments etc. in Denmark</i> (Investment Screening Act), and Consolidated Act no. 1004 of 22 October 2012, <i>Consolidated Act on War Material etc</i>
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer

“Disclosed”	information which has been: (i) disclosed by or on behalf of Meggitt in the annual report and accounts of the Meggitt Group for the 12 month period to 31 December 2020; (ii) disclosed by or on behalf of Meggitt in the interim results announcement for the six month period to 30 June 2021; (iii) disclosed by or on behalf of Meggitt in this announcement; (iv) disclosed in any other public announcement by, or on behalf of, Meggitt in accordance with the Listing Rules, Disclosure Guidance and Transparency Rules of the FCA (as applicable) or otherwise made via a Regulatory Information Service prior to the date of this announcement; or (v) fairly disclosed prior to the date of this announcement by or on behalf of Meggitt to Parker (or its respective officers, employees, agents or advisers in their capacity as such) including, without limitation, in the virtual data room operated by or on behalf of Meggitt in respect of the Acquisition; or (vi) otherwise fairly disclosed to Parker (or its officers, employees, agents or advisers) prior to the date of this announcement
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA and forming part of the FCA’s handbook of rules and guidance, as amended from time to time
“EEA Agreement”	has the meaning given in Condition 4(a)(i)
“Effective Date”	the date upon which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Parker (subject to the consent of the Panel and to the terms of the Cooperation Agreement) elects to implement the Acquisition by way of a Takeover Offer, the date on which the Takeover Offer becomes unconditional
“EFTA State”	one of the member states of the European Free Trade Association from time to time
“EU Member State”	one of the member states of the European Union from time to time
“EUMR”	has the meaning given to such term in Condition 4
“Excluded Shares”	(i) any Meggitt Shares beneficially owned by Parker or any other member of the Parker Group; and (ii) any Meggitt shares held in treasury by Meggitt in each case, immediately prior to the Scheme Record Time
“FATA”	the Foreign Acquisitions and Takeovers Act 1975 (Cth)

“FCA”	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA
“Forms of Proxy”	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
“FSMA”	the Financial Services and Markets Act 2000
“General Meeting”	the general meeting of Meggitt to be convened in connection with the Scheme to consider and, if thought fit, approve the Resolutions (with or without amendment), notice of which will be set out in the Scheme Document, including any adjournment, postponement or reconvening thereof
“Groups”	the Parker Group and the Meggitt Group
“HM Government”	the government of the United Kingdom of Great Britain and Northern Ireland
“Italian FDI Authority”	the Presidency of the Italian Council of Ministries (“ <i>Presidenza del Consiglio dei Ministri</i> ”) or any other office, department or branch of the Italian Government competent to issue and release the clearance under the Italian FDI Regulation
“Italian FDI Regulation”	collectively, Law Decree no. 21 of 15 March 2012 (converted with amendments into Law no. 56 of 11 May 2012), Law Decree no. 148 of 16 October 2017 (converted into Law no. 172 of 4 December 2017), Law Decree no. 105 of 21 September 2019 (converted into Law no. 133 of 18 November 2019), Regulation (EU) no. 2019/452 (in each case as subsequently amended and restated from time to time, including by, but limited to, Law Decree no. 23 of 8 April 2020 (converted with amendments by Law no. 40 of 5 July 2020)) and any rules, decrees, orders and regulations promulgated thereunder and/or applicable to the Acquisition in connection thereto
“Law No. 4054”	Law No. 4054 on the Protection of Competition
“Listing Rules”	the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name
“London Stock Exchange”	London Stock Exchange plc

“Long-Stop Date”	2 February 2023 or such later date as may be agreed in writing by Parker and Meggitt (with the Panel’s consent and as the Court may approve (if such consent(s) or approval(s) is/are required))
“LTIP Awards	the awards referred to in paragraph 10 under the subheading ‘Retention Awards’
“Meggitt”	Meggitt PLC
“Meggitt Board”	the directors of Meggitt collectively
“Meggitt Group”	Meggitt and its subsidiaries and subsidiary undertakings
“Meggitt Shareholders”	the registered holders of Meggitt Shares from time to time
“Meggitt Share Schemes”	the Meggitt 2014 Long Term Incentive Plan, the Meggitt Share Incentive and Retention Plan, the Meggitt 2018 Sharesave Plan, the Meggitt plc Share Incentive Plan, the Meggitt 2005 Executive Share Option Scheme and the Meggitt 2005 Equity Participation Plan
“Meggitt Shares”	ordinary shares of five pence each in the capital of Meggitt but excluding any such shares held or which become held in treasury
“Meggitt UK DB Pension Plan”	the Meggitt defined benefit pension scheme referred to in paragraph 10 under the subheading ‘Pensions’
“Memorandum of Understanding”	the legally binding memorandum of understanding referred to in paragraph 13
“Morgan Stanley”	Morgan Stanley & Co. International plc
“NS&I Act”	the National Security and Investment Act 2021, together with its secondary legislation and associated regulatory rules
“Official List”	the official list maintained by the FCA pursuant to Part 6 of FSMA
“Other Pension Schemes”	has the meaning given to such term in paragraph 10
“Overseas Shareholders”	Meggitt Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the UK Panel on Takeovers and Mergers
“Parker”	Parker-Hannifin Corporation
“Parker Group”	Parker and its subsidiaries and subsidiary undertakings
“PRA”	the Prudential Regulation Authority

“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
“Resolutions”	the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, without limitation, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Meggitt Shares issued or transferred after the Scheme Record Time (other than to Parker and/or its nominees) shall be automatically transferred to Parker (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Meggitt Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities)
“Restricted Jurisdiction”	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 Meggitt Shareholders in that jurisdiction
“Rothschild & Co”	NM Rothschild & Sons Limited
“SAMR”	the State Administration for Market Regulation
“Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Meggitt and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Meggitt and Parker
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme pursuant to Section 899 of the Companies Act and any adjournment, postponement or reconvening thereof
“Scheme Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
“Scheme Document”	the document to be sent to (among others) Meggitt Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting

“Scheme Record Time”	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date or such other time as Meggitt and Parker may agree
“Scheme Shareholders”	the holders of Scheme Shares
“Scheme Shares”	<p>Meggitt Shares:</p> <p>(a) in issue as at the date of the Scheme Document;</p> <p>(b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</p> <p>(c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</p> <p>in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares</p>
“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
“Substantial Interest”	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking
“Takeover Offer”	if (subject to the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) Parker 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 Parker to acquire the issued and to be issued ordinary share capital of Meggitt 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)
“Transition Awards”	the awards referred to in paragraph 10 under the subheading ‘Retention Awards’
“treasury shares”	any ordinary shares of Meggitt held by Meggitt as treasury shares
“Trustee”	the trustee of the Meggitt UK DB Pension Plan

“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States of America”, “United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Wider Meggitt Group”	Meggitt and the subsidiaries and subsidiary undertakings of Meggitt and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Meggitt Group and any such undertakings (aggregating their interests) have a Substantial Interest
“Wider Parker Group”	Parker and the subsidiaries and subsidiary undertakings of Parker and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Parker Group and any such undertakings (aggregating their interests) have a Substantial Interest

For the purposes of this announcement, “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 this announcement.

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

References to the singular include the plural and vice versa.

2 August 2021

PARKER-HANNIFIN CORPORATION

and

MEGGITT PLC

COOPERATION AGREEMENT



Freshfields Bruckhaus Deringer

100 Bishopsgate
London EC2P 2SR

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THIS AGREEMENT is made on 2 August 2021

BETWEEN:

- (1) **PARKER-HANNIFIN CORPORATION**, a corporation registered in the state of Ohio, whose registered office is at 6035 Parkland Boulevard, Cleveland, Ohio 441240-4141 (*Parker*); and
- (2) **MEGGITT PLC**, a public limited company registered in England and Wales with registered number 00432989, whose registered office is at Pilot Way, Ansty Business Park, Coventry CV7 9JU, United Kingdom (*Meggitt*),

(each a *party* and together the *parties*).

WHEREAS:

- (A) Parker proposes to announce immediately following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued share capital of Meggitt pursuant to Rule 2.7 of the Code on the terms and subject to the conditions set out in the Announcement and this Agreement (the *Acquisition*).
- (B) The parties intend that the Acquisition will be implemented by way of the Scheme, although Parker reserves the right, if the Panel consents and subject to the terms of this Agreement and the Announcement, to implement the Acquisition by way of the Takeover Offer.
- (C) The parties have agreed to take certain steps to effect completion of the Acquisition (whether by way of the Scheme or the Takeover Offer) and are entering into this Agreement to set out their respective rights, obligations and commitments in relation to such matters.

IT IS AGREED as follows:

1. Definitions and interpretation

- 1.1 In this Agreement (including the recitals but excluding Schedule 1), the terms and expressions listed in this clause 1.1 shall have the meanings set out in this clause 1.1. Terms and expressions used in Schedule 1 shall have the meanings given to them in Schedule 1.

Acceptance Condition means, if applicable, the acceptance condition to a Takeover Offer as specified in clause 7.2(a);

Acquisition has the meaning given in recital (A);

Acquisition Document means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Takeover Offer is (or is to be) implemented pursuant to clause 7.1, the Offer Document;

Agreed Switch means, where the Acquisition is implemented by way of the Takeover Offer in accordance with: (i) clause 7.1(a); or (ii) clause 7.1(b) in circumstances where the Meggitt Board Recommendation is given in respect of that Takeover Offer;

Announcement means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 1;

Business Day means a day, other than a Saturday or Sunday or public holiday in England and Wales, New York or Cleveland, Ohio, on which banks in London, New York and Cleveland, Ohio are open for general commercial business;

Clean Team Arrangements means the arrangements established pursuant to the Clean Team Agreement between Meggitt and Parker dated 7 July 2021, the Joint Defence Agreement entered into in connection with the Acquisition between, among others, Parker and Meggitt dated 5 July 2021 and any additional clean team confidentiality agreements between Meggitt and Parker that may be concluded at a later stage;

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

Code means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

Companies Act means the Companies Act 2006;

Competing Proposal means:

- (a) an offer (including a partial, exchange or tender offer), merger, acquisition, dual listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the entire issued and to be issued ordinary share capital of Meggitt (when aggregated with the shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of Meggitt;
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Meggitt Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Meggitt Group calculated by reference to any of its revenue, profits or value taken as a whole; or

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- (d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede or delay or otherwise prejudice the implementation of the Acquisition (including, for the avoidance of doubt, any transaction or arrangement which would constitute a Class 1 transaction for the purposes of the Listing Rules undertaken by a member of the Meggitt Group),

in each case which is not effected by Parker (or a person acting in concert with Parker) or at Parker's direction, and in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

Conditions means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to the Announcement and to be set out in the Scheme Document, as may be amended by Parker with the consent of the Panel (and, for so long as the Scheme is subject to a unanimous and unqualified recommendation from the Meggitt Directors, with the consent of Meggitt); and
- (b) if Parker elects to implement the Acquisition by way of the Takeover Offer in accordance with clause 7.1, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by Parker with the consent of the Panel (and, in the case of an Agreed Switch, for so long as the Acquisition is subject to a unanimous and unqualified recommendation from the Meggitt Directors, with the consent of Meggitt),

and **Condition** shall be construed accordingly;

Confidentiality Agreement means the confidentiality agreement between Parker and Meggitt in relation to the Acquisition dated 1 July 2021;

Consideration means 800 pence in cash per Meggitt Share;

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

Court Meeting means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;

Court Order means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act;

Day 60 means, where Parker has elected to implement the Acquisition by means of the Takeover Offer in accordance with clause 7.1, the 60th day following the publication of the Offer Document or such later date as is set in relation to the Takeover Offer pursuant to Rule 31.3 of the Code;

Effective Date means:

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- (a) the date on which the Scheme becomes effective in accordance with its terms; or
 - (b) if Parker elects to implement the Acquisition by means of the Takeover Offer in accordance with the terms of this Agreement, the date on which the Takeover Offer becomes or is declared unconditional in all respects;

Group means, in relation to any person, that person and any bodies corporate which are subsidiaries or subsidiary undertakings of that person from time to time;

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

Law means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof;

Listing Rules means the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 and referred to in section 73A(2) of that Act as set out in the Financial Conduct Authority's Handbook or rules and guidance as amended from time to time;

Longstop Date means 2 February 2023 or such later date as may be agreed in writing by Parker and Meggitt (where required by the Panel or with the Panel's consent and as the Court may approve (if such consents(s) or approval(s) is/are required));

Meggitt Board Recommendation means a unanimous and unqualified recommendation from the Meggitt Directors to Meggitt Shareholders in respect of the Acquisition: (i) to vote in favour of the Meggitt Resolutions; or (ii) if Parker elects to implement the Acquisition by means of the Takeover Offer in accordance with the terms of this Agreement, to accept the Takeover Offer;

Meggitt Holding Announcement means an announcement to Meggitt Shareholders following a change of circumstances containing an express statement that the Meggitt Board Recommendation is not withdrawn, adversely modified or adversely qualified;

Meggitt Directors means the directors of Meggitt from time to time;

Meggitt General Meeting means the general meeting of Meggitt to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving the Meggitt Resolutions, notice of which will be set out in the Scheme Document, including any adjournment thereof;

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

Meggitt Remuneration Committee has the meaning given in Schedule 2;

Meggitt Representative has the meaning given in clause 12.4;

Meggitt Resolutions means such shareholder resolutions of Meggitt as are necessary to approve, implement and effect the Scheme and the Acquisition including a resolution to amend the articles of association of Meggitt by the adoption and inclusion of a new article under which any Meggitt Shares issued or transferred after the Scheme Record Time shall either be subject to the Scheme or (after the Effective Date) be immediately transferred to Parker in exchange for the same consideration as is due under the Scheme;

Meggitt Share Schemes has the meaning given in Schedule 2;

Meggitt Shareholder Meetings means the Court Meeting and the Meggitt General Meeting;

Meggitt Shareholders means the holders of Meggitt Shares from time to time;

Meggitt Shares means the ordinary shares of five pence each in the capital of Meggitt, from time to time;

Offer Document means, if (following the date of this Agreement) Parker elects to implement the Acquisition by way of the Takeover Offer in accordance with the terms of this Agreement, the offer document to be sent to (among others) Meggitt Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer (and including, as the context requires, any revised offer document);

Panel means the UK Panel on Takeovers and Mergers;

Parker Directors means the directors of Parker from time to time;

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

Regulatory Conditions means the conditions set out in paragraphs 3 to 20 (inclusive) of Part A of Appendix 1 to the Announcement (so far as, in the case of 18, 19 and 20, the relevant Third Party under that Condition is a Relevant Authority);

Regulatory Information Service means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

Relevant Authority means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body, authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;

Relevant Third Party has the meaning given in clause 24.1;

Remedies means any conditions, obligations, measures, commitments, modifications, undertakings, remedies (including, but not limited to, disposals (whether before or following completion of the Acquisition) and any pre-divestiture reorganisations by either party) or assurances (financial or otherwise) offered or required in connection with the obtaining of any Clearances and **Remedy** shall be construed accordingly;

Sanction Hearing means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order;

Scheme means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Meggitt and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Meggitt and Parker;

Scheme Document means the circular relating to the Scheme to be sent to (among others) Meggitt Shareholders and persons with information rights containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Meggitt General Meeting (and including, as the context requires, any revised or supplementary circular);

Scheme Conditions means the conditions referred to in paragraph 2 of Part A of Appendix 1 to the Announcement;

Scheme Record Time has the meaning given in the Announcement;

Scheme Shareholders means the holders of Scheme Shares;

Scheme Shares has the meaning given in the Announcement;

Secretary of State means the UK Secretary of State for Business, Energy & Industrial Strategy (or such other UK Secretary of State as is applicable);

Switch has the meaning given in clause 7.1;

Takeover Offer means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Parker (subject to the terms and conditions set out in this Agreement) to acquire the entire issued and to be issued share capital of Meggitt on the terms and conditions set out in the Announcement and this Agreement and to be set out in the Offer Document;

Trust has the meaning given in Schedule 2;

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland; and

Working Hours means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the expressions *subsidiary* and *subsidiary undertaking* have the meanings given in the Companies Act;
- (b) the expressions *acting in concert* and *concert parties* shall be construed in accordance with the Code;

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- (c) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
 - (d) references to a *person* include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
 - (e) references to a recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
 - (f) headings do not affect the interpretation of this Agreement, the singular shall include the plural and *vice versa*, and references to one gender include all genders;
 - (g) references to time are to London time (unless otherwise specified);
 - (h) any reference to a *day* (including within the phrase *Business Day*) shall mean a period of 24 hours running from midnight to midnight and any reference to a month shall mean a calendar month;
 - (i) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
 - (j) references *pounds sterling* and *pence* are references to the lawful currency from time to time of the United Kingdom;
 - (k) any phrase introduced by the terms *including, include, in particular* or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
 - (l) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
 - (m) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. Publication of the Announcement and the terms of the Acquisition

- 2.1 The obligations of the parties under this Agreement, other than this clause 2.1 and clauses 11 to 19 (inclusive) and 21 to 25 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 7:30 a.m. on the date of this Agreement or such later time and date as the parties may agree (and, where required by the Code, the Panel may approve). This clause 2.1 and clauses 11 to 19 (inclusive) and 21 to 25 (inclusive) shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Acquisition, which will be at the absolute discretion of Parker) and, where required by the Code, approved by the Panel. The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document.

3. Binding commitments

- 3.1 Parker hereby agrees that it will offer to HM Government legally binding commitments that, following completion of the Acquisition, in substance it will:
- (a) ensure that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government, (ii) maintain its existing technology and manufacturing that resides in the UK for the benefit of HM Government, and (iii) ensure that Meggitt continues to comply with and enforce security protocols prescribed by HM Government and allows for officials to inspect Meggitt's premises to verify compliance, in each case unless HM Government otherwise consents;
 - (b) maintain Meggitt's UK headquarters and new operational centre of excellence at Ansty Park to facilitate growth in its UK and European defence and aerospace businesses and it will operate each of Meggitt's existing divisions under the combined Parker-Meggitt name beneath a UK legal entity;
 - (c) ensure all four current divisions of Meggitt (being Airframe Systems, Engine Systems, Energy & Equipment and Services & Support) remain in place following completion of the Acquisition;
 - (d) maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels (assuming no material change to current levels and subject to normal productivity improvements and business conditions);
 - (e) increase by at least ten per cent. the number of overall apprenticeship opportunities currently offered by Meggitt in the UK;
 - (f) at least maintain Meggitt's existing level of expenditure with respect to R&D in the UK and, subject to normal levels of growth and activity occurring in the aerospace industry, increase this by at least 20 per cent. over the next five years;

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- (g) in line with HM Government's sustainability commitments, maintain Meggitt's target of investing at least two-thirds of its research and technology budget for the UK in projects relating to sustainable aviation and low-carbon energy;
 - (h) ensure the majority of the board of directors of Meggitt, which will be a subsidiary of Parker, and relevant Meggitt UK subsidiaries, will be UK nationals and, where required, security cleared; and
 - (i) commit to Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.
- 3.2 Meggitt acknowledges and agrees that:
- (a) the form, nature and detail (including duration) of any commitments to be entered into between Parker and HM Government following Parker's offer to HM Government pursuant to clause 3.1 will be agreed in discussions between Parker and HM Government; and
 - (b) any decision by HM Government not to accept, or any failure by HM Government to accept, any commitment offered to it by Parker pursuant to clause 3.1 shall not constitute a breach of clauses 3 or 4.
- 3.3 For the purposes of engagement with HM Government pursuant to clause 3.1, Parker undertakes that it shall:
- (a) contact and correspond with HM Government in relation to its offer of commitments pursuant to clause 3.1; and
 - (b) keep Meggitt informed as soon as reasonably practicable as to the progress of its discussions with HM Government or any other party in relation to its offer of commitments pursuant to clause 3.1.
- 3.4 In clause 3.1, references to Meggitt shall be deemed to include references to the Meggitt Group.
- 3.5 For the avoidance of doubt, the obligations of the parties under this clause 3 are separate from, and shall not in any way limit, the respective obligations of the parties under clause 4.

4. Regulatory clearances

- 4.1 Parker shall take or cause to be taken all necessary steps in order to secure the Clearances as promptly as practicable following the date of this Agreement, and in any event in sufficient time to enable the Effective Date to occur prior to the Long Stop Date. This shall include accepting the imposition of, or offering, and executing any Remedies as are required, or can reasonably be expected to be required, to secure satisfaction of any relevant Clearance.

4.2 Except where otherwise required by Law or a Relevant Authority, Parker shall:

- (a) after prior consultation with Meggitt and having considered (acting in good faith) Meggitt's reasonable requests in connection therewith (noting that, for the avoidance of doubt, Parker shall be under no obligation to accept any such requests), determine the strategy for obtaining the Clearances including (i) the timing and sequencing regarding the discussion, offer or agreement of Remedies with Relevant Authorities; and (ii) the determination of Remedies discussed with, offered to or agreed with Relevant Authorities;
- (b) promptly contact and correspond with the Relevant Authorities in relation to any Clearances, including submitting and preparing, with the assistance of Meggitt in accordance with this Agreement, all necessary filings, notifications and submissions; and
- (c) be responsible for the payment of all filing fees required in connection with the Clearances.

4.3 Parker and Meggitt shall:

- (a) provide each other, in a timely manner, and in any event before any deadline or due date imposed by Law or by this Agreement, such information and assistance as may be reasonably required for:
 - (i) Parker to determine in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority may be necessary or expedient for the purposes of obtaining the Clearances;
 - (ii) the parties to make any filings, notifications or submissions to the Relevant Authorities as are necessary or expedient in connection with the obtaining of the Clearances, taking into account all applicable waiting periods; and
 - (iii) the identification, structuring and preparation of any Remedies; and
- (b) ensure that all information necessary:
 - (i) for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions); and
 - (ii) the identification, structuring and preparation of any Remedies,

(and that is in the possession of, or reasonably obtainable by, such party) is supplied accurately and as promptly as reasonably practicable.

4.4 For the purposes of clause 4.3:

- (a) each of the parties shall take all reasonable steps to obtain relevant information from third parties (including through the exercise of contractual rights), it being acknowledged that a party shall not be in breach of this clause or clause 4.3 as a consequence of any inaccuracies in any information originating from a third party (being a person other than a member, officer, employee or adviser of the Meggitt Group or the Parker Group (as applicable));

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- (b) the parties acknowledge that in certain circumstances disclosure by one party to the other may nonetheless be prevented by obligations of confidentiality owed to third parties or by Law; and
 - (c) the provision of information shall be subject to clause 4.8.
- 4.5 Without prejudice to the generality of clause 4.3, and except to the extent that to do so is prohibited by Law:
- (a) Parker, or Meggitt and Parker jointly, or Meggitt, as may be required, will submit a filing, notification or submission (as required) to each Relevant Authority as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time periods where it is necessary or expedient to do so to obtain the Clearances;
 - (b) each party shall provide such cooperation as is reasonably required by the other party in connection with the preparation of all such filings, notifications or submissions (as required) referred to in clause 4.5(a) and in relation to the preparation of any other submissions, material correspondence or material communications to any Relevant Authority in connection with the Clearances;
 - (c) each party shall provide, or procure the provision of, draft copies of all filings, notifications, submissions, material correspondence and material communications (including, in the case of material non-written communications, reasonably detailed summaries of such non-written communications) intended to be sent or communicated to any Relevant Authority in relation to obtaining any Clearances to the other party (and/or its legal advisers) at such time as will allow the receiving party (and/or its legal advisers) a reasonable opportunity to provide comments on such filings, submissions, correspondence and communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of material non-written communications, reasonably detailed summaries of such non-written communications);
 - (d) each party shall have regard in good faith to comments made in a timely manner by the other party on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to clause 4.5(c);
 - (e) as soon as reasonably practicable, each party shall notify the other party, and provide copies (including, in the case of material non-written communications, reasonably detailed summaries of such non-written communications), of any material correspondence or material communication from any Relevant Authority in relation to obtaining any Clearance;

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- (f) each party shall keep the other party informed promptly as to the progress of any notification submitted pursuant to clause 4.5(a) and shall allow the other party or its advisers: (i) to attend all meetings, hearings or material calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance; and (ii) to make reasonable oral submissions at such meetings, hearings or calls (provided that such oral submissions have been discussed in advance where practicable) and where such attendance and participation is not permitted by the Relevant Authority or by Law, to provide, to the extent so permitted, the other party with a reasonably detailed written summary of such meeting, hearing or call as soon as reasonably practicable following the meeting, hearing or call; and
- (g) where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances.
- 4.6 Each party undertakes to keep the other party (and/or its legal advisers) informed promptly of: (a) developments which are material or potentially material to the obtaining of a Clearance; and (b) the satisfaction of the Regulatory Conditions.
- 4.7 Each party undertakes not to withdraw a filing, submission or notification made to any Relevant Authority pursuant to clause 4.5(a) without the prior consent of the other party.
- 4.8 If a provision of this Agreement obliges either party to disclose any information to the other party:
- (a) that is personally identifiable information of a beneficial owner, director, partner, officer or employee of the disclosing party or any member of its group or any of their respective affiliates, unless that information can reasonably be anonymised (in which case, the disclosing party shall provide the relevant information on an anonymous basis);
 - (b) which the disclosing party reasonably considers to be commercially or competitively sensitive;
 - (c) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or
 - (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall disclose the relevant information: (i) to the extent permitted by Law, to the other party pursuant to Clean Team Arrangements, on an outside counsel basis or on terms the disclosing party and the other party may otherwise agree; or (ii) where disclosure in a manner contemplated by (i) would or would reasonably be expected to prejudice the disclosing party's business in a manner that is material and adverse in the context of the disclosing party's group (taken as a whole) having first notified the other party of such circumstances and considered (acting in good faith) the other party's reasonable requests in connection therewith (noting that, for the avoidance of doubt, the disclosing party shall be under no obligation to accept any such requests), directly to a Relevant Authority (and, in such circumstances, to the extent possible and unless prohibited by law or a Relevant Authority, the disclosing party shall provide to the other party a non-confidential version of such information).

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- 4.9 To the extent that Meggitt provides Parker with any information, assistance and/or access to Meggitt's senior management for the purposes of preparing for the integration of the businesses of the Parker Group and the Meggitt Group after the Effective Date (which Meggitt is under no obligation to provide), any competitively sensitive information shall be provided on an outside counsel basis only or pursuant to the Clean Team Arrangements.
- 4.10 Until the Effective Date, Parker shall not, and will procure that no other member of the Parker Group or any person acting in concert or deemed to be acting in concert with it shall, take, or omit to take, or permit or cause to be taken or omitted to be taken, any action or enter into an agreement for, or consummate, any acquisition, or other transaction which would, or would be reasonably likely to, have the effect of in any way preventing, impeding, materially delaying or materially prejudicing the satisfaction of the Regulatory Conditions or completion of the Acquisition.
- 4.11 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a party or any of its concert parties to take, or cause to be taken, any action with respect to the divestiture of any assets, properties or businesses, that is not conditional on completion of the Acquisition, except as otherwise agreed by the parties.

5. Scheme Document

5.1 Subject to clause 4.8, Parker agrees:

- (a) promptly to provide Meggitt (and/or its legal advisers) all such information about itself, its directors, the Parker Group and any other person acting in concert with Parker as may reasonably be requested by Meggitt (having regard to the Code and other Law) for inclusion in the Scheme Document or in any other Court documentation in connection with the Scheme (including any information required under the Code or other Law, including in relation to the intentions of Parker);
- (b) promptly to provide Meggitt with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Parker's relevant professional advisers; and
- (c) to procure that the Parker Directors (and any other person connected with Parker, as required by the Panel) accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme relating to themselves (and their close relatives (as defined in the Code), related trusts and other persons connected with them), the Parker Group, the financing of the Acquisition, information on Parker's future plans for the Meggitt Group, its management, employees, pension schemes and places of business, any statements of opinion, belief or expectation of Parker or the Parker Directors in relation to the Acquisition or the enlarged group of Parker following the Effective Date and any other information in the Scheme Document for which Parker and/or any of the Parker Directors is required to accept responsibility under the Code.

6. Implementation of the Scheme

6.1 Where the Acquisition is being implemented by way of the Scheme:

- (a) Parker undertakes that, by no later than 11.59p.m. on the Business Day immediately preceding the Sanction Hearing, it shall deliver a notice in writing to Meggitt either:
 - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (ii) confirming its intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Parker reasonably considers entitle it to invoke the Condition and why Parker considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition;
- (b) where Parker confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) in accordance with clause 6.1(a)(i), Parker agrees that Meggitt shall be permitted to take the necessary steps to procure that the Sanction Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition);
- (c) Parker shall instruct counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Parker. Parker shall provide such documentation or information as may reasonably be required by Meggitt's counsel or the Court in relation to such undertaking; and
- (d) without prejudice to clause 6.1(a), if Parker becomes aware of any fact, matter or circumstance that it considers entitles it to invoke (with the consent of the Panel) one or more Conditions or treat any of the Conditions as unsatisfied or incapable of satisfaction (applying in each case the test set out in Rule 13.5 of the Code), Parker (subject to any restriction under applicable Law) shall inform Meggitt providing reasonable details as soon as reasonably practicable.

7. Switching to a Takeover Offer

7.1 The parties intend as at the date of this Agreement that the Acquisition will be implemented by way of the Scheme. However, Parker shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Takeover Offer rather than the Scheme (such election being a **Switch**), only if:

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- (a) Meggitt provides its prior written consent;
 - (b) a third party announces a firm intention to make an offer under Rule 2.7 of the Code for all or part of the issued and to be issued ordinary share capital of Meggitt; or
 - (c) the Meggitt Directors withdraw, adversely modify or adversely qualify the Meggitt Board Recommendation provided that, for the avoidance of doubt, the issuance of a Meggitt Holding Announcement shall not constitute a withdrawal, adverse modification or adverse qualification of the Meggitt Board Recommendation for the purpose of this clause.

7.2 In the event of any Agreed Switch, unless otherwise agreed with Meggitt or required by the Panel:

- (a) the Acceptance Condition shall be set at seventy-five (75) per cent. of the Meggitt Shares (or such lesser percentage as may be determined by Parker after consultation with Meggitt and, to the extent necessary, the Panel, being in any case more than fifty (50) per cent. of the Meggitt Shares);
- (b) Parker shall consult with Meggitt in a timely manner as to the form and content and timing of publication of any announcements (and the related form of acceptance) relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch;
- (c) Parker shall prepare the Offer Document and shall consult reasonably with Meggitt in relation thereto and shall allow Meggitt a reasonable opportunity to consider the draft Offer Document for review and comment, and shall consider in good faith comments proposed by Meggitt;
- (d) Parker agrees to seek Meggitt's approval of the contents of the information on Meggitt contained in the Offer Document before it is published, and to afford Meggitt sufficient time to consider such document in order to give its approval of information for which Meggitt or the Meggitt Directors are taking responsibility (such approval not to be unreasonably withheld or delayed). Parker shall only publish the Offer Document once the information in the Offer Document for which Meggitt or the Meggitt directors are taking responsibility is in a form satisfactory to Parker and Meggitt (both acting reasonably), provided that if Meggitt does not approve the Offer Document within 28 days from the date of the Agreed Switch, Parker shall be entitled to publish the Offer Document containing only information required by Rule 24 of the Code and excluding such information as may be approved by the Panel;
- (e) Parker shall not take any action which would cause the Takeover Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of any Condition, prior to midnight on Day 60 (including, without limitation, by publishing any acceptance condition invocation notice under Rule 31.6 of the Code or specifying in the Offer Document an unconditional date which is earlier than Day 60) and Parker shall ensure that the Takeover Offer remains open for acceptance until such time;

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- (f) Parker shall not, without the prior written consent of Meggitt, make any acceleration statement (as defined in the Code) unless (i) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver); (ii) the acceleration statement contains no right for Parker to set the statement aside (except with Meggitt consent and/or in the circumstances envisaged by note 2 or 3 to Rule 31.5); and (iii) Parker undertakes to Meggitt not to take any action or step otherwise to set the acceleration statement aside;
- (g) if at any time following the publication of the Offer Document it is reasonably expected that any outstanding Regulatory Conditions are not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Parker shall, before the 30th day after the publication of the Offer Document (or such later date as Meggitt may agree), consult with Meggitt as to whether the offer timetable should be suspended in accordance with Rule 31.4 or (if Day 39 has passed) Day 60 should be extended in accordance with Rule 31.3 of the Code (or, if applicable, further suspended or extended) and, if required by Meggitt, shall request such suspension or extension to a date agreed with Meggitt and the Panel, provided always that such extended date (as, if applicable, it may be further extended) shall be no later than the Long Stop Date;
- (h) Parker shall ensure that the Takeover Offer is made on the same terms as those set out in the Announcement (those terms including, for the avoidance of doubt, the commitments and intention statements set out paragraphs 9 and 10 of the Announcement) and the only conditions to the Takeover Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition referred to in clause 7.2(a)), unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and
- (i) Parker shall keep Meggitt informed, on a confidential basis on the next Business Day following receipt of a written request from Meggitt, of the number of Meggitt Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Meggitt Shares to which such forms relate.
- 7.3 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme and its implementation shall apply to the Takeover Offer or its implementation *mutatis mutandis*.
- 7.4 For the avoidance of doubt, the parties agree that in the event of any Switch, for so long as this Agreement is in force, all provisions of this Agreement shall continue to apply (including, for the avoidance of doubt, clause 4) save as set out in this clause 7.
- 7.5 Parker hereby represents and warrants that neither it nor any member of its Group is, as at the date of this Agreement, and undertakes that (for so long as this Agreement is in force and during the period prior to the satisfaction or, where applicable, waiver of the Regulatory Conditions) neither it nor any member of its Group shall become, following the date of this Agreement, required to make a mandatory offer for Meggitt

pursuant to Rule 9 of the Code. For the avoidance of any doubt, if Parker or any member of the Parker Group proposes to incur an obligation to make a mandatory offer for Meggitt pursuant to Rule 9 during the offer period commenced by the publication of the Announcement in accordance with the provisions of the foregoing sentence, then, notwithstanding the foregoing clauses 7.1 to 7.3, that proposal shall require the prior written consent of Meggitt (and the Panel).

8. Meggitt Share Schemes

The provisions of Schedule 2 shall apply in respect of the Meggitt Share Schemes.

9. Directors' and officers' insurance

- 9.1 If and to the extent such obligations are permitted by Law, for six years after the Effective Date, Parker shall procure that the members of the Meggitt Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, and to provide such directors and officers with all reasonable assistance to the extent that they need to make a claim against the existing Meggitt directors' and officers' insurance policy (including any associated run-off cover) in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 9.2 Parker acknowledges that Meggitt may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Meggitt Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the Meggitt Group's directors' and officers' liability insurance as at the date of this Agreement.

10. Termination

- 10.1 Subject to clauses 10.2 and 10.3, this Agreement shall terminate and all obligations of the parties under this Agreement shall cease forthwith, as follows:
- (a) if agreed in writing between the parties;
 - (b) if the Announcement is not released at or before the time specified in clause 2.1 (unless, prior to that time, the parties have agreed another time in accordance with that clause);
 - (c) upon service of written notice by Parker to Meggitt, if one or more of the following occurs:
 - (i) the Scheme Document (or Offer Document, as the case may be) and (if different) the document convening the Meggitt General Meeting does not include the Meggitt Board Recommendation or Meggitt makes an announcement prior to the publication of such document(s) that: (A) the Meggitt Directors no longer intend to make the Meggitt Board Recommendation or intend adversely to modify or adversely to

qualify such recommendation; (B) it will not convene the Court Meeting or the Meggitt General Meeting; or (C) it intends not to post the Scheme Document or (if different) the document convening the Meggitt General Meeting (provided that neither (B) nor (C) shall apply where a Switch has occurred in accordance with clause 7.1); or

- (ii) the Meggitt Directors publicly withdraw, adversely modify or adversely qualify the Meggitt Board Recommendation or fail to publicly reaffirm or re-issue such unanimous and unqualified recommendation within ten (10) Business Days of Parker's reasonable request to do so, provided that, for the avoidance of doubt, the issuance of a Meggitt Holding Announcement shall not constitute a withdrawal, adverse modification or adverse qualification of the Meggitt Board Recommendation for the purpose of this clause;
- (d) upon service of written notice by Parker to Meggitt, if a Competing Proposal: (i) is publicly recommended by the Meggitt Directors; or (ii) completes, becomes effective or is declared or becomes unconditional in all respects; or
- (e) upon service of written notice by either party if one or more of the following occurs:
- (i) if a Competing Proposal (within the meaning of limb (a) of that definition only) completes, becomes effective or is declared or becomes unconditional in all respects;
 - (ii) prior to the Longstop Date, any Condition has been invoked by Parker (in circumstances where the invocation of the relevant Condition is permitted by the Panel);
 - (iii) if the Acquisition is, with (where required) the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Longstop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of Parker's right to effect a Switch; or (ii) it is otherwise to be followed within five (5) Business Days by an announcement under Rule 2.7 of the Code made by Parker or a person acting in concert with Parker to implement the Acquisition by a different offer or scheme on substantially the same or improved terms); or
 - (iv) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Longstop Date.

10.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

10.3 The following provisions shall survive termination of this Agreement: clause 8, clause 9 (but only in circumstances where this Agreement is terminated after the Effective Date), clauses 11 to 19 (inclusive), 21 to 25 (inclusive), this clause 10 and all related provisions of clause 1 (*Definitions and Interpretation*).

11. Takeover Code

- 11.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.
- 11.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Meggitt to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 11.3 Nothing in this Agreement shall oblige Meggitt or the Meggitt Directors to recommend a Takeover Offer or a Scheme proposed by Parker or any member of its Group.
- 11.4 Without prejudice to the representations and warranties given by the parties pursuant to clause 12, nothing in this Agreement shall be taken to restrict the directors of any member of the Parker Group or the Meggitt Group from complying with Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the Financial Conduct Authority.

12. Representations and warranties

- 12.1 Each party represents and warrants to the other party on the date of this Agreement that:
- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
 - (b) this Agreement constitutes its binding obligations in accordance with its terms; and
 - (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.
- 12.2 Parker represents and warrants to Meggitt that, as at the date of this Agreement:
- (a) no Parker shareholder resolution is required to implement the Acquisition; and
 - (b) it is not aware of any matter or circumstance which would or could reasonably be expected to cause any of the Conditions not be satisfied.
- 12.3 No party shall have any claim against any other party pursuant to clause 12.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

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

13. Costs

Except as otherwise provided in this Agreement, each party shall pay its own costs and expenses incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Acquisition.

14. Entire agreement

14.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement, the Clean Team Arrangements and the Confidentiality Agreement (each of which remains in force) together set out the entire agreement between the parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.

14.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement, the Clean Team Arrangements or the Confidentiality Agreement.

14.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement, the Clean Team Arrangements or the Confidentiality Agreement.

14.4 For the purposes of this clause, **pre-contractual statement** means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement, the Clean Team Arrangements or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

14.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

14.6 Each party agrees to the terms of this clause 14 on its own behalf.

15. Assignment

Unless the parties specifically agree in writing, no person shall assign, transfer, charge, mortgage, declare itself a trustee for a third party of, or otherwise deal in any manner whatsoever with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it or sub-contract in any manner whatsoever its performance under this Agreement.

16. Notices

- 16.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.
- 16.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand; (ii) on signature of a delivery receipt, if delivered by registered post or courier; or (iii) at the time of transmission, if delivered by e-mail. Where delivery occurs outside Working Hours in the place of receipt, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.
- 16.3 The addresses and e-mail addresses of the parties for the purpose of clause 16.1 are:

Parker

Address: 6035 Parkland Boulevard, Cleveland, Ohio 44124-4141
E-mail: [EMAIL ADDRESS]
For the attention of: [NAME]

With a copy (which shall not constitute notice) to:

Address: Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London EC2P 2SR
E-mail: [EMAIL ADDRESSES]
For the attention of: [NAMES]

Meggitt

Address: Pilot Way, Ansty Business Park, Coventry CV7 9JU, United Kingdom
E-mail: [EMAIL ADDRESS]
For the attention of: [NAME]

With a copy (which shall not constitute notice) to:

Address: Slaughter and May, One Bunhill Row, London EC1Y 8YY
E-mail: [EMAIL ADDRESSES]
For the attention of: [NAMES]

16.4 Each party shall notify the other party in writing of any change to its details in clause 16.3 from time to time. That notice shall only be effective on the Business Day after the notification has been received or such later date as may be specified in the notice.

16.5 The provisions of this clause 16 shall not apply in relation to the service of any claim form, application notice, order, judgment or other document relating to any proceedings, suit or action arising out of or in connection with this Agreement, whether contractual or non-contractual.

17. Language

Each notice or other communication under or in connection with this Agreement shall be in English.

18. Waivers, rights and remedies

18.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.

18.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

18.3 Without prejudice to any other rights or remedies that either party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

18.4 Without prejudice to the generality of clause 11.2, nothing in this Agreement shall oblige Meggitt to pay any amount in damages which the Panel determine would not be permitted by Rule 21.2 of the Code.

19. No partnership

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

20. Further assurances

At its own cost, each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as may be necessary for the purpose of giving effect to this Agreement.

21. Counterparts

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

22. Variations

22.1 No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include e-mail) and duly executed by or on behalf of all of the parties to it.

22.2 If this Agreement is varied, unless otherwise agreed between the parties:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

23. Invalidity

23.1 Each of the provisions of this Agreement is severable.

23.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this clause 23.2.

24. Third party enforcement rights

24.1 Each of the third parties to whom clauses 9.1, 9.2 and/or 12.4 applies (each a *Relevant Third Party*) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 9.1, 9.2 and/or 12.4 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or variation of clauses 9.1, 9.2 and/or 12.4 shall require the prior consent of the affected Relevant Third Party; and (ii) the other terms and conditions of this Agreement.

24.2 Paragraphs 9 and 10 of Part 1 and paragraph 3 of Part 2 of Schedule 2 (*Meggitt Share Schemes and Employee Related Matters*) confer a benefit on the members of the Meggitt Remuneration Committee, who may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Parker's agreement in paragraphs 9 and 10 of Part 1 and paragraph 3 of Part 2 of Schedule 2.

24.3 Except as set out in clause 24.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

25. Governing law and jurisdiction

25.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by, and shall be interpreted in accordance with, English law.

25.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this clause.

25.3 Parker shall at all times maintain an agent for service of process and any other documents in proceedings in England and Wales or any other proceedings in connection with this Agreement. That agent shall be Parker Hannifin (Holdings) Limited currently of 55 Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 4SJ. Any claim form, judgment or other notice of legal process shall be sufficiently served on Parker if delivered to such agent at its address for the time being. Parker waives any objection to such service.

25.4 Parker irrevocably undertakes not to revoke the authority of its agent and if, for any reason, Meggitt requests Parker to do so, Parker shall promptly appoint another such agent with an address in England and advise Meggitt of the agent's details. If, following such a request, Parker fails to appoint another agent within 10 Business Days, Meggitt shall be entitled to appoint one on behalf of Parker at Parker's expense. Nothing in this Agreement shall affect Meggitt's right to serve process in any other manner permitted by Law.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by Thomas L. Williams) /s/ Thomas L. Williams
for and on behalf of) _____
PARKER-HANNIFIN CORPORATION) Title: Chief Executive Officer
)

SIGNED by Antony Wood) /s/ Antony Wood
for and on behalf of) _____
MEGGITT PLC) Title: Chief Executive Officer
)

Schedule 1
Form of Announcement

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

For immediate release

2 August 2021

**RECOMMENDED CASH ACQUISITION
of
MEGGITT PLC
by
PARKER-HANNIFIN CORPORATION**

Summary

- The boards of directors of Parker-Hannifin Corporation (*Parker*) and Meggitt PLC (*Meggitt*) are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Meggitt by Parker.
- Under the terms of the Acquisition, each Scheme Shareholder will receive:

for each Meggitt Share: 800 pence in cash

valuing Meggitt's existing issued and to be issued ordinary share capital at approximately £6.3 billion on a fully diluted basis.

- The price of 800 pence per Meggitt Share represents:
 - a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement; and
 - a premium of approximately 73.8 per cent. to the volume-weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Background to and reasons for the Acquisition

- Parker believes Meggitt is very well aligned with Parker and the goals of The Win Strategy™, Parker's global business system, representing a unified strategic vision for its team members worldwide. Parker believes that the Acquisition would be strategically and culturally compelling, and enhance the future prospects of the Combined Group within global aerospace and defence industries, for the following key reasons:

-
- Meggitt is an international group headquartered in the United Kingdom and is a high-value, leading provider of proprietary and differentiated aerospace & defence technologies with over 70 per cent. of revenue from sole-source positions.
 - Meggitt, like Parker, has a rich heritage in the aerospace and defence segments with a strong culture, underpinned by a number of core values focusing on teamwork, engagement, integrity, operational excellence, and innovation.
 - Meggitt has a global brand, a complementary business mix, an impressive international base of blue-chip customers and a leading product portfolio.
 - Meggitt has been transforming its business over the last four years through its focused strategy, streamlining its portfolio, investing in new technologies, and growing through its customer-aligned divisions.
 - Meggitt and Parker are complementary across diverse portfolios of products.
 - The acquisition of Meggitt nearly doubles the size of Parker's Aerospace Systems segment.
 - Parker believes the Combined Group will be able to provide a stronger value proposition for customers. Parker also believes the Combined Group is poised for strong growth, supported by the commercial aerospace recovery, and will be able to maximise its potential by building on a combined product portfolio and geographic footprint and by sharing operational and functional best practices.
 - Meggitt and Parker share a heritage as established manufacturers with significant presence across the UK, serving as trusted defence suppliers to the UK and US governments, and governments across the EU and globally. The UK is an important market to Parker and a key part of its business. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group.
 - Parker expects the combination to be earnings accretive in the first full 12 months after closing. The Acquisition is expected to drive incremental sales growth and cash flow accretion, and to deliver a high single-digit ROIC in year 5 which should grow thereafter.¹ Parker remains committed to maintaining a strong balance sheet and investment grade credit rating.

Binding commitments to HM Government

- Recognising the importance of Meggitt's rich UK heritage and relationships with its key stakeholders, Parker has agreed with Meggitt that it will offer a number of legally binding commitments to HM Government, including to:
 - (i) ensure that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government,

¹ Excludes one-time costs and deal related amortisation.

(ii) maintain its existing technology and manufacturing that resides in the UK for the benefit of HM Government, and (iii) ensure that Meggitt continues to comply with and enforce security protocols prescribed by HM Government and allows for officials to inspect Meggitt's premises to verify compliance, in each case unless HM Government otherwise consents;

- ensure that the majority of the board of directors of Meggitt will be UK nationals;
- maintain Meggitt's UK headquarters, operate each of Meggitt's existing divisions under the combined Parker-Meggitt name and ensure all four current divisions of Meggitt remain in place;
- maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels, while increasing by at least ten per cent. the number of overall apprenticeship opportunities currently offered by Meggitt in the UK;
- at least maintain Meggitt's existing level of R&D expenditure in the UK and, subject to normal levels of aerospace industry growth and activity, increase this by at least 20 per cent. over the next five years; and
- commit to Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Meggitt pension schemes

- Parker is delighted to confirm that it has entered into a legally binding memorandum of understanding with the trustee of the Meggitt UK DB Pension Plan which sets out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan.

Recommendation

- The directors of Meggitt, who have been so advised by Rothschild & Co and Morgan Stanley as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the directors of Meggitt.
- In addition to the financial terms of the Acquisition, the directors of Meggitt have carefully considered Parker's plans for the Meggitt business under Parker's ownership, including the complementary cultures of Parker and Meggitt, the alignment of both Groups' long-term strategies and the commitments Parker has agreed with Meggitt to offer to HM Government to safeguard the interests of Meggitt's key stakeholders.
- Accordingly, the directors of Meggitt intend unanimously to recommend that Meggitt Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the directors of Meggitt have irrevocably undertaken to do in respect of those Meggitt Shares they hold and in respect of which they control the voting rights (representing approximately 0.05 per cent. of the issued ordinary share capital of Meggitt on 30 July 2021 (being the last business day before this announcement)). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

Information on Parker

- Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial and aerospace markets.
- Parker has a long and successful history in the UK, having operated in the UK for over 50 years, and currently employs more than 2,100 team members in 18 facilities across the country.

Comments on the Acquisition

- Commenting on today's announcement, Tom Williams, Chairman and Chief Executive Officer of Parker said:
"The combination of Parker and Meggitt is an exciting opportunity for both companies' team members, customers, shareholders and communities. We strongly believe Parker is the right home for Meggitt. Together, we can better serve our customers through innovation, accelerated R&D and a complementary portfolio of aerospace and defense technologies."
"We are committed to being a responsible steward of Meggitt and are pleased our acquisition has the full support of Meggitt's Board. We fully understand these responsibilities and are making a number of strong commitments that reflect them. During our longstanding presence in the UK we have built great respect for Meggitt, its heritage, and its place in British industry. Our own journey over more than 100 years has taught us the importance of a strong culture and reputation."
- Commenting on today's announcement, Sir Nigel Rudd, Chairman of Meggitt, said:
"Meggitt is one of the world's foremost aerospace, defence and energy businesses, leading the market with a strong portfolio of technology and manufacturing capabilities, and holding a significant amount of intellectual property. Whilst Meggitt is currently pursuing a strong, standalone strategy which will deliver value to shareholders over the long-term, Parker's offer provides the opportunity to significantly accelerate and de-risk those plans, while continuing to deliver for shareholders. Parker's offer also includes far-reaching commitments that will ensure that Meggitt remains a significant presence in the UK, increasing investment in research and development, and increasing the number of apprenticeship opportunities. The Board of Meggitt is confident that Parker will be a responsible steward of Meggitt and unanimously recommends Parker's offer."
- Tony Wood, Chief Executive of Meggitt, said:
"Bringing together the Meggitt and Parker businesses will provide increased benefit to the UK with the provision of technologies, products and capabilities through Meggitt, and a leading aerospace business in Parker. The offer from Parker is an endorsement of the work undertaken to transform the Meggitt Group in recent years, and the Combined Group will maximise the opportunities for future growth and profitability with a shared commitment to operational excellence, allowing us to continue to invest in our people, products and services for customers worldwide for years to come."

Implementation, Conditions and Timing

- The terms of the Acquisition will be put to Meggitt Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable Meggitt Shareholders to consider and, if thought fit, vote in favour of the Scheme and the Resolutions to implement the Scheme. In order to become effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Meggitt Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document.
- The Acquisition is conditional on a number of antitrust and regulatory approvals and Parker will make further announcements in respect of such approvals as appropriate.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be sent to Meggitt Shareholders as soon as practicable and in any event within 28 days of this announcement. It is expected that the Acquisition will complete during Q3 of 2022, subject to the satisfaction (or, where applicable, waiver) of the Conditions and certain further terms set out in Appendix 1 to this announcement. An expected timetable of principal events will be included in the Scheme Document.

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

The person responsible for making this announcement on behalf of Meggitt is Marina Thomas, Company Secretary.

Parker will hold a press conference at 10.00 a.m. BST today. Topre-register for the conference call, please go to the following link:

<https://www.incommglobalevents.com/registration/client/8419/brunswick/>

Enquiries

Parker

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Nick Hasell	
Alex Le May	
Dwight Burden	

Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Parker in connection with the Acquisition.

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

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Meggitt in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which, together with the Forms of Proxy, will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

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

*Citigroup Global Markets Limited (**Citi**), which is authorised in the UK by the PRA and regulated by the FCA and PRA, is acting exclusively for Parker and no one else in connection with the Acquisition and will not be responsible to anyone other than Parker for providing the protections afforded to clients of Citi nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein, the Acquisition or otherwise.*

*NM Rothschild & Sons Limited (**Rothschild & Co**), which is authorised and regulated in the UK by the FCA, is acting exclusively for Meggitt and no one else in connection with the Acquisition and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

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

*Merrill Lynch International (**BofA Securities**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for Meggitt and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the subject matter of this announcement or any other matter or arrangement referred to herein.*

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, 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 Meggitt 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. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (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 and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. Certain financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if Parker exercises its right to implement the acquisition of the Meggitt Shares by way of a Takeover Offer in accordance with the terms of the Cooperation Agreement, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Meggitt Shareholder is urged to consult with independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to it.

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

To the extent permitted by applicable law, in accordance with normal UK practice, Parker or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Meggitt Shares 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. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. If Parker elects to implement the Acquisition by way of Takeover Offer in accordance with the terms of the Cooperation Agreement, such Takeover Offer will be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act, as amended, and Regulation 14E thereunder, subject to exemptive relief, including in respect of Rule 14e-5 thereunder.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, BofA Securities, Morgan Stanley and their affiliates will continue to act as exempt principal traders in Meggitt securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Parker and Meggitt 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. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Parker and Meggitt about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Parker and Meggitt, the expected timing and scope of the Acquisition and other statements other than historical

facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “targets”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Parker and Meggitt believe that the expectations reflected in such forward-looking statements are reasonable, Parker and Meggitt can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; government actions and natural phenomena such as floods, earthquakes, hurricanes and pandemics; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Parker nor Meggitt, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the FCA), neither Parker nor Meggitt is under any obligation, and Parker and Meggitt expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

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

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

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

No profit forecasts, estimates or quantified financial benefits statements

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

Note regarding non-US GAAP financial measures

This announcement contains references to non-US GAAP financial information for Meggitt, including EBITDA, adjusted EBITDA, and adjusted EBITDA margin. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Although EBITDA, adjusted EBITDA, and EBITDA margin are not measures of performance calculated in accordance with US GAAP, Parker believes that they are useful to an investor in evaluating the company performance for the period presented. For further information, see Appendix 2 (Bases and Sources).

Rounding

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

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Parker's website at www.aerospacegrowth.com and Meggitt's website at www.meggittoffer.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Meggitt Shareholders may request a hard copy of this announcement by contacting Computershare during business hours on +44 (0) 370 703 6210 or by submitting a request in writing to Computershare Investor Services PLC at The Pavilions, Bridgwater, Bristol, BS99 6ZZ. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, directly or indirectly, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

For immediate release

2 August 2021

**RECOMMENDED CASH ACQUISITION
of
MEGGITT PLC
by
PARKER-HANNIFIN CORPORATION
to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

1. Introduction

The boards of directors of Parker-Hannifin Corporation (*Parker*) and Meggitt PLC (*Meggitt*) are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Meggitt by Parker. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share: 800 pence in cash

The Acquisition values Meggitt's entire issued and to be issued share capital at approximately £6.3 billion on a fully diluted basis.

The price of 800 pence in cash for each Scheme Share represents:

- a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement; and
- a premium of approximately 73.8 per cent. to the volume-weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement.

If, after the date of this announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of capital or value is declared, made or paid or becomes payable in respect of the Meggitt Shares, Parker reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Meggitt Shareholders would be entitled to retain any such dividend and/or other distribution and/or other return of capital or value.

3. Background to and reasons for the Acquisition

Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial, and aerospace markets.

In considering prospective acquisitions, Parker looks for targets that are well aligned culturally, as well as strategically, with the goals of The Win Strategy™. This is Parker's global business system, representing a unified strategic vision for its team members worldwide. Anchored by Parker's culture, values and purpose, The Win Strategy™ defines the key operational priorities and metrics used to drive team member engagement, customer experience, profitable growth, and financial performance.

Parker believes Meggitt is very well aligned with Parker and the goals of The Win Strategy™. Parker further believes that the Acquisition would be strategically and culturally compelling, and enhance the future prospects of the Combined Group within global aerospace and defence industries, for the following key reasons:

- Meggitt is an international group headquartered in the United Kingdom and is a high-value, leading provider of proprietary and differentiated aerospace & defence technologies with over 70 per cent. of revenue from sole-source positions.
- Meggitt, like Parker, has a rich heritage in the aerospace and defence segments with a strong culture, underpinned by a number of core values focusing on teamwork, engagement, integrity, operational excellence, and innovation.
- Meggitt has a global brand, a complementary business mix, an impressive international base of blue-chip customers and a leading product portfolio.
- Meggitt has been transforming its business over the last four years through its focused strategy including: (i) streamlining its portfolio and investing in new technologies; (ii) delivering organic growth through its customer-aligned divisions; (iii) creating a high performance culture across the group; and (iv) improving operational performance and execution through strategic footprint reductions and supplier consolidations, an area where Parker intends to continue to deliver savings across the Combined Group.
- Meggitt and Parker are complementary across diverse portfolios of products, and will thus expand and develop core product lines, add new capabilities, and enable innovations on more-electric, low-carbon and other key technologies.

- The acquisition of Meggitt nearly doubles the size of Parker's Aerospace Systems segment, increasing the proportion of the business focused on the aerospace aftermarket by 500 bps.
- Parker believes the Combined Group will be able to provide a stronger value proposition for customers. Parker also believes the Combined Group is poised for strong growth, supported by the commercial aerospace recovery, and will be able to maximise its potential by building on a combined product portfolio and geographic footprint and by sharing operational and functional best practices.

Meggitt and Parker share a heritage as established manufacturers with significant presence across the UK, serving as trusted defence suppliers to the UK and US governments, and governments across the EU and globally. The UK is an important market to Parker and a key part of its business. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group. The Acquisition of Meggitt is aligned with Parker's capital deployment strategy. Consistent with its track record as an acquirer, Parker will be a responsible steward of Meggitt, recognising Meggitt's strong UK heritage and safeguarding relevant stakeholders' interests. Parker has therefore agreed with Meggitt to offer a number of legally binding commitments to HM Government, as further detailed in paragraph 9 below.

Based on the preliminary analysis to identify potential synergies and relying principally on Parker's understanding of the market and experience in conducting and integrating previous acquisitions, Parker expects that, following completion of the Acquisition, it can achieve \$300 million (approximately £216 million) of pre-tax synergies from its combination with Meggitt. It is expected that these synergies will be achieved by the end of the third full year following completion of the Acquisition, and Parker expects to incur approximately \$250 million (approximately £180 million) in cumulative one-time pre-tax costs to achieve these synergies. Parker anticipates synergies to be achieved primarily through the implementation of The Win Strategy™, improvements to the Combined Group's supply chain, lean, productivity and SG&A operations, as well as continuing Meggitt's strategy of footprint optimisation.

The terms of the Acquisition imply a US GAAP Enterprise Value multiple of 16.3x 2019 US GAAP EBITDA and 10.9x 2019 US GAAP EBITDA (including estimated pre-tax synergies of £216 million) for Meggitt.

Parker expects the combination to be earnings accretive in the first full 12 months after closing. The Acquisition is expected to drive incremental sales growth and cash flow accretion, and deliver a high single-digit ROIC in year 5 which should grow thereafter.² Parker remains committed to maintaining a strong balance sheet and investment grade credit rating.

² Excludes one-time costs and deal related amortisation.

4. Recommendation

The directors of Meggitt, who have been so advised by Rothschild & Co and Morgan Stanley as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the directors of Meggitt.

Accordingly, the directors of Meggitt intend unanimously to recommend that Meggitt Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the directors of Meggitt have irrevocably undertaken to do in respect of those Meggitt Shares they hold and in respect of which they control the voting rights (representing approximately 0.05 per cent. of the issued ordinary share capital of Meggitt on 30 July 2021 (being the last business day before this announcement)). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

5. Background to and reasons for the recommendation

Meggitt is one of the world's leading aerospace, defence and selected energy market businesses, with a unique portfolio of technologies, products and capabilities that underpin strong market positions.

In recent years, management has been successfully delivering a strategy that has fundamentally improved Meggitt's competitive position and its standing with customers, transitioning the business from a conglomerate holding company to a focused and strategically cohesive business through a programme of non-core disposals and targeted partnerships and acquisitions. Meggitt has continued to increase its exposure to attractive and growing markets where it has strong competitive positions through its investment in differentiated technology and capabilities. The company's strategy to develop best-in-class products and technologies for aerospace and defence markets, with very high requirements for product safety, performance and reliability, has resulted in strong sole-source, life-of-programme positions on growing aerospace platforms. In turn, this has delivered an increase of approximately 70 per cent. in shipset content on average on the latest generation of platforms. This strong position in original equipment underpins Meggitt's presence in the aftermarket which has enabled Meggitt to secure attractive long-term annuity revenue streams. In combination with its strong aerospace and defence positions, Meggitt has a highly attractive aero-derived Energy business with strong growth opportunities in renewables and low carbon applications.

The benefits of Meggitt's strategy were increasingly clear prior to COVID-19, with Meggitt recording seven consecutive quarters of revenue growth, achieving record operating profit and strong cash generation in FY 2019, and creating significant value for shareholders.

With the onset of COVID-19 in early 2020, management took quick and decisive action in the face of unprecedented challenges in the aerospace sector, resulting in significant cash savings and positioning the business to remain competitive in that environment. Meggitt successfully delivered £450m of in-year cash savings, generated positive free cash flow and reduced net debt in FY 2020. Meggitt also continued to progress key strategic initiatives including the sale of its Training Systems business, investment in the Ansty Park campus, and the acceleration of Meggitt's existing sustainability strategy.

As such, Meggitt remains strongly positioned, with a compelling standalone strategy which the Meggitt Board believes would deliver attractive value for Meggitt Shareholders over the long term as Meggitt's key markets, particularly commercial aerospace, recover. At the same time, however, there remains significant uncertainty as to the precise timing and speed of that recovery.

In that context, although the Meggitt Board did not solicit an offer for Meggitt, and several earlier, lower proposals from Parker were rejected, the Meggitt Board believes that the Acquisition substantially accelerates and de-risks the delivery of that value. In considering the financial terms of the Acquisition and determining whether they reflect an appropriate valuation of Meggitt and its future prospects, the Meggitt Board has taken into account a number of factors including that:

- the terms of the Acquisition represent an immediate and significant premium to the current share price, reflective of the significant value inherent in the Meggitt Group, whilst also providing Meggitt Shareholders with certainty of value in cash;
- the terms of the Acquisition represent a premium of approximately 70.5 per cent. to the Closing Price of 469.1 pence per Meggitt Share on 30 July 2021, the last business day before this announcement;
- the terms of the Acquisition represent a premium of approximately 73.8 per cent. to the volume weighted average Closing Price of 460.2 pence per Meggitt Share for the six-month period ended on 30 July 2021, the last business day before this announcement; and
- the terms of the Acquisition imply an IFRS Enterprise Value multiple of approximately 24.5x 2020 IFRS EBITDA for Meggitt.

In addition to the financial terms of the Acquisition, the Meggitt Board has carefully considered:

- the interests of its wider stakeholders and accordingly held extensive discussions with Parker in relation to the commitments Parker would be willing to offer in order to appropriately safeguard these interests as part of the Acquisition. The Meggitt Board has therefore taken due account of Parker's agreement to offer HM Government a number of legally binding commitments, as further detailed in paragraph 9 below;
- the alignment of Parker and Meggitt's respective business models and long-term outlook to support customers, as well as the investment required to develop next generation programmes and the benefits the enhanced scale of the Combined Group would bring to a broader and more diversified customer base globally;

- Meggitt's cultural compatibility with Parker, which shares Meggitt's core values of high performance teamwork, integrity and excellence, in addition to Parker's long history of operating within the UK and other geographies in which Meggitt has a presence; and
- the legally binding Memorandum of Understanding that Parker and Meggitt have entered into with the trustee of the Meggitt UK DB Pension Plan.

Accordingly, following careful consideration of both the financial terms of the Acquisition and Parker's plans for the Meggitt business under Parker's ownership, the Meggitt Board intends to recommend unanimously the Acquisition to Meggitt Shareholders.

6. Irrevocable undertakings

As described above, Parker has received irrevocable undertakings from the directors of Meggitt to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Parker in accordance with the terms of the irrevocable undertakings) in respect of those Meggitt Shares that they legally and/or beneficially hold and the voting rights of which they control, amounting to, in aggregate, 409,769 Meggitt Shares, representing approximately 0.05 per cent. of the issued ordinary share capital as at 30 July 2021 (being the last business day before this announcement).

The undertakings from the directors of Meggitt remain binding in the event of a higher competing offer for Meggitt and will cease to be binding only if (i) the Scheme Document is not despatched to Meggitt Shareholders within 28 days (or such longer period as may be permitted by the Panel) after the date of this announcement; (ii) Parker announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time; (iii) if the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement Takeover Offer or Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time; or (iv) any competing offer for the entire issued and to be issue share capital of Meggitt becomes or is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

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

7. Information relating to Parker

Parker is a leading worldwide diversified manufacturer of motion and control technologies and systems, providing precision engineered solutions for a wide variety of mobile, industrial and aerospace markets. Parker was founded in Cleveland, Ohio, USA in 1917 and incorporated in Ohio, USA in 1938.

Parker currently has over 50,000 team members globally, and manufacturing, service, sales, distribution and administrative facilities in 49 countries. Parker supplies its products to approximately 464,000 customers in virtually every significant manufacturing, transportation and processing industry.

In its most recently completed and reported fiscal year, which ended 30 June 2020, Parker reported net sales of US\$13.70 billion and net income of US\$1.21 billion.

Parker has a long and successful history in the UK, having operated in the UK for over 50 years, and currently employs more than 2,100 team members in 18 facilities across the country. Parker is a highly experienced acquirer with prior experience of successfully integrating UK companies in the industrial sector (including a publicly listed company) into its business. These continue to thrive within the Parker Group. Parker believes strongly in the importance of cultural fit and leadership, as well as employee engagement, in creating and nurturing successful organisations. These priorities are thus prominently reflected in The Win Strategy™ and practised and reinforced throughout the Parker organisation.

8. Information relating to Meggitt

Headquartered in the United Kingdom, Meggitt is an international group and a world leader in the aerospace, defence and energy markets, employing more than 9,000 people at over 40 manufacturing facilities and regional offices worldwide.

Working closely with its customers, Meggitt delivers technologically differentiated systems and products for the most demanding environments with high certification requirements for applications across its core end markets. Through focusing on engineering and operational excellence, Meggitt builds broad installed bases of equipment and provides through life services and support across a fleet of approximately 73,000 aircraft. As well as ensuring that its products and technologies satisfy the highest requirements for product safety, performance and reliability, Meggitt continues to prioritise investment in sustainable technology solutions for customers.

Meggitt's defence business accounts for 46 per cent. of Meggitt Group revenue with over 70 per cent. of revenue derived from its core US market. With equipment on an installed base of around 22,000 fixed wing and rotary aircraft and a significant number of ground vehicles, Meggitt is well placed, having secured strong positions on some of the newest and hardest worked platforms.

In energy and other markets, which represents 11 per cent. of Meggitt Group revenue, Meggitt's leading technologies and aerospace derived innovation serve a number of core end markets, primarily onshore and offshore gas and LNG and power generation applications. While Meggitt already has significant exposure to lower carbon applications, primarily in gas and LNG, it continues to build a strong pipeline of new opportunities in these areas as well as renewables.

Meggitt operates across four vertically integrated, customer aligned divisions:

- *Airframe Systems* – Meggitt is a market-leading industry provider of braking systems for commercial, business and defence aircraft, fire protection and safety systems, power and motion, fuel systems, avionics and sensors and advanced polymer seals for around 51,000 in-service civil and 22,000 defence aircraft.
- *Engine Systems* – Meggitt holds a market-leading position in advanced engine composites, thermal and safety systems with a broad range of technologies including vibration monitoring and engine health management systems. This division also provides aerospace engine flow control and sensing solutions.
- *Energy & Equipment* – Meggitt specialises in energy and defence equipment ranging from electronics cooling to ammunition handling systems and heat transfer equipment for off-shore oil and gas facilities and renewable energy applications.
- *Services & Support* – Meggitt provides a full-service aftermarket offering including spares distribution and maintenance, repair and overhaul to its commercial, business jet and defence customers throughout the lifecycle of our products.

Meggitt's primary operating locations are in the US and the UK, with a broad footprint in other locations across the world. Meggitt is headquartered in the United Kingdom and listed on the London Stock Exchange.

For the financial year ended 31 December 2020, Meggitt's revenue was £1,684m.

9. Binding commitments to HM Government

Parker has long recognised the unparalleled alliance that exists between the UK and the US in the defence and aerospace community.

In recognition of the importance of Meggitt's rich UK heritage and relationships with its key stakeholders, Parker has agreed as part of the Cooperation Agreement with Meggitt that it will offer legally binding commitments to HM Government to the effect that, following completion of the Acquisition, it will:

- (i) ensure that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government, (ii) maintain its existing technology and manufacturing that resides in the UK for the benefit of HM Government, and (iii) ensure that Meggitt continues to comply with and enforce security protocols prescribed by HM Government and allows for officials to inspect Meggitt's premises to verify compliance, in each case unless HM Government otherwise consents;
- maintain Meggitt's UK headquarters and new operational centre of excellence at Ansty Park to facilitate growth in its UK and European defence and aerospace businesses and operate each of Meggitt's existing divisions under the combined Parker-Meggitt name beneath a UK legal entity;

-
- ensure all four current divisions of Meggitt (being Airframe Systems, Engine Systems, Energy & Equipment and Services & Support) remain in place following completion of the Acquisition;
 - maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels (assuming no material change to current levels between the date of this announcement and the Effective Date and subject to normal productivity improvements and business conditions);
 - increase by at least ten per cent. the number of overall apprenticeship opportunities currently offered by Meggitt in the UK;
 - at least maintain Meggitt's existing level of expenditure with respect to R&D in the UK and, subject to normal levels of growth and activity occurring in the aerospace industry, increase this by at least 20 per cent. over the next five years;
 - in line the with HM Government's sustainability commitments, maintain Meggitt's target of investing at least two-thirds of its research and technology budget for the UK in projects relating to sustainable aviation and low-carbon energy;
 - ensure the majority of the board of directors of Meggitt, which will be a subsidiary of Parker, and relevant Meggitt UK subsidiaries, will be UK nationals and, where required, security cleared; and
 - commit to Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Parker intends to agree the form, nature and detail (including duration) of these commitments in discussions with HM Government and other stakeholders. No statement in this paragraph 9 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

10. Intentions regarding business, employees, pension schemes, locations and research and development

Parker believes that a combination with Meggitt will maximise the Combined Group's future growth and profitability potential through complementary product portfolios and geographic footprint, commitment to technology rich innovation, complementary cultures, and shared commitment to operational excellence.

Parker is committed to being a responsible steward of Meggitt through the next stage of its evolution and, as described in more detail below, intends to support Meggitt's management in implementing a number of their existing strategies.

UK strategic capability and commitment

Parker recognises the important role that Meggitt plays, both as a leading UK business and in supporting the UK's strategic capabilities. Under its ownership, Parker will be a responsible steward of the Meggitt business and will continue to demonstrate a commitment to supporting the success of the UK, at home and abroad.

Parker will commit to ensuring that Meggitt will continue to meet its contractual obligations in respect of goods and services supplied to or for the benefit of HM Government, and maintain Meggitt's existing technology and manufacturing that resides in the UK for the benefit of HM Government, as required.

Demonstrating Parker's commitment to the UK, following completion of the Acquisition, the majority of the board of directors of Meggitt, which will be a subsidiary of Parker, will be UK nationals and, where required, security-cleared. Further, the majority of the board of directors of relevant subsidiaries of Meggitt will also be UK nationals and, where required, security-cleared. Parker will also support Meggitt's continued active participation in the ADS Group.

Parker recognises the high standards and protocols that need to be observed, and Parker remains committed to ensuring that Meggitt continues to comply with and enforce applicable security protocols prescribed by HM Government, and to allow officials to inspect Meggitt's premises, as required, to verify compliance.

Evaluation of the Meggitt business and implications of the Acquisition

Prior to this announcement, consistent with market practice, Parker has been granted limited access to certain Meggitt information for the purposes of confirmatory due diligence. However, because of applicable regulatory controls, and the constraints of a public offer process, Parker has not received sufficiently detailed information to formulate definitive plans regarding the impact of the Acquisition on the Meggitt Group.

Based on the limited work it has been able to conduct so far and subject to such further review, the principal sources of synergies across the Combined Group are currently anticipated to be in, among others, the following areas: procurement savings opportunities; footprint optimisation; overlap in central corporate and support functions; and general and administrative expenses.

Following completion of the Acquisition, Parker intends to undertake a full evaluation of the Meggitt Group which is expected to last up to 12 months after the Effective Date (the ***Evaluation***). While the parameters of the Evaluation have not yet been finalised, Parker expects that it will involve, among others, the following areas:

- engaging with Meggitt's customers, suppliers and other key stakeholders;
- identifying areas of duplication or overlap across the Combined Group (principally the central corporate and support functions) and other possible efficiencies where Parker may be able to streamline and implement "best-in-class" practices in the Combined Group, including relating to cost management, efficiency improvements, productivity enhancements, and operational and administrative restructuring;

- continuing the consolidation of the supply chain for the Meggitt business that Meggitt management have been recently pursuing, and considering any potential additional actions to support this; and
- identifying existing and new growth and development opportunities to drive additional profitable growth.

Parker is supportive of the Meggitt Footprint Optimisation (as described below) and intends to work with Meggitt management to continue to implement it. Additionally, as part of the Evaluation, Parker intends to explore opportunities to enhance cost savings in these areas. This includes assessing Parker's legacy facilities and fixed assets to identify opportunities for these to be combined with Meggitt facilities.

Business locations and fixed assets

Parker recognises the important role that Meggitt plays in defining the UK defence and aerospace sector as world-leading and is committed to protecting Meggitt's rich UK heritage.

In recognition of the importance of supporting HM Government's levelling up agenda and to facilitate growth in its UK and European aerospace and defence businesses, Parker will maintain Meggitt's UK headquarters, together with its new operational centre of excellence, at Ansty Park in Coventry, the West Midlands. Meggitt's operations at Ansty Park will continue to comprise a range of manufacturing, engineering and support functions. Meggitt's headquarter functions will also remain in Coventry (save for any changes to headquarter functions due to the reduction of PLC-related functions and overlaps, as described above). The Combined Group's headquarters will be located at Parker's head office in Cleveland, Ohio, USA.

Subject to the ongoing execution of the Meggitt Footprint Optimisation (as described further above), Parker does not envisage any other material change to Meggitt's or Parker's other locations of business, or any need to redeploy any of the Meggitt Group's or Parker Group's fixed assets, as a result of the Acquisition.

Brand

Parker values and recognises the importance of Meggitt's brand. After the Effective Date, each of Meggitt's existing four divisions (being Airframe Systems, Engine Systems, Energy & Equipment and Services & Support) will operate under the combined Parker-Meggitt names.

Research and development

An effective R&D function lies at the heart of the success of both Parker and Meggitt and is central to the growth potential for the Combined Group. Parker will remain committed to enhancing the UK's position in defence and aerospace through R&D investment following the completion of the Acquisition.

Parker will continue to work collaboratively across industry and with universities (including in the UK), government authorities and other companies as part of its leading R&D programmes. As Governments and businesses around the world combine to face the challenge posed by climate change, Parker is excited by the potential of the Combined Group's R&D function to accelerate the innovation of more-electric and low-carbon technologies.

Parker plans to continue to innovate and invest in R&D at Meggitt following the Acquisition. Parker will at least maintain Meggitt's existing level of expenditure with respect to R&D in the UK and, subject to normal levels of growth and activity occurring in the aerospace industry, intends to increase this by at least 20 per cent. over the next five years.

Parker recognises the important role that sustainability plays in R&D and innovation, both in Meggitt's long term strategy and HM Government's ambitions to address environmental, societal and governance concerns worldwide.

Parker will therefore maintain Meggitt's target of investing at least two-thirds of its research and technology budget in projects relating to sustainable aviation and low-carbon energy. Furthermore, Parker fully supports and will adopt Meggitt's targets of reducing net carbon emissions by 50 per cent. by 2025 and achieving net zero greenhouse gas emissions by 2050 across the existing Meggitt business.

Management and employees

Parker welcomes the opportunity to combine the skills and experience of the employees of the Meggitt Group in the Combined Group, for the benefit of both companies around the world.

Based on Parker and Meggitt's strong cultural alignment, Parker sees the Acquisition as a significant opportunity to combine the talent, learnings, and best practices of Meggitt and Parker, creating a stronger team and environment for the employees of the Combined Group. Furthermore, employees of Meggitt will benefit from new opportunities within the Combined Group.

As described above, Parker will undertake the Evaluation following completion of the Acquisition, and whilst Parker is, as yet, unable to draw any conclusions as to its likely outcomes insofar as they may impact employees, a number of commitments can be made at this point.

Parker intends to safeguard the existing employment rights of the management and employees of the Combined Group in accordance with applicable law and does not envisage any material change in their conditions of employment.

Parker is particularly mindful of HM Government's initiatives that seek to provide alternative routes into employment through apprenticeships and retraining, and encouraging further take-up of vocational careers. Parker greatly values Meggitt's commitments to these initiatives and to ensuring it attracts and develops the best talent in order to shape the future of the Meggitt business. As such:

- Parker will maintain Meggitt's existing R&D, product engineering and direct manufacturing labour headcount in the UK at no less than current levels (assuming no material change to current levels between the date of this announcement and the Effective Date and subject to normal productivity improvements and business conditions); and
- Parker will increase, by at least ten per cent., the number of overall apprenticeship opportunities currently offered by Meggitt in the UK.

Whilst protecting and increasing investment in these areas, Parker sees the benefit of reviewing the ways in which the operations of the Combined Group can be further improved, which may impact employment roles within the organisation. Preliminary evaluation to date of impact on employees suggests that:

- Parker anticipates overlap between the two businesses, particularly in central corporate and support functions and a reduced need for roles currently supporting Meggitt's status as a public listed company at Meggitt's UK headquarters; and
- the Acquisition may give rise to operational economies of scale and opportunities for commercial benefits, which will be assessed as part of the Evaluation and may result in headcount reductions or relocation of Meggitt employees.

In addition, Parker will continue to implement Meggitt's publicly announced global footprint consolidation strategy, reducing Meggitt's footprint by a total of 50 per cent. from its 2016 baseline by 2023. This will include site consolidations, closures and rationalisations (the **Meggitt Footprint Optimisation**), together with an assessment as to whether Parker's legacy facilities and fixed assets located in North America may form part of the optimisation of the Combined Group's footprint, which may result in headcount reductions or relocation of Combined Group employees.

These reductions will not include employees engaged in R&D, product engineers, direct manufacturing labour or apprentices in the UK.

The finalisation and implementation of any restructuring, integration and workforce reductions will be subject to detailed and comprehensive planning as part of the Evaluation, will be based on growth prospects (in particular the rate of recovery of the aerospace industry), productivity and other similar considerations, and will be subject to appropriate engagement and consultation with stakeholders, including affected employees and any appropriate employee representative bodies in accordance with the legal obligations of the Combined Group. It is expected that, where appropriate, Parker will seek to reallocate staff from discontinued roles to other roles within the Combined Group.

Parker would commence this engagement and consultation process long enough before any final decision is taken to implement any job reductions, so as to ensure compliance with relevant legal obligations.

Retention Arrangements

For the purpose of protecting the business of Meggitt to be acquired through the Acquisition, Parker has agreed that Meggitt may implement certain employee retention arrangements for a number of key Meggitt employees whose retention is considered critical for the business.

As part of such arrangements, Parker has agreed that Mr Tony Wood (CEO of Meggitt) and Ms Louisa Burdett (CFO of Meggitt) will each be entitled to receive a cash payment equal to 50 per cent. of their respective annual base salaries (less any required deductions) which, in each case, will be payable, subject to and conditional upon: (i) completion of the Acquisition; (ii) de-listing of the Company; and (iii) the relevant director remaining in employment with a member of the Meggitt Group or the Parker Group and not having resigned prior to the payment date (the ***Executive Retention Arrangements***). Subject to applicable leaver terms, such cash payments will be paid to the executive within 30 days after the Effective Date (or, if later the day following the date on which Meggitt is de-listed from the London Stock Exchange). The total aggregate value of all Executive Retention Arrangements is £540,000.

In order to promote the retention of certain Meggitt employees (including the Meggitt executive directors), Parker has agreed that, conditional upon completion of the Acquisition, it will implement a new transitional cash plan and will grant cash awards (the ***Transition Awards***) under such plan to Meggitt employees who: (i) are employed with the Meggitt Group on the Effective Date; and (ii) hold unvested awards granted in 2019, 2020 and/or 2021 under the Meggitt 2014 Long Term Incentive Plan (the ***LTIP Awards***). Such Transition Awards will be payable by Parker, subject to applicable leaver terms, on or as soon as practical after: (a) in respect of LTIP Awards granted in 2019, on the Effective Date; and (b) in respect of LTIP Awards granted in 2020 and/or 2021, on the normal vesting date of such LTIP Awards, subject to continued employment. The value of each eligible participant's Transition Award(s) will equal the aggregate of the value of the Meggitt Shares underlying any portion of their LTIP Award(s) that lapsed due to the application of time pro-rating and/or any assessment of the applicable performance conditions in accordance with the rules of the LTIP, based on the same consideration payable per Meggitt Share as is payable under the Scheme.

As required by, and solely for the purposes of, Rule 16.2 of the Code, Rothschild & Co and Morgan Stanley have (in their capacity as independent advisers to Meggitt for the purposes of Rule 3 of the Code) reviewed the terms of the Executive Retention Arrangements and the Transition Awards together with other information deemed relevant and advised Meggitt that the Executive Retention Arrangements and the Transition Awards are fair and reasonable so far as Meggitt Shareholders are concerned. In providing their advice, Rothschild & Co and Morgan Stanley have taken into account the commercial assessments of the Meggitt directors.

The existing non-executive directors of Meggitt will resign from office as directors of Meggitt with effect from the Effective Date.

Pensions

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

Meggitt operates a defined benefit pension scheme in the UK, the Meggitt Pension Plan (the ***Meggitt UK DB Pension Plan***). The Meggitt UK DB Pension Plan is closed to new members and to future accrual. It is not intended that any changes shall be made to reopen this scheme to the admission of new members or to the future accrual of benefits.

Parker has held constructive discussions with the trustee (the ***Trustee***) of the Meggitt UK DB Pension Plan and Parker, the Trustee and Meggitt have entered into a legally binding memorandum of understanding dated 2 August 2021 (the ***Memorandum of Understanding***) setting out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan. The key terms of the Memorandum of Understanding include:

- an open-ended uncapped parent company guarantee from Parker from completion of the Acquisition in respect of all present and future employer obligations and liabilities in respect of the Meggitt UK DB Pension Plan;
- a lump sum cash payment of £25 million to be paid to the Meggitt UK DB Pension Plan within one month of completion of the Acquisition;
- the payment of employer contributions to the Meggitt UK DB Pension Plan from completion of the Acquisition at a flat rate of £35 million per annum until the statutory funding deficit under the Meggitt UK DB Pension Plan's valuation as at 5 April 2021 is eliminated or the actuarial valuation of the Meggitt UK DB Pension Plan as at 5 April 2024 is completed; and
- a commitment from Parker to agree appropriate information sharing provisions with the Trustee for the benefit of the Meggitt UK DB Pension Plan following the date of this announcement.

The Trustee has confirmed in the Memorandum of Understanding that, based on the information available to the Trustee as at the date of the Memorandum of Understanding and taking into account the undertakings provided by Parker under the Memorandum of Understanding, the Trustee has no reason to believe that the Acquisition would be materially detrimental to the ability of the Meggitt UK DB Pension Plan to meet its liabilities or to the likelihood of the accrued Meggitt UK DB Pension Plan benefits being received.

Meggitt also operates defined contribution pension arrangements in the UK and both defined benefit and defined contribution pension schemes in other jurisdictions (together, the *Other Pension Schemes*). Parker does not intend to make any changes to the Other Pension Schemes (including with regard to accrual of benefits for existing members, the admission of new members and current arrangements for the funding of any scheme deficit) and confirms its intention for employer contributions to Other Pension Schemes to continue in line with current arrangements.

Trading facilities

Meggitt is currently listed on the Official List and, as set out in paragraph 15, a request will be made to the London Stock Exchange to cancel trading in Meggitt Shares and delist Meggitt from the Official List, to take effect on or shortly after the Effective Date.

Post offer undertakings

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

11. Financing

The cash consideration payable by Parker under the terms of the Acquisition, together with certain fees and expenses in connection with the Acquisition, is expected to be funded by a combination of cash resources, borrowing under debt facilities to be entered into or otherwise available to Parker and net proceeds of debt securities to be issued by Parker. Nothing in this announcement shall constitute the offer for sale of any securities. In support of its obligations to pay the cash consideration and such fees and expenses, Parker has entered into a term loan bridge facility obtained from Citibank, N.A. (the *Bridge Facility*). Parker has obtained the fully committed Bridge Facility from Citibank, N.A., as sole lead arranger, sole bookrunner, sole administrative agent and, together with Citicorp North America, Inc., as lenders.

In due course, and in place of drawing under the Bridge Facility, Parker intends to obtain and enter into: (i) a new \$2,000,000,000 senior unsecured term loan facility, which will be used to reduce (and partially replace) the Bridge Facility; and (ii) an amendment to its existing revolving credit agreement to increase the commitments thereunder and to make certain other changes to the terms thereof in connection with the Acquisition.

Citi confirms that it is satisfied that sufficient resources are available to Parker to satisfy in full the cash consideration payable under the terms of the Scheme.

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

12. Meggitt Share Schemes

Participants in the Meggitt Share Schemes will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to such participants in due course. Details of these proposals will be set out in separate letters to be sent to participants in the Meggitt Share Schemes.

13. Offer-related arrangements and Memorandum of Understanding

Confidentiality Agreement

Parker and Meggitt have entered into a confidentiality agreement dated 1 July 2021 (the *Confidentiality Agreement*) pursuant to which Parker has undertaken, amongst other things: (a) to keep confidential information relating to the Acquisition and Meggitt and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation or with the consent of Meggitt; and (b) to use the confidential information for the sole purpose of evaluating, negotiating, or implementing the Acquisition. These confidentiality obligations remain in force until the earlier of: (i) 18 months from the date of the Confidentiality Agreement; and (ii) the date of completion of the Acquisition. The agreement also contains provisions pursuant to which Parker has agreed not to solicit certain employees, consultants or independent contractors of Meggitt, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement.

Cooperation Agreement

Parker and Meggitt have entered into a cooperation agreement dated 2 August 2021, (the *Cooperation Agreement*) pursuant to which, among other things:

- Parker has agreed to take or cause to be taken all necessary steps in order to secure the regulatory clearances and authorisations necessary to satisfy Conditions 3 to 20 (inclusive) of Part A of Appendix 1 to this announcement, in sufficient time to enable the Effective Date to occur prior to the Long-Stop Date; and
- Parker and Meggitt have each agreed to certain undertakings to co-operate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made in relation to such regulatory clearances and authorisations.

Under the terms of the Cooperation Agreement, Parker has agreed with Meggitt that it will offer a number of legally binding commitments to HM Government, as further described at paragraph 9 above.

The Cooperation Agreement records the parties' intentions to implement the Acquisition by way of Scheme, subject to the ability of Parker to implement the Acquisition by way of a Takeover Offer in certain circumstances set out in the Cooperation Agreement and with the consent of the Panel.

The Cooperation Agreement will be capable of termination by either party in certain circumstances, including if the Scheme does not become Effective by the Long-Stop Date, a competing transaction completes, becomes effective or is declared or becomes unconditional in all respects, any Condition has been invoked by Parker (in circumstances where invocation of the relevant Condition is permitted by the Panel) prior to the Long-Stop Date or if the Acquisition is withdrawn or lapses in accordance with its terms prior to the Long-Stop Date.

In addition, Parker may terminate the Cooperation Agreement on written notice to Meggitt where the Meggitt directors have publicly withdrawn, adversely qualified, adversely modified or failed to reaffirm or re-issue (when reasonably requested by Parker to do so) their unanimous and unconditional recommendation that Meggitt Shareholders vote in favour of the Scheme or a competing transaction is either recommended by the directors of Meggitt or completes, becomes effective or is declared or becomes unconditional in all respects.

Pursuant to the terms of the Cooperation Agreement, Parker has undertaken that it will deliver a notice in writing to Meggitt on the business day prior to the Scheme Court Hearing confirming either: (i) the satisfaction or waiver of all conditions (other than Condition 2); or (ii) if permitted by the Panel, that it intends to invoke one or more Conditions.

The Cooperation Agreement also contains provisions that will apply in respect of the Meggitt Share Schemes and certain other employee incentive arrangements.

Clean Team Agreement

Parker and Meggitt have entered into a due diligence clean team agreement dated 7 July 2021 (the ***Clean Team Agreement***), which sets out how any confidential information that is commercially sensitive can be disclosed, used or shared for the purposes of due diligence, synergies evaluation, integration planning and regulatory clearance. Such commercially sensitive information must only be made available to the party receiving information through designated persons removed from day-to-day commercial or strategic operations and decisions and external professional advisers. The findings of such designated persons and external advisers may only be relayed to other employees, officers and directors of the receiving party in specified circumstances and subject to certain restrictions.

CJDA

Further, Parker, Meggitt and their respective legal counsel have entered into a confidentiality and joint defence agreement dated 5 July 2021 (the ***CJDA***), the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective legal counsel and external experts, and 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.

Memorandum of Understanding

Parker, the Trustee and Meggitt have entered into a legally binding Memorandum of Understanding dated 2 August 2021 setting out the parties' agreement with respect to the future funding of the Meggitt UK DB Pension Plan. Further details of the Memorandum of Understanding are set out at paragraph 10 above under the heading 'Pensions'.

14. Structure of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Meggitt and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure involves, among other things, an application by Meggitt to the Court to sanction the Scheme, by which Scheme Shares held by Scheme Shareholders will be transferred to Parker in consideration for which the Scheme Shareholders will receive cash on the basis described in paragraph 2 above. The purpose of the Scheme is to provide for Parker to become the owner of the entire issued and to be issued share capital of Meggitt.

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document. In particular, the Scheme will only become effective if, among other things, the following events occur on or before the Long-Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either 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 or classes thereof);
- the Resolutions are passed by the requisite majority of Meggitt Shareholders at the General Meeting (which will require the approval of Meggitt Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy);
- certain antitrust and foreign investment approvals and clearances are obtained as detailed in Appendix 1 to this announcement;
- the Scheme is sanctioned by the Court (with or without modification, on terms agreed by Parker and Meggitt); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Any Meggitt Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Meggitt Shares issued or transferred after the Scheme Record Time (other than to Parker and/or its nominees) to be automatically transferred to Parker (and, where applicable, for consideration to be paid to the transferee or the original recipient of the Meggitt Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Parker and its nominees) holding Meggitt Shares after the Effective Date.

Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour);

and (ii) share certificates in respect of Meggitt Shares will cease to be valid and entitlements to Meggitt Shares held within the CREST system will be cancelled. The consideration for the transfer of Scheme Shares to Parker will be dispatched to Scheme Shareholders no later than 14 days after the Effective Date.

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Parker 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 Parker has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Meggitt, specified a new date by which that Condition must be satisfied (with the Panel's consent and as the Court may approve (if such consent(s) or approval(s) is/are required)).

If the Scheme does not become effective on or before the Long-Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel requires an extension to the Long-Stop Date pending final determination of an issue under section 3(g) of Appendix 7 of the Code).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Meggitt Shareholders. It is expected that the Scheme Document, together with the Forms of Proxy, will be sent to Meggitt Shareholders and, for information only, to persons with information rights and to holders of options granted under the Meggitt Share Schemes, as soon as practicable and in any event within 28 days of this announcement.

The Acquisition is expected to complete during Q3 of 2022, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of principal events will be included in the Scheme Document.

The Acquisition is conditional on a number of antitrust and regulatory approvals and Parker will make further announcements in respect of such approvals as appropriate.

15. Delisting and re-registration

It is intended that an application will be made to the FCA for the cancellation of the listing of the Meggitt Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Meggitt Shares on the London Stock Exchange's main market for listed securities, with effect as of or shortly following the Effective Date.

It is expected that the last day for dealings in Meggitt Shares on the main market of the London Stock Exchange is expected to be the last business day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. (London time) on that date.

It is also intended that, following the Scheme becoming effective, Meggitt will be re-registered as a private company under the relevant provisions of the Companies Act.

16. Disclosure of interests in Meggitt relevant securities

Except for the irrevocable undertakings referred to in paragraph 6 above, as at close of business on 30 July 2021 (being the business day before this announcement), neither Parker, nor any of the directors of Parker or any member of the Parker Group, nor, so far as the directors of Parker are aware, any person acting in concert with Parker for the purposes of the Acquisition had any interest in, right to subscribe for, or had borrowed or lent any Meggitt Shares or securities convertible or exchangeable into Meggitt Shares, nor did any such person have 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 take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Meggitt Shares or in relation to any securities convertible or exchangeable into Meggitt Shares.

In the interests of secrecy prior to this announcement, Parker has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Parker for the purposes of the Scheme. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

17. Overseas shareholders

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

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

18. Meggitt's issued share capital

In accordance with Rule 2.9 of the Code, Meggitt confirms that, as at close of business on 30 July 2021 (being the last business day before to the date of this announcement), it has 781,372,024 Meggitt Shares in issue (excluding shares held in treasury). The International Securities Identification Number for Meggitt Shares is GB0005758098.

19. Documents published on a website

Copies of the following documents will, by no later than 12 noon (London time) on 3 August 2021, be published on Meggitt's website at www.meggittoffer.com and Parker's website at www.aerospacegrowth.com until the end of the Acquisition:

- (a) this announcement;

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- (b) the irrevocable undertakings described in paragraph 6 above;
 - (c) the documents relating to the Bridge Facility referred to in paragraph 11 above;
 - (d) the Confidentiality Agreement, Cooperation Agreement, Clean Team Agreement and CJDA referred to in paragraph 13 above; and
 - (e) the consent letters from each of Citi, Morgan Stanley, BofA Securities and Rothschild & Co referred to in paragraph 20 below.

Neither the contents of Meggitt's website and Parker's website, nor the contents of any other website accessible from hyperlinks on such websites, are incorporated into or form part of this announcement.

20. General

Parker reserves 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 Meggitt not already held by Parker as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme, including the inclusion of an acceptance condition set at 75 per cent. of the Meggitt Shares (or such other lower percentage as Parker may, subject to the rules of the Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide).

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, Parker intends to: (i) make a request to the FCA to cancel the listing of the Meggitt Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Meggitt 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 Meggitt Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Certain terms used in this announcement are defined in Appendix 4 to this announcement.

Each of Citi, Morgan Stanley, BofA Securities and Rothschild & Co has given and not withdrawn its consent to the inclusion in this announcement of references to its name in the form and context in which they appear.

Enquiries

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Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Parker in connection with the Acquisition.

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

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Meggitt in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which, together with the Forms of Proxy, will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

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

Citi, which is authorised in the UK by the PRA and regulated by the FCA and PRA, is acting exclusively for Parker and no one else in connection with the Acquisition and will not be responsible to anyone other than Parker for providing the protections afforded to clients of Citi nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein, the Acquisition or otherwise.

Rothschild & Co, which is authorised and regulated in the UK by the FCA, is acting exclusively for Meggitt and no one else in connection with the Acquisition and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

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

BofA Securities, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for Meggitt and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Meggitt for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the subject matter of this announcement or any other matter or arrangement referred to herein.

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, 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 Meggitt 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. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (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 and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in

the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. Certain financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if Parker exercises its right to implement the acquisition of the Meggitt Shares by way of a Takeover Offer in accordance with the terms of the Cooperation Agreement, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Meggitt Shareholder is urged to consult with independent professional advisers immediately regarding the tax consequences of the Acquisition applicable to it.

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

To the extent permitted by applicable law, in accordance with normal UK practice, Parker or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Meggitt Shares 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. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. If Parker elects to implement the Acquisition by way of Takeover Offer in accordance with the terms of the Cooperation Agreement, such Takeover Offer will be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act, as amended, and Regulation 14E thereunder, subject to exemptive relief, including in respect of Rule 14e-5 thereunder.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, BofA Securities, Morgan Stanley and their affiliates will continue to act as exempt principal traders in Meggitt securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Parker and Meggitt 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. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Parker and Meggitt about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Parker and Meggitt, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “targets”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Parker and Meggitt believe that the expectations reflected in such forward-looking statements are reasonable, Parker and Meggitt can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; inability to obtain, or meet conditions imposed for, required governmental and regulatory approvals; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; government actions and natural phenomena such as floods, earthquakes, hurricanes and pandemics; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Parker nor Meggitt, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the FCA), neither Parker nor Meggitt is under any obligation, and Parker and Meggitt expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

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

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

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

No profit forecasts, estimates or quantified financial benefits statements

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

Note regarding non-US GAAP financial measures

This announcement contains references to non-US GAAP financial information for Meggitt, including EBITDA, adjusted EBITDA, and adjusted EBITDA margin. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Although EBITDA, adjusted EBITDA, and EBITDA margin are not measures of performance calculated in accordance with US GAAP, Parker believes that they are useful to an investor in evaluating the company performance for the period presented. For further information, see Appendix 2 (Bases and Sources).

Rounding

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

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Parker's website at www.aerospacegrowth.com and Meggitt's website at www.meggittoffer.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Meggitt Shareholders may request a hard copy of this announcement by contacting Computershare during business hours on +44 (0) 370 703 6210 or by submitting a request in writing to Computershare Investor Services PLC at The Pavilions, Bridgwater, Bristol, BS99 6ZZ. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Appendix 1

Conditions and Certain Further Terms of the Scheme and the Acquisition

A. Conditions to the Scheme and Acquisition

Long-Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than the Long-Stop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) (i) approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the 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 meeting); and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required));
 - (b) (i) all Resolutions being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required)); and
 - (c) (i) the sanction of the Scheme by the Court without modification or with modification on terms acceptable to Parker and Meggitt and the delivery of an office copy 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 to be set out in the Scheme Document in due course (or such later date (if any) as Parker and Meggitt may agree, with the consent of the Panel (and that the Court may allow, if required)).

In addition, Parker and Meggitt have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived.

Official authorisations and regulatory clearances

UK CMA clearance

3. Insofar as the Acquisition creates a relevant merger situation within the meaning of Section 23 of the Enterprise Act 2002, the CMA or, as the case may be, the Secretary of State adopting and formally notifying to the parties 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 clearance of the Acquisition having been satisfied or complied with).

European Commission clearance

4. Insofar as the Acquisition falls within the scope of Council Regulation (EC) 139/2004 (*the EUMR*), closing shall be conditional upon:
 - (a) either:
 - (i) the European Commission adopting and formally notifying to the parties, or having been deemed under the EUMR or Protocol 24 to the European Economic Area Agreement (*the EEA Agreement*) to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions or obligations contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with); or
 - (ii) in the event that all or any part of the Acquisition is referred, or is deemed under the EUMR or Protocol 24 of the EEA Agreement to have been referred, by the European Commission to the competent authorities of one or more EU Member State or EFTA State:
 - (A) all such competent authorities adopting, or having been deemed under relevant laws to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with) or any waiting periods applicable to the Acquisition otherwise having expired or been terminated; and
 - (B) Condition 4(a)(i) above being satisfied in respect of all parts of the Acquisition not so referred; and
 - (b) in the event that any EU Member State or EFTA State has indicated that it is considering whether, or intends, to take measures in relation to the Acquisition to protect legitimate interests pursuant to Article 21(4) of the EUMR or Article 7 of Protocol 24 of the EEA Agreement, all such EU Member States and EFTA States adopting, or having been deemed under relevant laws to have adopted, all decisions and approvals necessary to allow closing of the Acquisition (and, to the extent relevant, all conditions contained in such decisions and approvals necessary to allow closing of the Acquisition having been satisfied or complied with).

United States Hart Scott Rodino clearance

- 5.
- (a) all filings having been made and all or any applicable waiting periods (including any extensions thereof or any timing agreements with the United States antitrust authorities) under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, 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.

Australia ACCC clearance

6. Insofar as a filing is considered necessary or appropriate by Parker, Parker having received notice in writing from the Australian Competition and Consumer Commission (***ACCC***) that it does not intend to investigate further, or has no objection to, and does not intend to take any action to prevent or oppose the Acquisition (including where subject to the implementation of conditions).

Brazil CADE clearance

7. Insofar as the Acquisition triggers a mandatory filing requirement, the Administrative Council for Economic Defense of Brazil (***CADE***) having approved the consummation of the Acquisition either by means of:
- (a) a final clearance decision issued by CADE's Superintendence-General, and the expiration of the 15-day waiting period with no third party appeals or request for further review by CADE's Administrative Tribunal for Economic Defense;
 - (b) a final clearance decision issued by CADE's Administrative Tribunal for Economic Defense, subject to the implementation of conditions agreed with CADE (if applicable); or
 - (c) the expiration of the formal review period provided for under article 88, paragraphs 2 and 9, of the Brazilian competition law No 12529 of 30 November 2011, without a final decision being made by CADE.

China SAMR clearance

8. Insofar as the Acquisition triggers a mandatory filing requirement, a filing having been made to and accepted by the State Administration for Market Regulation (***SAMR***) pursuant to the Anti-Monopoly Law and SAMR having issued a formal notice confirming that it will not conduct further review of the Acquisition or allowing the Acquisition to proceed with or without conditions, or all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Acquisition having expired.

Mexico Competition Authority clearance

9. Insofar as the Acquisition triggers a mandatory filing requirement, the Mexican Competition Authority having cleared the Acquisition, whether unconditionally pursuant to Article 90 of the Mexican Federal Economic Competition Law or subject to conditions pursuant to Articles 90 and 91 of the Mexican Federal Economic Competition Law, or the Mexican Competition Authority not having issued a decision within the required deadlines, with the consequence of deeming the Acquisition as authorized pursuant to Article 90 of the Mexican Federal Economic Competition Law.

Turkey TCA clearance

10. Insofar as the Acquisition triggers a mandatory filing requirement, pursuant to Law No. 4054 on the Protection of Competition (**Law No. 4054**) and Communiqué No. 2010/4 on Mergers and Acquisitions Subject to the Approval of the Competition Board:
- (a) the Turkish Competition Board (*Rekabet Kurulu*), the competent decision-making organ of the Turkish Competition Authority (*Türk Rekabet Kurumu*) having declined jurisdiction over the Acquisition or approved the Acquisition conditionally or unconditionally; or
 - (b) the applicable waiting period having expired pursuant to Article 10(2) of the Law No. 4054.

Other national security and foreign investment clearances

Australia

11. Insofar as a filing is considered necessary by Parker, the occurrence of one of the following events:
- (a) Parker receiving a written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia stating, or to the effect that, that the Commonwealth Government does not object to the Acquisition, with or without imposing conditions; or
 - (b) it having been determined by Parker that the Acquisition is not a significant action, a notifiable action or a notifiable national security action under FATA and, to the extent that any notification has already been made under the FATA in connection with the Acquisition, such notification having been withdrawn; or
 - (c) the Treasurer of the Commonwealth of Australia becoming precluded from making an order under Division 2 of Part 3 of FATA in relation to the Acquisition under the FATA; or
 - (d) if an interim order is made under the FATA in respect of the Acquisition, the subsequent period for making a final order prohibiting the transactions contemplated by this announcement elapsing without a final order being made.

Denmark

12. Insofar as a filing is considered necessary by Parker), obtaining Danish FDI clearance by means of a decision of the Danish Business Authority under Act no. 842 of 10 May 2021, *Act on screening of certain foreign direct investments etc. in Denmark* or the Ministry of Justice under the Consolidated Act no. 1004 of 22 October 2012, *Consolidated Act on War Material etc* or any other office, department or branch of the Danish State competent to issue and release the clearance under the Danish FDI Regulation stating that:
- (a) the Acquisition does not fall within the scope of the Danish FDI Regulation; or
 - (b) the Acquisition is expressly approved without any requirements, measures and/or conditions to be complied with; or
 - (c) the Acquisition is expressly approved with the imposition of requirements and conditions.

France

13. Insofar as a filing is considered necessary by Parker, obtaining French foreign investment clearance for the Acquisition pursuant to Articles L.151-3 and R. 151-1 et seq. of the French Monetary and Financial Code, by means of the French Ministry of the Economy having:
- (a) issued a decision stating that the Acquisition does not fall within the scope of the French foreign investment regulation; or
 - (b) expressly approved the Acquisition without any requirements, measures and/or conditions to be complied with; or
 - (iii) expressly approved the Acquisition with the imposition of requirements and conditions.

Germany

14. Insofar as a filing under the German AWG is necessary or considered appropriate by Parker, the Acquisition not having been prohibited according to sec. 4 para. 1 no. 4, sec. 5 para. 2 of the German Foreign Trade Act (*Außenwirtschaftsgesetz – AWG*) in conjunction with sec. 59 or sec. 62 of the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung – AWV*). This condition shall be deemed satisfied if the German Federal Ministry for Economic Affairs and Energy (*Bundeswirtschaftsministerium – BMWi*) has:
- (a) granted a Certificate of non-objection (*Unbedenklichkeitsbescheinigung*) in accordance with sec. 58 para. 1 sentence 1 AWV or issued a clearance decision (*Freigabe*) in accordance with sec. 58a or sec. 61 AWV or otherwise informed Parker that it will not initiate formal proceedings (*Prüfverfahren*) within the two months' time period specified in sec 14a para. 1 no. 1 AWG; or

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- (b) informed Parker in writing, after initiating formal proceedings (*Prüfverfahren*), that the Acquisition will not be prohibited or does not meet the requirements for a prohibition; or
 - (c) not prohibited the Acquisition, after initiating formal proceedings (*Prüfverfahren*), within the four months' time period specified in sec. 14a para. 1 no. 2 AWG, as possibly extended pursuant to sec. 14a paras. 4, 5 and 6 AWG; or
 - (d) declared in writing that the Acquisition can be closed without having obtained prior approval from the German Federal Ministry for Economic Affairs and Energy.

Italy

- 15. Insofar as a filing is necessary or considered appropriate by Parker, obtaining Italian FDI clearance, by means of, alternatively, either:
 - (a) a decision of the Italian FDI Authority stating that: (i) the Acquisition does not fall within the scope of the Italian FDI Regulation; or (ii) the Acquisition is expressly approved without any requirements, measures and/or conditions to be complied with; or (iii) the Acquisition is expressly approved with the imposition of requirements and conditions; or
 - (b) the expiration of all the applicable statutory periods for the issuance by the Italian FDI Authority of an express decision on the Acquisition pursuant to the Italian FDI Regulation, that is qualified as tacit approval of the Acquisition under the Italian FDI Regulation.

UK

- 16. To the extent that the NS&I Act commences prior to the Effective Date and a mandatory and suspensory notification is required under that Act, a notification having been accepted and:
 - (a) the Secretary of State confirming before the end of the review period that no further action will be taken in relation to the Acquisition; or
 - (b) if the Secretary of State issues a call-in notice in relation to the Acquisition, the parties receiving a final notification containing confirmation that the Secretary of State will take no further action in relation to the call-in notice and the Acquisition under the NS&I Act; or
 - (c) the Secretary of State making a final order in relation to the Acquisition (and, to the extent relevant, all conditions or obligations contained in such an order necessary for completion of the Acquisition having been satisfied or complied with).

Other

- 17. To the extent that any new or amended public interest, foreign investment or national security laws, rules or regulations become effective before the Effective Date, and such laws, rules or regulations apply to the Acquisition, all mandatory and suspensory approvals as are legally required, or in the reasonable opinion of Parker advisable, pursuant to such laws, rules or regulations to permit the Acquisition to occur having been obtained.

General Third Party official authorisations and regulatory clearances

18. Excluding filings, applications, obligations, notifications, waiting and other time periods, and clearances relating to those antitrust, merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, all notifications to and filings with, Third Parties which are necessary or considered appropriate by Parker having been made, all appropriate or 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 of any shares or other securities in, or control or management of, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker Group or the carrying on by any member of the Wider Meggitt Group of any material aspect of its business.
19. No Third Party having intervened (other than any Third Party having intervened in respect of those antitrust, merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, in respect of which those aforementioned paragraphs 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 those antitrust or merger control or national security or foreign investment screening referred to in paragraphs 3 to 17, in respect of which those aforementioned paragraphs shall apply) in each case which would or would reasonably be expected to:
 - (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition by Parker or any member of the Wider Parker Group of any shares or other securities in, or control or management of, Meggitt or any member of the Wider Meggitt Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material 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 of any Meggitt Shares or the acquisition of control or management of Meggitt or the Wider Meggitt Group by Parker or any member of the Parker Group;
 - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Parker Group or any member of the Wider Meggitt 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 Meggitt Group or any member of the Wider Parker Group;

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- (c) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Parker Group of any shares or other securities in any member of the Meggitt Group;
 - (d) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Parker Group or by any member of the Wider Meggitt Group of all or a material part 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;
 - (e) 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 Parker Group or of the Wider Meggitt 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;
 - (f) materially adversely limit the ability of any member of the Wider Parker Group or of the Wider Meggitt 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 Parker Group or of the Wider Meggitt Group;
 - (g) result in any member of the Wider Meggitt Group or the Wider Parker Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Meggitt Group or of the Wider Parker Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

20. All Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition of any shares or other securities in, or control or management of, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker Group or the carrying on by any member of the Wider Meggitt Group of its business having been obtained from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider Meggitt Group has entered into contractual arrangements in each case where the absence of such Authorisation would have a material adverse effect on the Meggitt Group taken as a whole and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

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

21. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Meggitt 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, Meggitt or any other member of the Wider Meggitt Group by any member of the Wider Parker 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 Meggitt 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 Meggitt 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 Meggitt 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 Meggitt Group;
 - (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any such member of the Wider Meggitt Group thereunder, being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (d) any asset or interest of any such member of the Wider Meggitt Group being or falling to be disposed of or charged or ceasing to be available to any such member of the Wider Meggitt 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 Meggitt Group otherwise than in the ordinary course of business;
 - (e) any such member of the Wider Meggitt Group ceasing to be able to carry on business under any name under which it presently does so;
 - (f) the creation of material liabilities (actual or contingent) by any such member of the Wider Meggitt Group other than trade creditors or other liabilities incurred in the ordinary course of business;
 - (g) the rights, liabilities, obligations or interests of any such member of the Wider Meggitt 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

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- (h) the financial or trading position or the value of any member of the Wider Meggitt 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 (h) of this Condition 21 occurring, in any case to an extent which is or would be material and adverse in the context of the Meggitt Group taken as a whole.
22. Since 31 December 2020 and except as Disclosed, no member of the Wider Meggitt 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 Meggitt and wholly-owned subsidiaries of Meggitt and/or on the exercise of options or vesting of awards granted in the ordinary course under or in connection with the Meggitt Share Schemes;
 - (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 Meggitt) is material in the context of the Meggitt 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 to Meggitt or a wholly-owned subsidiary of Meggitt);
 - (d) save for intra-Meggitt 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 Meggitt Group taken as a whole;
 - (e) other than pursuant to the Acquisition (and except for any transactions in the ordinary course of business or between Meggitt and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) 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) or authorised the same (in each case to an extent which is material in the context of the Meggitt Group taken as a whole);
 - (f) except in the ordinary course of business or except as between Meggitt and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or authorised the issue of, or made any change in or to, any debentures or incurred or increased any indebtedness or liability (actual or contingent) which in any case is material and adverse in the context of the Meggitt 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:

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- (i) is of a long term, onerous or unusual nature or magnitude or which would or would be reasonably expected to involve an obligation of such nature or magnitude (save in the ordinary course of business); or
 - (ii) would or would reasonably be likely to restrict the business of any member of the Wider Meggitt 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 in the context of the Wider Meggitt Group taken as a whole.
- (h) entered into or materially varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Meggitt Group which is material and adverse in the context of the Wider Meggitt Group taken as a whole;
 - (i) (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 Meggitt Group taken as a whole;
 - (j) 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 Meggitt Group taken as a whole;
 - (k) other than claims between Meggitt 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 Meggitt Group taken as a whole;
 - (l) 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;
 - (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:
 - (i) any material change:
 - (A) to 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
- in each case, which has or would reasonably be expected to have an effect that is material in the context of the Wider Meggitt Group taken as a whole; or
- (ii) any non-ordinary course change to the trustees of the pension scheme(s) including the appointment of a trust corporation;
- (n) (other than pursuant to the directors' remuneration policy approved by Meggitt Shareholders at the annual general meeting of Meggitt held on 29 April 2021) proposed, agreed to provide or 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 Meggitt Group in a manner which is material in the context of the Meggitt Group taken as a whole, other than in accordance with the terms of the Acquisition or as agreed by the Panel or Parker; or
 - (o) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 22.

No adverse change, litigation or regulatory enquiry

23. 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 Meggitt Group which in any case is material and adverse in the context of the Meggitt Group taken as a whole;
- (b) no contingent or other liability of any member of the Wider Meggitt 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 Meggitt 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 Meggitt Group is or may become a party (whether as plaintiff, defendant or otherwise) 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 Meggitt Group which in any case is or would reasonably be expected to have a material adverse effect in the context of the Wider Meggitt Group taken as a whole;

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- (d) (other than as a result of or in connection with the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Meggitt Group which in any case would reasonably be expected to have an adverse effect that is material in the context of the Meggitt Group taken as a whole;
 - (e) on or after the date of this announcement, and other than with the consent of Parker, no action having been taken or proposed by any member of the Wider Meggitt Group, or having been approved by Meggitt Shareholders, which requires or would require the approval of Meggitt Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code; or
 - (f) no member of the Wider Meggitt Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Meggitt Group taken as a whole.

No discovery of certain matters

24. Except as Disclosed, Parker not having discovered:

- (a) that any financial or business or other information concerning the Wider Meggitt Group disclosed at any time by or on behalf of any member of the Wider Meggitt Group, whether publicly, to any member of the Wider Parker 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 2 August 2021 by disclosure either publicly or otherwise to Parker, in each case to an extent which is material in the context of the Wider Meggitt Group taken as a whole;
- (b) that any member of the Wider Meggitt Group is subject to any liability (actual or contingent) which in any case is material in the context of the Wider Meggitt Group taken as a whole;
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Meggitt Group and which is material in the context of the Wider Meggitt Group taken as a whole;
- (d) that any past or present member of the Wider Meggitt Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any human, 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, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Meggitt Group which in any case is material in the context of the Meggitt Group taken as a whole; or

- (e) that there is, or is reasonably likely to be, any material liability, whether 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 Meggitt Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Meggitt Group taken as a whole.

Anti-corruption, sanctions and criminal property

25. Parker not having discovered other than Disclosed that:

- (a) (i) any past or present member, director, officer or employee of the Wider Meggitt 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 (ii) any person that performs or has performed services for or on behalf of the Wider Meggitt Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services 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 reasonably be expected to be material in the context of the Wider Meggitt group taken as a whole, any asset of any member of the Wider Meggitt 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 Meggitt 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: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) 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, which in each case would cause any member of Meggitt Group to be in breach of any economic sanctions laws applicable to the Meggitt Group; or

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- (d) a member of the Meggitt Group has engaged in any transaction which would cause the Meggitt 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;
- (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; and
- (iii) “Authorisations” means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licenses, clearances, provisions and approvals, in each case, of a Third Party.

B. Waiver and invocation of the Conditions

1. Subject to the requirements of the Panel, Parker reserves the right in its sole discretion to waive in whole or in part, all or any of the Conditions set out in Part A above, except Conditions 2(a)(i), 2(b)(i) and 2(c)(i) which cannot be waived. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Parker 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 Meggitt to extend the relevant deadline.
2. Parker shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions set out in paragraphs 3 to 25 in Part A above by a date earlier than the latest date for the fulfilment of that Condition, notwithstanding that the other Conditions may at an 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.
3. Under Rule 13.5(a) of the Code and subject to paragraph 4, Parker 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 Parker 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.

4. Conditions 2(a)(i), 2(b)(i) and 2(c)(i) of Part A of this Appendix 1 (and any Takeover Offer acceptance condition adopted on the basis specified in Part C of this Appendix 1) are not subject to Rule 13.5(a) of the Code.
5. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Parker.
6. The Scheme will not become effective unless the Conditions have been fulfilled or (to the extent capable of waiver) waived or, where appropriate, have been determined by Parker to be or remain satisfied by no later than the Long-Stop Date.
7. If the Panel requires Parker to make an offer or offers for any Meggitt Shares under the provisions of Rule 9 of the Code, Parker may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

C. Implementation by way of Takeover Offer

Parker reserves 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 as an alternative to the Scheme. In such event, such Takeover Offer will be implemented on the same terms and conditions, 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 Meggitt Shares (or such other lower percentage as Parker may, subject to the rules of the 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 been either satisfied or (if capable of waiver) waived.

D. Certain further terms of the Acquisition

1. Meggitt Shares will be acquired by Parker fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption 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, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital or value made, on or after Effective Date.
2. If, on or after the date of this announcement, any dividend and/or other distribution and/or other return of capital or value is declared, made or paid or becomes payable in respect of the Meggitt Shares, Parker reserves the right (without prejudice to any right of Parker, with the consent of the Panel, to invoke Condition 22(c) in Part A of this Appendix 1 to reduce the consideration payable under the terms of the Acquisition for the Meggitt Shares by an amount up to the amount of such dividend and/or distribution

and/or return of capital or value, in which case any reference in this announcement or in the Scheme 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, Meggitt Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital or value. Any exercise by Parker of its rights referred to in this paragraph 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. To the extent that any such dividend and/or distribution and/or other return of capital or value is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Parker to receive the dividend and/or distribution and/or other return of capital or value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph.

3. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.
4. This announcement and any rights or liabilities arising hereunder are, and the Acquisition, the Scheme, and any proxies will be, governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the FCA and the Listing Rules.

Appendix 2

Bases and Sources

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

1. The financial information on Parker is extracted (without material adjustment) from Parker's Annual Report and Accounts for the year ended 30 June 2020, from Parker's results for the three months ended 31 March 2021 and from Parker's internal records.
2. The financial information on Meggitt is extracted (without material adjustment) from Meggitt's Annual Report and Accounts for the year ended 31 December 2020 and from the announcement of Meggitt's interim results for the six months ended 30 June 2021.
3. The value attributed to the existing issued and to be issued ordinary share capital of Meggitt is based upon the 781,381,883 Meggitt Shares in issue on 30 July 2021 (except for the 9,859 Meggitt Shares held as treasury shares on such date) and the 8,957,944 Meggitt Shares which are the subject of share-settled options and awards outstanding on 30 July 2021 and those expected to be granted prior to 31 December 2021, offset by 1,782,457 Meggitt Shares held in Meggitt's employee benefit trust.
4. The implied US GAAP Enterprise Value for Meggitt of £7.1 billion incorporates the value attributed to the existing issued and to be issued ordinary share capital of Meggitt set out under paragraph 3, plus total bank and other borrowings of £798.0 million, plus retirement benefit obligations relating to Meggitt's pension and healthcare schemes of £201.1 million (adjusted for an estimated effective tax rate of 22.0 per cent., resulting in estimated tax-adjusted retirement benefit obligations relating to Meggitt's pension and healthcare schemes of £156.9 million), less cash and cash equivalents of £139.3 million, less investments of £19.8 million.
5. The implied IFRS Enterprise Value for Meggitt of £7.3 billion incorporates the US GAAP Enterprise Value set out under paragraph 4, plus total lease liabilities of £163.9 million.
6. Meggitt's US GAAP EBITDA of £240.6 million for the financial year ended 31 December 2020 is calculated as Meggitt's Underlying EBITDA of £296.9 million, less capitalised R&D development costs of £41.4 million, less capitalised programme participation costs of £1.6 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.0 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.6 million, plus past service costs of £0.1 million.
7. The implied multiple of Meggitt's US GAAP Enterprise Value to Meggitt's US GAAP EBITDA of 16.3x is calculated with reference to the US GAAP Enterprise Value set out under paragraph 4, divided by US GAAP EBITDA of £436.8 million, calculated as Meggitt's Underlying EBITDA of £507.3 million, less capitalised R&D development costs of £54.7 million, less capitalised programme participation costs of £2.0 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.5 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.7 million.

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8. The implied multiple of Meggitt's US GAAP Enterprise Value to Meggitt's US GAAP EBITDA (including estimated pre-tax synergies of £216 million) of 10.9x is calculated with reference to the US GAAP Enterprise Value set out under paragraph 5, divided by US GAAP EBITDA of £652.6 million, calculated as Meggitt's Underlying EBITDA of £507.3 million, less capitalised R&D development costs of £54.7 million, less capitalised programme participation costs of £2.0 million, less depreciation charges for right-of-use assets in respect of Meggitt's lease liabilities of £16.5 million, plus administrative expenses borne directly by Meggitt in relation to Meggitt's defined benefit pension schemes of £2.7 million, plus estimated pre-tax synergies of £215.8 million (based on estimated pre-tax synergies of \$300.0 million).
 9. The implied multiple of Meggitt's IFRS Enterprise Value to Meggitt's IFRS EBITDA of 24.5x is calculated with reference to the IFRS Enterprise Value set out under paragraph 5, divided by IFRS EBITDA of £296.9 million.
 10. ROIC is calculated as Parker's expected Net Operating Profit After Tax attributable to Meggitt, including the after-tax impact of expected synergies and costs to achieve, divided by the US GAAP Enterprise Value set out under paragraph 4.
 11. Unless otherwise stated, all market prices for Meggitt Shares are derived from information published by the London Stock Exchange and represent Closing Prices on the relevant date(s).
 12. The conversion of all figures originally reported in Pounds Sterling into U.S. Dollars has been calculated at an exchange rate of 1.3900, derived from Bloomberg on 30 July 2021.
 13. The conversion of all figures originally reported in U.S. Dollars into Pounds Sterling has been calculated at an exchange rate of 0.7194, derived from Bloomberg on 30 July 2021.
 14. The referenced volume weighted average prices are derived from Bloomberg and refer to trading on the London Stock Exchange only.
 15. Certain figures in this announcement have been subject to rounding adjustments.

Appendix 3

Details of Irrevocable Undertakings

The directors of Meggitt have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in relation to the following Meggitt Shares:

<u>Name</u>	<u>Number of Meggitt Shares</u>	<u>Percentage of issued ordinary share capital of Meggitt</u>
Sir Nigel Rudd	250,000	0.03
Colin Day	76,937	0.01
Tony Wood	47,204	0.01
Guy Berruyer	13,000	0.00
Louisa Burdett	8,628	0.00
Alison Goligher	6,000	0.00
Caroline Silver	5,000	0.00
Guy Hachey	3,000	0.00
Nancy Gioia	NIL	0.00
Total	409,769	0.05

In view of the nature of the arrangements governing:

- Guy Berruyer's holding of a further 25,000 Meggitt Shares beyond those Meggitt Shares set against his name above; and
- Nancy Gioia's holding of 3,188 Meggitt Shares,

(such Meggitt Shares, the *Additional Meggitt Shares*), under the terms of the irrevocable undertakings given by Guy Berruyer and Nancy Gioia, Guy Berruyer and Nancy Gioia have each undertaken to use their reasonable endeavours to procure that their respective holdings of Additional Meggitt Shares are voted in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.

The obligations of the directors of Meggitt under the irrevocable undertakings shall lapse and cease to have effect on and from the earlier of the following occurrences:

- if the Scheme Document is not despatched to Meggitt Shareholders within 28 days (or such longer period as may be permitted by the Panel) after the date of this announcement;
- Parker announces that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time;

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- if the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement Takeover Offer or Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time; or
 - any competing offer for the entire issued and to be issue share capital of Meggitt becomes or is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

Appendix 4

Definitions

The following definitions apply throughout this announcement unless the context requires otherwise.

“£”, “Sterling”, “Pounds Sterling” “pence” or “p”	the lawful currency of the United Kingdom
“\$” “US\$” or “U.S Dollars”	the lawful currency of the United States
“ACCC”	the Australian Competition and Consumer Commission
“Acquisition”	the acquisition of the entire issued and to be issued share capital of Meggitt by Parker (other than Meggitt Shares already held by Parker, if any) to be implemented by way of the Scheme or (should Parker so elect, subject to the terms of the Cooperation Agreement and the consent of the Panel) by way of the Takeover Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof
“Additional Meggitt Shares”	has the meaning given to such term in Appendix 3
“Articles”	the articles of association of Meggitt from time to time
“BofA Securities”	Merrill Lynch International
“Bridge Facility”	the term loan bridge facility referred to in paragraph 11
“business day”	a day (other than a Saturday, Sunday or public holiday in London or New York) on which banks are open for general commercial business in London and New York
“CADE”	the Administrative Council for Economic Defense of Brazil
“Citi”	Citigroup Global Markets Limited
“CJDA”	the agreement dated 1 July 2021 between Parker and Meggitt and their respective legal counsel as described in paragraph 13
“Clean Team Agreement”	the agreement dated 7 July 2021 between Parker and Meggitt as described in paragraph 13
“Closing Price”	the closing middle market price of a Meggitt Share as derived from the Daily Official List of the London Stock Exchange
“CMA”	the Competition and Markets Authority

“Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Combined Group”	the enlarged group following completion of the Acquisition, comprising the Parker Group and the Meggitt Group
“Companies Act”	the Companies Act 2006
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
“Confidentiality Agreement”	the agreement dated 1 July 2021 between Parker and Meggitt as described in paragraph 13
“Cooperation Agreement”	the agreement dated 2 August 2021 between Parker and Meggitt as described in paragraph 13
“Court”	the High Court of Justice of England and Wales
“Court Meeting”	the meeting(s) of the Scheme Shareholders (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
“Daily Official List”	the daily official list published by the London Stock Exchange
“Danish FDI Regulation”	collectively, Act no. 842 of 10 May 2021, <i>Act on screening of certain foreign direct investments etc. in Denmark</i> (Investment Screening Act), and Consolidated Act no. 1004 of 22 October 2012, <i>Consolidated Act on War Material etc</i>
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer

“Disclosed”	information which has been: (i) disclosed by or on behalf of Meggitt in the annual report and accounts of the Meggitt Group for the 12 month period to 31 December 2020; (ii) disclosed by or on behalf of Meggitt in the interim results announcement for the six month period to 30 June 2021; (iii) disclosed by or on behalf of Meggitt in this announcement; (iv) disclosed in any other public announcement by, or on behalf of, Meggitt in accordance with the Listing Rules, Disclosure Guidance and Transparency Rules of the FCA (as applicable) or otherwise made via a Regulatory Information Service prior to the date of this announcement; or (v) fairly disclosed prior to the date of this announcement by or on behalf of Meggitt to Parker (or its respective officers, employees, agents or advisers in their capacity as such) including, without limitation, in the virtual data room operated by or on behalf of Meggitt in respect of the Acquisition; or (vi) otherwise fairly disclosed to Parker (or its officers, employees, agents or advisers) prior to the date of this announcement
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA and forming part of the FCA’s handbook of rules and guidance, as amended from time to time
“EEA Agreement”	has the meaning given in Condition 4(a)(i)
“Effective Date”	the date upon which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Parker (subject to the consent of the Panel and to the terms of the Cooperation Agreement) elects to implement the Acquisition by way of a Takeover Offer, the date on which the Takeover Offer becomes unconditional
“EFTA State”	one of the member states of the European Free Trade Association from time to time
“EU Member State”	one of the member states of the European Union from time to time
“EUMR”	has the meaning given to such term in Condition 4
“Excluded Shares”	(i) any Meggitt Shares beneficially owned by Parker or any other member of the Parker Group; and (ii) any Meggitt shares held in treasury by Meggitt in each case, immediately prior to the Scheme Record Time
“FATA”	the Foreign Acquisitions and Takeovers Act 1975 (Cth)

“FCA”	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA
“Forms of Proxy”	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
“FSMA”	the Financial Services and Markets Act 2000
“General Meeting”	the general meeting of Meggitt to be convened in connection with the Scheme to consider and, if thought fit, approve the Resolutions (with or without amendment), notice of which will be set out in the Scheme Document, including any adjournment, postponement or reconvening thereof
“Groups”	the Parker Group and the Meggitt Group
“HM Government”	the government of the United Kingdom of Great Britain and Northern Ireland
“Italian FDI Authority”	the Presidency of the Italian Council of Ministries (“ <i>Presidenza del Consiglio dei Ministri</i> ”) or any other office, department or branch of the Italian Government competent to issue and release the clearance under the Italian FDI Regulation
“Italian FDI Regulation”	collectively, Law Decree no. 21 of 15 March 2012 (converted with amendments into Law no. 56 of 11 May 2012), Law Decree no. 148 of 16 October 2017 (converted into Law no. 172 of 4 December 2017), Law Decree no. 105 of 21 September 2019 (converted into Law no. 133 of 18 November 2019), Regulation (EU) no. 2019/452 (in each case as subsequently amended and restated from time to time, including by, but limited to, Law Decree no. 23 of 8 April 2020 (converted with amendments by Law no. 40 of 5 July 2020)) and any rules, decrees, orders and regulations promulgated thereunder and/or applicable to the Acquisition in connection thereto
“Law No. 4054”	Law No. 4054 on the Protection of Competition
“Listing Rules”	the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name
“London Stock Exchange”	London Stock Exchange plc

“Long-Stop Date”	2 February 2023 or such later date as may be agreed in writing by Parker and Meggitt (with the Panel’s consent and as the Court may approve (if such consent(s) or approval(s) is/are required))
“LTIP Awards	the awards referred to in paragraph 10 under the subheading ‘Retention Awards’
“Meggitt”	Meggitt PLC
“Meggitt Board”	the directors of Meggitt collectively
“Meggitt Group”	Meggitt and its subsidiaries and subsidiary undertakings
“Meggitt Shareholders”	the registered holders of Meggitt Shares from time to time
“Meggitt Share Schemes”	the Meggitt 2014 Long Term Incentive Plan, the Meggitt Share Incentive and Retention Plan, the Meggitt 2018 Sharesave Plan, the Meggitt plc Share Incentive Plan, the Meggitt 2005 Executive Share Option Scheme and the Meggitt 2005 Equity Participation Plan
“Meggitt Shares”	ordinary shares of five pence each in the capital of Meggitt but excluding any such shares held or which become held in treasury
“Meggitt UK DB Pension Plan”	the Meggitt defined benefit pension scheme referred to in paragraph 10 under the subheading ‘Pensions’
“Memorandum of Understanding”	the legally binding memorandum of understanding referred to in paragraph 13
“Morgan Stanley”	Morgan Stanley & Co. International plc
“NS&I Act”	the National Security and Investment Act 2021, together with its secondary legislation and associated regulatory rules
“Official List”	the official list maintained by the FCA pursuant to Part 6 of FSMA
“Other Pension Schemes”	has the meaning given to such term in paragraph 10
“Overseas Shareholders”	Meggitt Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the UK Panel on Takeovers and Mergers
“Parker”	Parker-Hannifin Corporation
“Parker Group”	Parker and its subsidiaries and subsidiary undertakings
“PRA”	the Prudential Regulation Authority

“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
“Resolutions”	the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, without limitation, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Meggitt Shares issued or transferred after the Scheme Record Time (other than to Parker and/or its nominees) shall be automatically transferred to Parker (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Meggitt Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities)
“Restricted Jurisdiction”	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 Meggitt Shareholders in that jurisdiction
“Rothschild & Co”	NM Rothschild & Sons Limited
“SAMR”	the State Administration for Market Regulation
“Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Meggitt and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Meggitt and Parker
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme pursuant to Section 899 of the Companies Act and any adjournment, postponement or reconvening thereof
“Scheme Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
“Scheme Document”	the document to be sent to (among others) Meggitt Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting

“Scheme Record Time”	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date or such other time as Meggitt and Parker may agree
“Scheme Shareholders”	the holders of Scheme Shares
“Scheme Shares”	<p>Meggitt Shares:</p> <p>(a) in issue as at the date of the Scheme Document;</p> <p>(b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</p> <p>(c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</p> <p>in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares</p>
“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
“Substantial Interest”	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking
“Takeover Offer”	if (subject to the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) Parker 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 Parker to acquire the issued and to be issued ordinary share capital of Meggitt 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)
“Transition Awards”	the awards referred to in paragraph 10 under the subheading ‘Retention Awards’
“treasury shares”	any ordinary shares of Meggitt held by Meggitt as treasury shares
“Trustee”	the trustee of the Meggitt UK DB Pension Plan

“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States of America”, “United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Wider Meggitt Group”	Meggitt and the subsidiaries and subsidiary undertakings of Meggitt and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Meggitt Group and any such undertakings (aggregating their interests) have a Substantial Interest
“Wider Parker Group”	Parker and the subsidiaries and subsidiary undertakings of Parker and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Parker Group and any such undertakings (aggregating their interests) have a Substantial Interest

For the purposes of this announcement, “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 this announcement.

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

References to the singular include the plural and vice versa.

Schedule 2
Meggitt Share Schemes and Employee Related Matters

Meggitt and Parker intend that the following arrangements and acknowledgements will, subject to the Scheme becoming effective in accordance with its terms, apply to the Meggitt Share Schemes and the Meggitt Employees.

In the event that the Acquisition is effected as a Takeover Offer, references to the date on which the Court sanctions the Scheme under section 899 of the Companies Act (the “**Court Sanction Date**”) and the Effective Date will be read as if they referred to the date on which the Takeover Offer becomes or is declared unconditional in all respects.

The acknowledgements in paragraphs 3-6, 8-11, 14-18, 20-21, 23-26 and 28 of Part 1 (*Meggitt Share Schemes*) (inclusive) and paragraphs 1, 3, 5 and 7 of Part 2 (*Meggitt Employees*) (inclusive) of this Schedule 2 do not impose contractual restrictions or obligations on any member of the Meggitt Group or their boards of directors.

In this Schedule 2, each of the following words and expressions shall have the following meanings:

“ Awards ”	has the meaning given to it in Part 1, paragraph 4(C) of this Schedule 2;
“ Cash Amount ”	has the meaning given to it in Part 1, paragraph 27 of this Schedule 2;
“ ESOS ”	means the Meggitt 2005 Executive Share Option Scheme, as amended from time to time;
“ EPP ”	means the Meggitt 2005 Equity Participation Plan, as amended from time to time;
“ LTIP ”	means the Meggitt 2014 Long Term Incentive Plan, as amended from time to time;
“ Meggitt Employees ”	means the employees of Meggitt and the employees of members of the Meggitt Group from time to time;
“ Meggitt Redundancy Practices ”	has the meaning given to it in Part 2, paragraph 10 of this Schedule 2;
“ Meggitt Remuneration Committee ”	means the remuneration committee of the board of directors of Meggitt;
“ Meggitt Remuneration Policy ”	means the directors’ remuneration policy approved by Meggitt Shareholders from time to time;
“ Meggitt Share Schemes ”	means each of the LTIP, SIRP, Sharesave, SIP, ESOS and EPP;

“Qualifying Termination”	has the meaning given to it in Part 2, paragraph 9 of this Schedule 2;
“Relevant LTIP Participant”	has the meaning giving to in in Part 1, paragraph 12 of this Schedule 2;
“Sharesave”	means the Meggitt 2018 Sharesave Plan, as amended from time to time;
“SIP”	means the Meggitt plc Share Incentive Plan, as amended from time to time;
“SIRP”	means the Meggitt Share Incentive and Retention Plan, as amended from time to time;
“STIP”	means the Meggitt Short Term Incentive Plan, as amended from time to time;
“Transition Awards”	has the meaning giving to in in Part 1, paragraph 12 of this Schedule 2; and
“Trust”	has the meaning given to it in Part 1, paragraph 27 of this Schedule 2.

Part 1
Meggitt Share Schemes

General

1. As at 30 July 2021, the following options and awards were outstanding under the Meggitt Share Schemes:

<u>Meggitt Share Scheme</u>	<u>Form of award(s)</u>	<u>Number of Meggitt Shares subject to outstanding awards/options</u>
LTIP	Options	2,941,892
	Conditional Awards	8,645,785
SIRP	Conditional Awards	1,212,796
Sharesave	Options	4,211,171
SIP	Partnership Shares	413,072
	Free Shares	617,656
EPP	Options	2,637
ESOS	Share Appreciation Rights	10,547

2. Meggitt confirms that no additional options or awards have been granted since 29 April 2021.
3. Parker acknowledges that, before the Effective Date, subject to the consent of the Panel where applicable, Meggitt reserves the right to operate the Meggitt Share Schemes in accordance with the rules of the relevant plan, Meggitt's normal practice and, where applicable, the Meggitt Remuneration Policy. For the avoidance of doubt, the operation of the Meggitt Share Schemes includes (without limitation): granting awards, determining the extent to which awards vest, and satisfying the vesting of awards and the exercise of options.
4. Parker and Meggitt acknowledge that:
- (A) The Scheme Record Time (as defined in the Announcement) shall take place after the Court Sanction Date, to allow those participants in Meggitt Share Schemes who acquire Meggitt Shares on or before the Court Sanction Date to have those Meggitt Shares acquired by Parker and dealt with through the Scheme.
- (B) Meggitt may amend the rules of the Meggitt Share Schemes if the Meggitt Directors (or the relevant committee) are of the opinion that such amendments are necessary to implement the Scheme or the treatment set out in this Agreement, to facilitate the administration of the Meggitt Share Schemes or to obtain or maintain favourable tax treatment for participants or for Meggitt.

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- (C) Parker and Meggitt intend to jointly write to participants in the Meggitt Share Schemes on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding options and awards under the Meggitt Share Schemes (“Awards”), the extent to which their Awards will vest and become exercisable as a result of the Scheme and any actions they may need to take in connection with their Awards as a result of the Scheme.
 - (D) Meggitt Shareholder approval will be sought for an amendment to the articles of association of Meggitt so that any Meggitt Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Parker in exchange for the provision by Parker of the same consideration payable per Meggitt Share under the Scheme (or such other consideration as may be agreed between Parker and Meggitt and disclosed in the Scheme Document).
5. Parker acknowledges and agrees that if, for any reason, Meggitt Shares cannot be issued or transferred when options are exercised or awards vest under any of the Meggitt Share Schemes (or if the Meggitt Remuneration Committee considers that it is inconvenient or costly to do so), such Awards may be settled by Meggitt in cash.
 6. Parker acknowledges that Meggitt may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2, having consulted with Parker before making such submission, and Parker agrees to co-operate as soon as possible and in good faith in the making of any such submission.
 7. Parker confirms that none of the Awards will be exchanged for, converted into or replaced by any options or awards issued or granted by Parker or any member of the Parker Group in respect of the shares in Parker or any member of the Parker Group.

LTIP

8. Parker acknowledges that any outstanding Awards under the LTIP that are unvested on the Court Sanction Date will vest and become exercisable on the Court Sanction Date in accordance with the rules of the LTIP.
9. Parker acknowledges that the extent to which unvested Awards outstanding under the LTIP vest in connection with the Acquisition is to be determined solely by the Meggitt Remuneration Committee subject to its discretions under the rules of the LTIP and the Meggitt Remuneration Policy to: (A) assess the achievement of performance conditions; and (B) apply or disapply time pro-rating.
10. Parker acknowledges that:
 - (A) it is the current intention of the Meggitt Remuneration Committee to determine that all outstanding Awards granted under the LTIP shall be time pro-rated by reference to the period of time between the Grant Date (as defined in the rules of the LTIP) and the Court Sanction Date relative to the period of three years; and

(B) the satisfaction of performance conditions will be assessed by the Meggitt Remuneration Committee on, or shortly prior to, the Court Sanction Date.

11. Parker acknowledges that all options granted under the LTIP that have vested before or on the Court Sanction Date will be exercisable until the date one month after the Court Sanction Date (unless they lapse earlier under the rules of the LTIP).
12. Parker agrees that it will, conditional on completion of the Acquisition, implement a new transitional cash plan and will grant under such plan to all individuals who:

- (A) are Meggitt Employees on the Effective Date (or who have left Meggitt employment before the Effective Date due to a Qualifying Termination under Part 2, paragraph 9(f)(ii) below); and
- (B) held unvested Awards granted under the LTIP in 2019, 2020 and/or 2021 (the **2019, 2020 and/or 2021 LTIP Awards**) immediately prior to the Court Sanction Date, and/or where applicable (due to the timetable of the Acquisition) whose 2019 LTIP awards had vested in accordance with the rules of the LTIP before the Court Sanction date,

(each a **“Relevant LTIP Participant”**) cash awards (the **“Transition Awards”**), equal to the aggregate of the value of the Meggitt Shares underlying any portion of their 2019, 2020 and/or 2021 LTIP Awards that lapsed due to the application of time pro-rating and/or any assessment of the applicable performance conditions in accordance with the rules of the LTIP, based on the same consideration payable per Meggitt Share as is payable under the Scheme. Parker further agrees that the grant of each Transition Award will be documented in a separate agreement between Parker and each Relevant LTIP Participant as soon as practicable after the date of this Agreement, and in any event prior to the Court Sanction Date, such grant to be conditional on completion of the Acquisition.

13. Parker agrees that the Transition Awards granted to each Relevant LTIP Participant under paragraph 12 will vest:

- (A) in the case of Transition Awards in respect of 2019 LTIP Awards, on the Effective Date; and
- (B) in the case of Transition Awards in respect of 2020 and/or 2021 LTIP Awards, on the Normal Vesting Date (as defined in the LTIP) of the relevant 2020 and/or 2021 LTIP Award,

subject in each case to the Relevant LTIP Participant: (i) remaining in employment with a member of the Meggitt Group or the Parker Group; or (ii) having left employment with a member of the Meggitt Group or the Parker Group before the Normal Vesting Date in circumstances amounting to a Qualifying Termination (as defined in Part 2, paragraph 9 below), and will in each case vest and be paid by Parker or a member of the Parker Group as soon as practicable on or after: (i) the Effective Date for Transition Awards in respect of 2019 LTIP Awards; (ii) the Effective Date for Transition Awards in respect of 2020 and/or 2021 LTIP Awards granted to a Relevant LTIP Participant whose Qualifying Termination is under Part 2, paragraph 9(f)(ii) below; and (iii) the Normal Vesting Date or the date of termination of employment if

earlier (where a Relevant LTIP Participant is subject to a Qualifying Termination other than under Part 2, paragraph 9(f)(ii) below) for Transition Awards in respect of 2020 and/or 2021 LTIP Awards, in each case less any required deductions and withholdings for income tax and national insurance contributions or social security deductions. For the avoidance of doubt, the Transition Awards will not be subject to any performance conditions.

14. Parker and Meggitt acknowledge that, after the date of this Agreement, they intend to determine, for each jurisdiction in which a Relevant LTIP Participant is tax-resident, the most tax-efficient approach to structuring the Transition Awards for Relevant LTIP Participants in that jurisdiction. Parker and Meggitt further acknowledge that it may be necessary to scale back the amount payable to a Relevant LTIP Participant under a Transition Award to reduce potential tax inefficiencies in the jurisdiction in which the Relevant LTIP Participant in question is resident.
15. Parker acknowledges that:
 - (A) subject to the consent of the Panel, Meggitt currently intends to make further Awards under the LTIP in the ordinary course of business and in accordance with its usual practice for the financial year ending 31 December 2022 (the “**2022 LTIP Awards**”), if the Acquisition has not completed by the date in 2022 on which Meggitt would usually make Awards under the LTIP; and
 - (B) the Meggitt Remuneration Committee currently intends to determine that any 2022 LTIP Awards (if granted) vest in connection with the Acquisition subject to both time pro-rating and the assessment of applicable performance conditions by the Meggitt Remuneration Committee; and
 - (C) the satisfaction of performance conditions in respect of any 2022 LTIP Awards (if granted) will be assessed by the Meggitt Remuneration Committee on, or shortly prior to, the Court Sanction Date.

SIRP

16. Parker acknowledges that, in respect of subsisting Awards under the SIRP, the Meggitt Shares subject to such Awards will vest, in full, with no application of time pro-rating on the Court Sanction Date in accordance with the rules of the SIRP and the Meggitt Remuneration Policy (as applicable).
17. Parker acknowledges that, subject to the consent of the Panel, Meggitt reserves the right to grant further Awards for the financial years ending 31 December 2021 and 31 December 2022 under the SIRP in the ordinary course of business and in accordance with its usual practice.

Sharesave

18. Parker acknowledges that options granted under the Sharesave which would not otherwise have been exercisable prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants’ contractual rights under the rules of the Sharesave) be exercisable in the six months after the Court Sanction Date and, in many cases, will be exercisable over less than the full number of Meggitt Shares than would otherwise be the case on maturity of the relevant savings contract.

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19. Parker agrees that it will make (or procure payment of) a one-off cash payment to those participants in the Sharesave who exercise their options conditional on the Effective Date or earlier in consequence of the Acquisition 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 Effective Date and exercised their options at the end of the earlier of: (i) six months following the Effective Date; and (ii) the maturity of the relevant savings contract, and had those Meggitt Shares been acquired on the terms of the Scheme, provided that no such cash payment will be made in respect of options granted under the Sharesave after the date of this Agreement.
 20. Parker acknowledges that any such one-off cash payment made or procured by Parker in accordance with paragraph 19 above in relation to options exercised under Sharesave will be subject to deductions for income tax and employee's social security contributions. Parker therefore agrees that the one-off cash payment in respect of options exercised under the Sharesave will be of such amount as shall, after taking account of the participants' liability to income tax and employee's national insurance contributions or social security deductions thereon, provide them with an after-tax amount equal to the amount of gain they would have received had they continued making their monthly savings contributions after the Effective Date and exercised their options (by paying over all savings) at the end of the earlier of: (i) six months following the Effective Date; and (ii) maturity of the relevant savings contract and had those Meggitt Shares been acquired on the terms of the Scheme.
 21. Parker acknowledges that, subject to the consent of the Panel, Meggitt reserves the right to grant additional options under the Sharesave in or around the fourth quarter of 2021 or the first quarter of 2022.
 22. Parker agrees that after the Effective Date Meggitt Employees will be eligible to participate in the Parker Global Employee Stock Purchase Plan in countries where that plan is operated.

SIP

23. Parker acknowledges and agrees that the acquisition of "Partnership Shares" under the SIP may continue until the last reasonably practicable normal purchase date before the Effective Date.
24. Parker and Meggitt acknowledge and agree that Meggitt Shares held in the SIP trust on behalf of the SIP participants will participate in the Scheme (on the same terms as for other Meggitt Shareholders).

EPP

25. Parker acknowledges that all outstanding options under the EPP have vested and will remain exercisable for a period of one month following the date on which the Meggitt Remuneration Committee notifies participants of the occurrence of the Court Sanction Date, unless the options lapse earlier under the rules of the EPP.

ESOS

26. Parker acknowledges that all outstanding Awards under the ESOS have vested and will remain exercisable for a period of one month after the Court Sanction Date, unless the Awards lapse earlier under the rules of the ESOS.

Employee Benefit Trust

27. As at 30 July 2021, the Meggitt Employees' Share Ownership Plan Trust (the "**Trust**") held approximately 1,782,457 Meggitt Shares and £632,110.74 in cash (the "**Cash Amount**").
28. Parker and Meggitt acknowledge that the expectation is that the trustee of the Trust will be requested to use the Meggitt Shares that it holds to satisfy outstanding Awards as far as possible. To the extent there are insufficient Meggitt Shares in the Trust to satisfy outstanding Awards, Meggitt intends to request the trustee of the Trust to use the Cash Amount to the extent necessary to subscribe for new Meggitt Shares or purchase existing Meggitt Shares to satisfy outstanding Awards.

Part 2
Meggitt Employees

Ordinary course of business arrangements

1. Parker acknowledges and agrees that Meggitt intends to carry out annual (or other periodic) pay reviews, appraisals and promotion rounds in the ordinary course of business, including a Meggitt Group salary increase of 2.5% currently expected to take effect in October 2021 and an ordinary course pay review in April 2022.

Maintenance of Compensation and Benefits

2. Parker agrees that it shall, or shall cause the relevant employing entity in the Meggitt Group or the Parker Group to, at a minimum, for the twelve month period immediately following the Effective Date:
 - (A) in respect of each person who was a Meggitt Employee immediately prior to the Effective Date and who remains in employment within the Meggitt Group or the Parker Group, maintain at least the same base salary or wage rate, cash incentive compensation opportunities and equity incentive compensation opportunities (or a cash incentive with the same grant date fair value) as were provided to each such Meggitt Employee immediately prior to the Effective Date; and
 - (B) provide a benefits and allowance package (including pension benefits), which, taken as a whole, is at least substantially comparable in the aggregate to the existing benefits and allowances available to such Meggitt Employee immediately prior to the Effective Date.

Annual bonus

3. Parker acknowledges that:
 - (A) Meggitt operates annual bonus arrangements which are conditional on financial and individual performance;
 - (B) bonus determinations for any Meggitt financial year completed before the Effective Date will be undertaken by Meggitt and determined and, if applicable, paid by Meggitt in accordance with the Meggitt Remuneration Policy (where applicable) and consistent with normal Meggitt practice with payment being made on the normal bonus payment date;
 - (C) bonus determinations for the Meggitt financial year ending on 31 December 2021 for certain Meggitt Employees (excluding the executive directors and any Meggitt Employee who is entitled to receive a payment under Part 1, paragraph 12 above) will recognise and reward such Meggitt Employee's commitments during the COVID-19 pandemic and the size of Meggitt's annual corporate bonus pool for that financial year will be increased accordingly;
 - (D) for the Meggitt financial year in which the Effective Date occurs:
 - (i) bonus determinations for the period from the start of the Meggitt financial year up to the Effective Date (or up to the date of a Qualifying Termination, if earlier, where such Qualifying Termination falls under Part 2, paragraph 9(f)(ii) below) will be undertaken by Meggitt on or around the Court Sanction Date on a pro-rated basis; and

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- (ii) bonus determinations for the period from the Effective Date to the end of the Meggitt financial year in which the Effective Date occurs (or the date of a Qualifying Termination, if earlier, where such Qualifying Termination does not fall under Part 2, paragraph 9(f)(ii) below) will be undertaken, based on the annual bonus measures already communicated to individuals in the ordinary course by Meggitt at the start of the financial year, by Meggitt shortly after the end of the Meggitt financial year on a pro-rated basis;
 - (E) the relevant bonus will be paid (pro-rated to the date of a Qualifying Termination, if applicable):
 - (iii) in respect of the period referred to in paragraph 3(D)(i), as soon as reasonably practicable following the Effective Date or, if later, on the normal bonus payment date for Meggitt's 2021 financial year; and
 - (iv) in respect of the period referred to in paragraph 3(D)(ii), on the normal bonus payment date; and
 - (F) for financial years starting after the Meggitt financial year in which the Effective Date occurs, Meggitt Employees will be eligible to participate in such bonus arrangements as may be operated by Parker in accordance with Parker's policies and practices from time to time.
4. Parker agrees that it will, as soon as reasonably practicable after the Effective Date, in a manner consistent with practices deployed by Parker, make or procure a one-off cash payment (less any required deductions) to certain Meggitt Employees in recognition of their services during the COVID-19 pandemic. For the avoidance of doubt, any Meggitt Employee who is entitled to receive a payment under Part 1, paragraph 12 or Part 2, paragraph 3(C) above will not receive any such cash payment envisaged under this paragraph 4.

Retention arrangements

5. Parker acknowledges that, for the purpose of protecting the business to be acquired pursuant to the Acquisition up to the Effective Date, Meggitt may make cash retention awards, up to a maximum in aggregate of £11 million, to Meggitt Employees (excluding executive directors) whose recruitment and/or retention is considered critical for the business (the "**Retention Awards**"). Parker further acknowledges that Meggitt's intention is that the Retention Awards will be payable within 30 days after the Effective Date or the Longstop Date, and that Meggitt would consult with Parker before granting any Retention Award that is payable before the Effective Date.

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6. Parker agrees to implement retention arrangements for the executive directors of Meggitt on the following terms:
- (A) Parker will procure that a payment is made to each executive director of Meggitt equal to 50% of annual base salary (less any required deductions), payable within 30 days of the Effective Date or, if later, the day following the date on which Meggitt is de-listed from the London Stock Exchange; and
 - (B) payment of the amounts provided for under paragraph 6(A) above will be subject to and conditional on: (i) completion of the Acquisition; (ii) de-listing of the Company; and (iii) the relevant executive director remaining in employment with a member of the Meggitt Group or the Parker Group and not having resigned prior to the payment date, save that if the relevant executive director has given or received notice of a Qualifying Termination (as defined in paragraph 9 below) at any time prior to the payment date they will remain entitled to payment in accordance with paragraph 6(A).
- Parker agrees that the terms of such retention arrangements will be documented in a separate agreement between Parker and each executive director as soon as practicable after the date of this Agreement, and in any event prior to the Court Sanction Date.
7. Parker acknowledges that it intends to develop a transition arrangement to enable Meggitt Employees to participate in retention and incentivisation programmes after the Effective Date on the same basis as similarly situated employees of Parker and will communicate it as appropriate.

Severance arrangements

8. Parker agrees that, if any Meggitt Employee is the subject of a Qualifying Termination (as defined in paragraph 9 below) at any time from the date of this Agreement until the end of the calendar day falling twelve months after the Effective Date, such Meggitt Employee will:
- (A) be entitled to applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those under any Meggitt Redundancy Practices to which they are entitled to participate in accordance with past practice;
 - (B) receive any bonus entitlement calculated on a pro-rata basis to the date of termination or, if required by law or any applicable Meggitt Redundancy Practices, to the date upon which notice would have expired in the absence of a payment in lieu of notice;
 - (C) receive reasonable and appropriate outplacement support commensurate to their seniority and consistent with Meggitt's practices in that jurisdiction as at the date of this Agreement;
 - (D) be treated as a good leaver (or any similar or equivalent concept) under any relevant leaver provisions of any incentive arrangement in which they participate as at the date of termination; and
 - (E) where consistent with Meggitt's practices in the relevant jurisdiction as at the date of this Agreement, receive a reasonable and appropriate contribution towards legal fees if they enter into a settlement agreement in connection with the termination of their employment.

For the avoidance of doubt, this paragraph 8 does not affect a Relevant LTIP Participant's rights under Part 1, paragraphs 12 to 14 in respect of Transition Awards.

9. In this Agreement, a **"Qualifying Termination"** is:
- (A) any termination by the employer taking effect after the Effective Date: (i) other than by reason of the Meggitt Employee's gross misconduct (provided, in the opinion of the Meggitt Group HR Director as at the Effective Date (or, if that person is no longer in role, the Meggitt Employee responsible at the relevant time for HR activities within the Meggitt Group), an appropriate and fair disciplinary process was followed); or (ii) other than where the employer is entitled pursuant to the employment contract to dismiss the Meggitt Employee summarily without notice (or payment in lieu of notice);
 - (B) any termination taking effect after the Effective Date by reason of the Meggitt Employee's ill health, injury, disability, death or retirement;
 - (C) if the Meggitt Employee ceases to be an employee of the Meggitt Group or the Parker Group after the Effective Date by reason of: (i) his or her employing entity ceasing to be a member of the Meggitt Group or the Parker Group; or (ii) the business or part of the business in which he or she works being transferred to a person that is not a member of the Meggitt Group or the Parker Group;
 - (D) a termination taking effect after the Effective Date by reason of the Meggitt Employee's resignation in circumstances amounting to constructive dismissal;
 - (E) a termination taking effect after the Effective Date by reason of the Meggitt Employee's resignation where, without the Meggitt Employee's express written consent: (i) the Meggitt Employee's role and/or reporting level and/or status has been diminished; or (ii) there is a material reduction in the Meggitt Employee's base salary or wage, cash or compensation, taken as a whole, or a material reduction in the Meggitt Employee's benefits and allowance package, taken as a whole; or (iii) a Meggitt Employee's normal place of work is moved more than 25 miles from their previous place of work. In the event of any dispute about whether (i) or (ii) applies to a particular Meggitt Employee, the decision shall be referred to Meggitt's Group HR Director (or, if that person is no longer in role, the Meggitt Employee responsible for HR activities within the Meggitt Group at the relevant time), who will, acting reasonably, determine the position; or
 - (F) if any Meggitt Employee serves notice of resignation at any time after the date of this Agreement and before the Effective Date in circumstances where the Meggitt Remuneration Committee, acting in good faith, has determined that the relevant Meggitt Employee, by virtue of the nature of their role, is at material risk of redundancy or is at material risk of a Qualifying Termination under paragraphs 9(A) to (E) above after the Effective Date, and such Meggitt Employee either:

-
- (i) ceases to be an employee of the Meggitt Group after the Effective Date; or
 - (ii) ceases to be an employee of the Meggitt Group before the Effective Date where the Meggitt Remuneration Committee, acting in good faith:
 - (a) has consulted with Parker regarding the Qualifying Termination status of that individual; and
 - (b) formed a view that the Effective Date is reasonably proximate;

in each case, other than where the Meggitt Employee continues employment with another employer within the Meggitt Group or the Parker Group.

10. In this Schedule 2, “**Meggitt Redundancy Practices**” is any policy or established Meggitt practice in existence at local or Group-wide level (and notified to Parker or Parker’s legal advisers in writing prior to) the date of this Agreement and/or any policy or arrangement agreed between Parker and Meggitt from time to time.

£6,524,000,000

BRIDGE CREDIT AGREEMENT

among

PARKER-HANNIFIN CORPORATION
as the Borrower

THE LENDERS NAMED HEREIN
as the Lenders

and

CITIBANK, N.A.
as the Administrative Agent

CITIBANK, N.A.
as Sole Lead Arranger and Sole Bookrunner

dated as of
August 2, 2021

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This Table of Contents is not part of the Agreement to which it is attached but is inserted for convenience of reference only.

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BRIDGE CREDIT AGREEMENT

This BRIDGE CREDIT AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of August 2, 2021 among:

- (a) PARKER-HANNIFIN CORPORATION, an Ohio corporation (the "Borrower");
- (b) the financial institutions listed on the signature pages hereof and each other Eligible Transferee (as defined below) that from time to time becomes a party hereto pursuant to Section 10.04(b) hereof (collectively, the "Lenders" and, individually, each a "Lender"); and
- (c) CITIBANK, N.A., as the administrative agent for the Lenders (in such capacity, the "Administrative Agent").

WITNESSETH

WHEREAS, the Borrower has requested that the Lenders make loans to it and the Lenders are prepared to do so for the purposes and subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acceptance Condition" means the condition with respect to the number of acceptances to the Offer which must be secured in order for the Offer to become or be declared unconditional.

"Acquired Business" means the Target, together with its Subsidiaries.

"Acquisition" means the acquisition by the Borrower of Target Shares pursuant to (a) a Scheme or (b) an Offer and (if applicable) a Squeeze-Out, in each case, including (i) any fees and stamp duty payable by the Borrower in connection with the acquisition and (ii) any proposal made by the Borrower pursuant to Rule 15 of the Takeover Code).

"Acquisition Documents" means the Scheme Documents or the Offer Documents (as the case may be).

"Administrative Agent" has the meaning specified in the recital of the parties to this Agreement.

“Administrative Agent’s Account” means an account designated by the Administrative Agent in a notice to the Borrower and the Lenders.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affected Lender” means a Defaulting Lender or an Insolvent Lender.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the specified Person.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its Subsidiaries from time to time concerning or relating to bribery or corruption (including, without limitation, the Foreign Corrupt Practices Act of 1977 (FCPA) (15 U.S.C. § 78dd-1, et seq.), as amended, and the rules and regulations thereunder).

“Applicable Law” means, as to any Person, all applicable laws binding upon such Person or to which such a Person is subject.

“Applicable Rate” means, for any day, (a) with respect to any Loan, the applicable rate per annum set forth below for each Rating Level Period under the caption “Loan Spread” and (b) with respect to the Ticking Fee, the applicable rate per annum set forth below for each Rating Level Period under the caption “Ticking Fee”:

Rating Level Period	Loan Spread				Ticking Fee
	Closing Date until 89 days following the Closing Date	90th day following the Closing Date until 179th day following the Closing Date	180th day following the Closing Date until 269th day following the Closing Date	From the 270th day following the Closing Date	
Rating Level I Period	1.0326%	1.2826%	1.5326%	1.7826%	0.0900%
Rating Level II Period	1.1576%	1.4076%	1.6576%	1.9076%	0.1000%
Rating Level III Period	1.2826%	1.5326%	1.7826%	2.0326%	0.1250%
Rating Level IV Period	1.4076%	1.6576%	1.9076%	2.1576%	0.1750%
Rating Level V Period	1.6576%	1.9076%	2.1576%	2.4076%	0.2000%

provided that (a) if the Moody's Rating, the S&P Rating and the Fitch Rating fall into different Rating Level Periods, then the applicable Rating Level Period shall be deemed to be the Rating Level Period that includes the lower of the two highest Debt Rating levels, (b) if the two highest Debt Rating levels are equivalent, the applicable Rating Level Period shall be deemed to be the Rating Level Period that includes the two highest Debt Rating levels, (c) for purposes of this definition, any change in the Applicable Rate by reason of a change in the Moody's Rating, the S&P Rating or the Fitch Rating shall be effective as of the date on which such change is first announced by the applicable rating agency, and (d) Rating Level Period V shall include a period during which two or all of S&P, Moody's and Fitch shall not have a Debt Rating in effect.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in accordance with Section 10.04 and in substantially the form of Exhibit A.

"Availability Period" means the period starting on (and including) the Closing Date and ending on the occurrence of a Mandatory Cancellation Event.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” has the meaning specified in the recital of the parties to this Agreement.

“Business Day” means a day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which commercial banks in New York City are authorized or required by law to close or (iv) a day on which banks are not open for general business in London.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal Property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Central Bank Rate” means The Bank of England’s Bank Rate as published by the Bank of England from time to time.

“Central Bank Rate Adjustment” means, in relation to the Central Bank Rate prevailing at close of business on any SONIA Interest Day, the 20 per cent. trimmed arithmetic mean (calculated by the Administrative Agent) of the Central Bank Rate Spreads for the five most immediately preceding SONIA Interest Days for which Daily Simple SONIA is available.

“Central Bank Rate Spread” means, in relation to any SONIA Interest Day, the difference (expressed as a percentage rate per annum) calculated by the Administrative Agent between:

- (a) Daily Simple SONIA for such SONIA Interest Day; and
- (b) the Central Bank Rate prevailing at close of business on such SONIA Interest Day.

“Certain Funds Covenant” means, with respect to the Borrower (and not, for the avoidance of doubt, in respect of any obligation to procure that any Subsidiary of the Borrower, the Target or any Subsidiary of the Target take, or refrain from taking, any action), any covenant under any of Sections 6.03(a), 6.09, 6.11 (excluding clauses (a)(i), (a)(iv), (a)(v), (a)(vii), (a)(ix) and (a)(xi)), 7.01 (solely with respect to intentional breaches thereof by the Borrower) or 7.02(a).

“Certain Funds Event of Default” means, with respect to the Borrower only (and not, for the avoidance of doubt, in respect of any obligation to procure that any Subsidiary of the Borrower, the Target or any Subsidiary of the Target take, or refrain from taking, any action and not as a result of any Event of Default that is triggered by any Subsidiary of the Borrower, the Target or any Subsidiary of the Target) any Event of Default under any of Sections 8.01(a), 8.01(b) (insofar as it relates to the payment of interest or fees under the Loan Documents), 8.01(c) (insofar as it

relates to a breach of any Certain Funds Representation), 8.01(d) (insofar as it relates to a breach of any Certain Funds Covenant), 8.01(e) (insofar as it relates to a breach of any Certain Funds Covenant), 8.01(h) (but excluding any Event of Default thereunder caused by a frivolous or vexatious (and in either case, lacking in merit) action, proceeding or petition in respect of which no order or decree in respect of such involuntary case or proceeding shall have been entered), 8.01(i) (other than 8.01(i)(ii)(y) or 8.01(i)(iv)), 8.01(j), 8.01(m) (solely with respect to clause (d) of the definition of Change in Control) or 8.01(n) (solely if any material provision in any Loan Document shall cease to be in full force and effect or the Borrower so asserts in writing).

“Certain Funds Period” means the period from and including the Effective Date and ending on the date on which a Mandatory Cancellation Event occurs or exists; it being understood that the Certain Funds Period will end on such date but immediately after the relevant Mandatory Cancellation Event occurs or first exists.

“Certain Funds Purposes” means

(a) where the Acquisition proceeds by way of a Scheme:

(i) payment (directly or indirectly) of the cash consideration payable by the Borrower to the holders of the Scheme Shares in consideration of such Scheme Shares being acquired by the Borrower;

(ii) payment (directly or indirectly) of the cash consideration payable to holders of options to acquire Target Shares pursuant to any proposal in respect of those options as required by the Takeover Code;

(iii) (directly or indirectly) the Target Refinancing; and

(iv) payment (directly or indirectly) of the fees, costs and expenses in respect of the Transactions (including stamp duty and stamp duty reserve tax); or

(b) where the Acquisition proceeds by way of an Offer:

(i) payment (directly or indirectly) of the cash consideration payable by the Borrower to the holders of the Target Shares subject to the Offer in consideration of the acquisition of such Target Shares pursuant to the Offer;

(ii) payment (directly or indirectly) of the cash consideration payable to the holders of Target Shares pursuant to the exercise by the Borrower of the Squeeze-Out Rights;

(iii) payment (directly or indirectly) of the cash consideration payable to holders of options to acquire Target Shares pursuant to any proposal in respect of those options as required by the Takeover Code;

(iv) (directly or indirectly) the Target Refinancing; and

(v) payment (directly or indirectly) of the fees, costs and expenses in respect of the Transactions (including stamp duty and stamp duty reserve tax).

“Certain Funds Representation” means, with respect to the Borrower (and not, for the avoidance of doubt, in respect of any obligation to procure that any Subsidiary of the Borrower, Target or any Subsidiary of the Target take, or refrain from taking, any action and not as a result of any misrepresentation with respect to, or made by, any Subsidiary of the Borrower, the Target or any Subsidiary of the Target), any representation and/or warranty under any of Sections 4.01(a) (but with respect to good standing, only to the extent a breach would have a material adverse effect on the Borrower’s ability to perform and comply with its monetary obligations under this Agreement, the Notes and each other Loan Document), Section 4.02, Section 4.03(b)(ii), Section 4.03(c) (limited to violations or defaults under indentures, agreements or other instruments with respect to Indebtedness in an aggregate principal amount exceeding \$100,000,000), Section 4.07 and Section 4.10.

“Change in Control” means any of the following events:

(a) the Borrower is merged, consolidated or reorganized into or with another corporation or other Person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then outstanding securities of such corporation or other Person that is the survivor of such merger, consolidation or reorganization immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such transaction;

(b) the Borrower sells all or substantially all of its Property to any other corporation or other Person, and less than a majority of the combined voting power of the then outstanding securities of such corporation or other Person immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such sale; and/or

(c) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this subsection (c) such person or group shall be deemed to have “beneficial ownership” of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), other than any “person” or “group” that is a Wholly-Owned Subsidiary of the Borrower, is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than forty percent (40%) of the aggregate voting power of all Voting Stock of the Borrower.

“Citibank” means Citibank, N.A.

“Closing Date” means the date on which the conditions precedent set forth in Section 5.02 shall have been satisfied (or waived in accordance with Section 10.02).

“Closing Date Officer’s Certificate” means a certificate substantially in the form of Exhibit D, dated as of the Closing Date, and signed by the President, a Vice President or a Financial Officer of the Borrower, certifying that:

(a) the condition set forth in Section 5.02(d) has been satisfied;

(b) there have been no changes since the Effective Date with respect to the documents delivered or matters certified (as applicable) pursuant to Section 5.01(d) (or otherwise providing updates to such documents or certifications); and

(c) (i) in the case of an Offer, that the Minimum Acceptance Level has been achieved and the Offer Unconditional Date has occurred; and (ii) in the case of the Scheme, that the Scheme Effective Date has occurred, in each case without the Borrower having agreed to any Materially Adverse Amendment to the applicable Acquisition Documents except in accordance with Section 6.11(b).

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means the obligation hereunder of each Lender to make Loans to the Borrower, in a principal amount not to exceed the amount set forth opposite such Lender’s name under the column headed “Commitment Amount” as set forth on Schedule I hereto. As of the date hereof, the aggregate amount of the Commitments is £6,524,000,000.

“Companies Act” means the Companies Act 2006 of the United Kingdom, as amended.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

“Controlling” and “Controlled” have meanings correlative thereto.

“Court” means the High Court of Justice of England and Wales.

“Court Meeting” means the meeting or meetings of Scheme Shareholders (or any adjournment thereof) to be convened at the direction of the Court for the purposes of considering and, if thought fit, approving the Scheme.

“Court Order” means the Order of the Court sanctioning the Scheme.

“Daily Simple SONIA” means, for any day (a “SONIA Interest Day”) that SONIA is determined, an interest rate per annum equal to the greater of (i) SONIA for the day that is five Business Days prior to (x) if such SONIA Interest Day is a Business Day, such SONIA Interest Day, or (y) if such SONIA Interest Day is not an Business Day, the Business Day immediately preceding such SONIA Interest Day, in each case, as is published by the SONIA Administrator on the SONIA Administrator’s Website, and (ii) 0.00%. If by 5:00 pm (London time) on the second Business Day immediately following any day for which Daily Simple SONIA is to be determined, Daily Simple SONIA has not been published on the applicable SONIA Administrator’s Website, then the Daily Simple SONIA for such day will be the Daily Simple SONIA as published in respect of the first preceding Business Day for which Daily Simple SONIA was published on the SONIA Administrator’s Website; provided, that Daily Simple SONIA shall not be determined pursuant to this sentence for more than three consecutive SONIA Interest Days. Any change in Daily Simple SONIA due to a change in SONIA shall be effective from and including the effective date of such change without notice to the Borrower.

“Debt Rating” means the Moody’s Rating, the S&P Rating or the Fitch Rating.

“Debt to Capitalization Ratio” means, at any time, the ratio of (a) Total Debt to (b) Total Capitalization.

“Default” means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means a Lender, as reasonably determined by the Administrative Agent, that (a) has failed (which failure has not been cured) to fund the Loans required to be made hereunder in accordance with the terms hereof within two Business Days of the date such funding was required (unless such Lender shall have notified the Administrative Agent and the Borrower in writing of its good faith determination that a condition precedent hereunder to its obligation to fund the Loans shall not have been satisfied); (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement (unless such Lender shall have notified the Administrative Agent and the Borrower in writing of its good faith determination that a condition precedent hereunder to its obligation to fund the Loans shall not have been satisfied) or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit; (c) has failed, within three Business Days after receipt of a written request from the Administrative Agent or the Borrower to confirm that it will comply with the terms of this Agreement relating to its obligation to fund the Loans, and such request states that the requesting party has reason to believe that the Lender receiving such request may fail to comply with such obligation, and states such reason (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower); or (d) has failed to pay to the Administrative Agent or any other Lender when due an amount owed by such Lender to the Administrative Agent or any other Lender pursuant to the terms of this Agreement, unless such amount is subject to a good faith dispute or such failure has been cured. Any Defaulting Lender shall cease to be a Defaulting Lender when the Administrative Agent determines, in its reasonable discretion, that such Defaulting Lender is no longer a Defaulting Lender based upon the characteristics set forth in this definition.

“Derived Rate” means a rate per annum equal to the sum of the Applicable Rate (from time to time in effect) plus Daily Simple SONIA.

“Disclosed Matters” means the actions, suits and proceedings disclosed in Schedule IV.

“Disposition” means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer, or other disposition thereof (in one transaction or in a series of transactions and whether effected pursuant to a division or otherwise), including as a result of foreclosure, casualty, condemnation or other similar events. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Disqualified Lender” means competitors of the Borrower and its Subsidiaries that have been specified in writing to the Administrative Agent and the Lenders from time to time by the Borrower; provided that no such updates to the list shall be deemed to retroactively disqualify any parties that have previously acquired an assignment or participation interest in respect of the Commitments or Loans from continuing to hold or vote such previously acquired assignments and participations on the terms set forth herein for Lenders that are not Disqualified Lenders.

“Dodd-Frank Act” means the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L.111-203, H.R. 4173) signed into law on July 21, 2010, as amended from time to time.

“Dollars” or “\$” means the lawful currency of the United States.

“Duration Fees” has the meaning specified in Section 2.08(d).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in subpart (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in subparts (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions precedent set forth in Section 5.01 shall have been satisfied (or waived in accordance with Section 10.02).

“Eligible Transferee” means a commercial bank, financial institution or other “accredited investor” (as defined in SEC Regulation D) that is not the Borrower, a Subsidiary, an Affiliate of the Borrower, a natural person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person), a Disqualified Lender or any Affected Lender.

“Environmental Claim” means, with respect to any Person, any written or oral notice, claim, demand or other communication (collectively, a “claim”) by any other Person alleging or asserting such Person’s liability for investigatory costs, cleanup costs, governmental response costs, damages to natural resources or other Property, personal injuries, fines or penalties arising out of, based on or resulting from (i) the presence, or Release into the environment, of any Hazardous Material at any location, whether or not owned by such Person, or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law. The term “Environmental Claim” shall include, without limitation, any claim by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating to the environment, preservation or reclamation of natural resources, or the management, release or threatened release of any Hazardous Material.

“Equity Interests” means all Voting Stock and any and all other shares, interests, participations or other equivalents (however designated) of capital stock or other ownership interests in any Person, including partnership interests, membership interests in a limited liability company, and beneficial interests in a trust, any and all warrants, rights or options to purchase any of the foregoing and any equity-linked and debt-equity hybrid securities.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Erroneous Payment” has the meaning specified in Section 9.08(a).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 8.01.

“Exchange Rate” means on any day, for purposes of determining the Sterling Equivalent of any currency, the rate at which such other currency may be exchanged into Sterling at the time of determination on such day as set forth on the Reuters WRLD Page for such currency (the “Spot Rate”). In the event that such rate does not appear on any Reuters WRLD Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying

exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about such time as the Administrative Agent shall elect after determining that such rates shall be the basis for determining the Exchange Rate, on such date for the purchase of Sterling for delivery three Business Days later; provided, that (i) if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error and (ii) solely for the purpose of determining the Sterling Equivalent of any Net Cash Proceeds which are required to be applied to reduce the Commitments pursuant to Section 2.07(c), the Borrower may, in lieu of the applicable Spot Rate (by notice to the Administrative Agent given on or prior to the applicable date on which the Commitments are required to be reduced pursuant to Section 2.07(c)), elect either to use (x) the currency exchange rate (which may be an average rate) set forth in currency exchange hedging agreements (including any deal-contingent hedge) entered into by the Borrower with respect to the Transactions or (y) an alternative exchange rate determined by the Borrower and the Administrative Agent having reasonable regard to the Borrower's hedging strategy and its projected exposure to currency fluctuations with respect to the Transactions.

“Excluded Debt” means (i) intercompany debt among the Borrower and/or its Subsidiaries or among Subsidiaries of the Borrower, (ii) credit extensions under the Revolving Credit Facility (including any amendment, refinancing or replacement thereof) up to \$3,000,000,000 (or the Sterling Equivalent thereof) in the aggregate, (iii) commercial paper issuances (other than for the purpose of financing the Acquisition) in an aggregate principal amount up to \$1,500,000,000 (or the Sterling Equivalent thereof), (iv) ordinary course letter of credit facilities, overdraft protection and short term working capital facilities, ordinary course foreign credit facilities, factoring arrangements, capital leases, financial leases, hedging and cash management, (v) purchase money and equipment financings and similar obligations, and (vi) other debt (other than for the purpose of financing the Acquisition) in an aggregate principal amount up to \$500,000,000 (or the Sterling Equivalent thereof).

“Excluded Disposition” means any (i) unwinding of Hedging Agreements, (ii) Disposition of accounts receivable as part of collection, (iii) sale of inventory or other assets in the ordinary course of business, (iv) sales or dispositions among the Borrower and/or its Subsidiaries and (v) Disposition having Net Cash Proceeds, which do not exceed \$25,000,000 (or the Sterling Equivalent thereof) for any transaction or series of related transactions and \$250,000,000 (or the Sterling Equivalent thereof) in the aggregate.

“Excluded Equity Issuance” means issuances of Equity Interests (i) pursuant to employee stock plans and retirement plans or issued as compensation to officers and/or non-employee directors and (ii) constituting directors' qualifying shares and/or other nominal amounts required to be held by persons other than the Borrower or its subsidiaries under applicable law.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes,

in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.12) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.10, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.10(g) and (d) any Taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Fee and Syndication Letter” means the Fee and Syndication Letter, dated as of the date hereof, by and between the Borrower and the Lead Arranger.

“Financial Officer” means the chief financial officer, principal accounting officer or treasurer of the Borrower.

“Fitch” means Fitch Ratings, or any successor thereto.

“Fitch Rating” means, at any time, the then current rating by Fitch (including the failure to rate) of the Borrower's senior, unsecured, non-credit-enhanced long-term indebtedness for money borrowed.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“GAAP” means generally accepted accounting principles in the United States.

“General Meeting” means the general meeting of the holders of Target Shares (or any adjournment thereof) to be convened in connection with the implementation of a Scheme.

“Governmental Authority” means any government or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to Property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of Property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on Property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, and (j) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Party” has the meaning specified in Section 10.03(b).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Insolvent Lender” means a Lender, as reasonably determined by the Administrative Agent, that (a) is or has become insolvent or is the subsidiary of a Person that is or has become insolvent; (b) has become the subject of a proceeding under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment, or is a subsidiary of a Person that has become the subject of a proceeding under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment; or (c) has become the subject of a Bail-In Action; provided that a Lender shall not be an Insolvent Lender solely by virtue of the ownership or acquisition or control of an Equity Interest in such Lender or a parent company thereof by a Governmental Authority, so long as such ownership or acquisition or control does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any Insolvent Lender shall cease to be an Insolvent Lender when the Administrative Agent determines, in its reasonable discretion, that such Insolvent Lender is no longer an Insolvent Lender based upon the characteristics set forth in this definition.

“Interest Payment Date” means, as to any Loan, (a) each date that is on the numerically corresponding day in each calendar month that is one month after the borrowing of such Loan; provided that, (i) if any such date would be a day other than a Business Day, such date shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such date shall be the next preceding Business Day and (ii) the Interest Payment Date with respect to any borrowing of Loans that occurs on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in any applicable calendar month) shall be the last Business Day of any such succeeding applicable calendar month and (b) the date of any repayment or prepayment made in respect thereof.

“Lead Arranger” means Citibank, N.A., in its capacity as sole lead arranger and sole bookrunner hereunder.

“Lenders” has the meaning specified in the recital of the parties to this Agreement and shall include each Lender that is listed on Schedule I, and each other Person that from time to time becomes a party hereto as a “Lender” pursuant to Section 10.04.

“Lien” means (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge, assignment, deemed trust, security interest or other arrangement or condition that secures payment or performance of an obligation of the Borrower or any of its Subsidiaries, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing), and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan” means a loan made to the Borrower by the Lenders hereunder, in accordance with Section 2.01 hereof.

“Loan Documents” means, collectively, this Agreement, the Notes and the Fee and Syndication Letter, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced, and any other document delivered pursuant thereto.

“Long-Stop Date” means February 2, 2023, or such later date which is no later than: (a) where the Acquisition proceeds by way of a Scheme, the date that is six weeks after the date first set forth above; or (b) where the Acquisition proceeds by way of an Offer, the date that is eight weeks after the date first set forth above.

“Mandatory Cancellation Event” means the occurrence of any of the following conditions or events:

(a) where the Acquisition proceeds by way of a Scheme:

(i) a Court Meeting is held (and not adjourned or otherwise postponed) to approve the Scheme at which a vote is held to approve the Scheme, but the Scheme is not so approved by the requisite majority of the Scheme Shareholders at such Court Meeting;

(ii) a General Meeting is held (and not adjourned or otherwise postponed) to pass the Scheme Resolutions at which a vote is held on the Scheme Resolutions, but the Scheme Resolutions are not passed by the requisite majority of the shareholders of the Target at such General Meeting;

(iii) applications for the issuance of the Court Order are made to the Court (and not adjourned or otherwise postponed) but the Court (in its final judgment) refuses to grant the Court Order;

(iv) the Scheme lapses or is withdrawn with the consent of the Panel or by order of the Court;

(v) a Court Order is issued but not filed with the Registrar within ten Business Days of (x) its issuance or (y), if first required by Her Majesty’s Revenue and Customs of the United Kingdom and the Registrar, its stamping;

(vi) the date which is 15 days after the Scheme Effective Date (or, if later, the date immediately following any extension of the period for settlement of consideration provided by the Panel pursuant to the Takeover Code); or

(vii) the Long-Stop Date, unless the Scheme Effective Date has occurred on or prior thereto,

unless, in respect of clauses (i) to (vi) inclusive above, for the purpose of switching from a Scheme to an Offer, within five Business Days of such event the Borrower has notified the Administrative Agent it intends to issue, and then within 10 Business Days (or such later period as the Lead Arranger may agree in its sole discretion) after delivery of such notice does issue, an Offer Press Release (in which case no Mandatory Cancellation Event shall have occurred pursuant to clauses (i) to (vi)) and provided that the postponement or adjournment of any Court Meeting, General Meeting or application referred to in this paragraph (a) shall not constitute a Mandatory Cancellation Event if such Court Meeting, General Meeting or application is capable of being re-convened, re-submitted or granted on a future date;

(b) where the Acquisition proceeds by way of an Offer:

(i) such Offer lapses, terminates or is withdrawn with the consent of the Panel unless, for the purpose of switching from an Offer to a Scheme, within five Business Days of such event the Borrower has notified the Administrative Agent it intends to issue, and then within 10 Business Days (or such later period as the Lead Arranger may agree in its sole discretion) after delivery of such notice does issue, a Scheme Press Release (in which case no Mandatory Cancellation Event shall have occurred);

(ii) the date upon which all payments made or to be made for Certain Funds Purposes have been paid in full in cleared funds;

(iii) the date falling 90 days after the Offer Unconditional Date; or

(iv) the Long-Stop Date, unless the Offer Unconditional Date has occurred on or prior thereto.

“Margin Stock” means “margin stock” within the meaning of Regulations T, U and X of the Board.

“Material Adverse Effect” or “Material Adverse Change” means a material adverse effect on or a material adverse change in (a) the business, condition (financial or otherwise), operations, performance or Properties of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or of the Borrower and its Subsidiaries taken as a whole to perform any of their obligations under this Agreement or any of the other Loan Documents to which they are parties, or (c) the rights of or benefits available to the Lenders or the Administrative Agent under this Agreement or any of the other Loan Documents.

“Material Indebtedness” means (a) Indebtedness (other than the Loans hereunder) and (b) obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount (whether or not drawn) exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Person in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time.

“Materially Adverse Amendment” means a modification, amendment or waiver to or of the terms or conditions (including the treatment of a condition as having been satisfied) of the Acquisition Documents compared to the terms and conditions that are included in the draft of the Press Release delivered to the Administrative Agent in accordance with Section 5.01(b) that is

materially adverse to the interests of the Lenders (taken as a whole) under the Loan Documents; it being acknowledged (except (x) to the extent paid in the form of common stock of the Borrower or (y) as otherwise agreed in writing by the Lead Arranger) that an increase to the purchase price for the Target Shares would be materially adverse to the Lenders; provided, that any modification, amendment or waiver (including the treatment of a condition as having been satisfied) (i) that is required pursuant to (or reasonably determined by the Borrower as being necessary or desirable to comply with the requirements or requests of) the Takeover Code or by a court of competent jurisdiction, any other applicable law, regulation or regulatory body or the Panel (including any refusal by the Panel to allow the invocation of a condition) or (ii) reducing the Acceptance Condition to not less than the Minimum Acceptance Level in accordance with Section 6.11(a)(ii), or (iii) waiving any condition that the Panel has not given the Borrower its consent to invoke, (iv) in the case of an Offer, that is an extension of the period in which holders of the Target Shares may accept the Offer or (v) necessary to effect the switch from a Scheme to an Offer (or vice versa), in each case, shall not be a Materially Adverse Amendment. In the case of an Offer, if the Borrower or any person acting in concert with the Borrower (within the meaning of the Takeover Code) makes an acceleration statement (within the meaning of the Takeover Code) which includes a statement that the Borrower has waived any conditions to the Offer, such waiver shall be considered to be a voluntary waiver for the purposes of this definition and not a requirement of the Takeover Code or the Panel.

“Maturity Date” means the earlier of (a) the date that is 364 days after the Closing Date (or if such date is not a Business Day, the Business Day immediately preceding such date) and (b) the date on which the maturity of the Loans is accelerated in accordance with the terms hereof.

“Maximum Rate” has the meaning specified in Section 2.04(c).

“Minimum Acceptance Level” has the meaning specified in Section 6.11(a).

“Moody’s” means Moody’s Investors Service, Inc., or any successor thereto.

“Moody’s Rating” means, at any time, the then current rating by Moody’s (including the failure to rate) of the Borrower’s senior, unsecured, non-credit-enhanced long-term indebtedness for money borrowed.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” means

(a) in connection with any issuance or sale of Equity Interests or incurrence of Indebtedness, the cash proceeds received (including into an escrow account established by the Borrower for the purposes of funding the Acquisition) from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith; or

(b) with respect to any Disposition, the cash proceeds (including any cash proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or otherwise, but only as and when received) actually received in respect of such Disposition, net of (i) all attorneys' fees, accountants' fees, brokerage, consultant and other customary fees and commissions, title and recording tax expenses and other reasonable fees and expenses incurred in connection therewith, (ii) all Taxes paid or reasonably estimated to be payable as a result thereof (including taxes resulting from the repatriation of such cash proceeds from a Subsidiary organized outside of the United States), (iii) all payments made, and all installment payments required to be made, with respect to any obligation (A) that is secured by any assets subject to such Disposition in accordance with the terms of any Lien upon such assets or (B) that must by its terms, or in order to obtain a necessary consent to such Disposition, or by applicable laws, be repaid out of the proceeds from such Disposition, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Disposition, or to any other Person (other than to any Group Member) owning a beneficial interest in the assets disposed of in such Disposition, (v) the amount of any reserves established by any Group Member in accordance with generally accepted accounting principles to fund purchase price or similar adjustments, indemnities or liabilities, contingent or otherwise, reasonably estimated to be payable in connection with such Disposition (provided, that to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (vi) any funded escrow established pursuant to the documents evidencing any such Disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such Disposition (provided, that to the extent that any amounts are released from such escrow to the Borrower or a Subsidiary, such amounts net of any related expenses shall constitute Net Cash Proceeds), (vii) the cash proceeds of any Disposition to the extent such proceeds are required to be used in another manner pursuant to contractual or other obligations entered into in connection with financing the acquisition, construction or development of such property and (viii) any cash proceeds arising from an Disposition by a Subsidiary organized outside of the United States to the extent that (x) the repatriation thereof would be unlawful, as reasonably determined by the Borrower or (y) material adverse tax consequences would result from the repatriation thereof, as reasonably determined by the Borrower; provided, further, that such Net Cash Proceeds of Dispositions shall not include proceeds of any Disposition received to the extent reinvested in other assets used or useful in the business of the Borrower and its Subsidiaries within 9 months of receipt of such proceeds (or in the case of a casualty or condemnation event, such longer period as may be reasonably required to reinstate or repaid the affected asset).

“Note” means a Note, in the form of the attached Exhibit B executed and delivered pursuant to Section 2.02 hereof.

“Offer” means a contractual takeover offer within the meaning of Section 974 of the Companies Act made by the Borrower for all of the Target Shares other than any Target Shares that at the date of the offer are already held by the Borrower (as that offer may be amended in accordance with the terms of this Agreement) which, for the avoidance of doubt, is not effected by way of a Scheme.

“Offer Documents” means the Offer Press Release, the offer document to be sent by the Borrower to the holders of Target Shares and any other material document sent by the Borrower to Target Shareholders in relation to the terms and conditions of an Offer.

“Offer Press Release” means the press release announcing, in compliance with Rule 2.7 of the Takeover Code, a firm intention to make an offer for the Target which is to be implemented by way of an Offer or, as the case may be, a conversion from a Scheme to an Offer in accordance with Section 8 of Appendix 7 to the Takeover Code.

“Offer Unconditional Date” means the date on which the Offer becomes or is declared unconditional.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Loans or in any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.12).

“Panel” means the Panel on Takeovers and Mergers in the United Kingdom.

“Participant” has the meaning specified in Section 10.04(e).

“Participant Register” has the meaning specified in Section 10.04(e).

“Patriot Act” has the meaning specified in Section 10.12.

“Payment Recipient” has the meaning specified in Section 9.08(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes, employment insurance, pension obligations, other social security obligations, and vacation pay that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers’, warehousemen’s, landlord’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) cash deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under subpart (k) of Section 8.01; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real Property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected Property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Press Release" means an Offer Press Release or a Scheme Press Release.

"Property" means any right or interest in or to any and all tangible and intangible assets and properties, including cash, securities, accounts, revenues and contract rights.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Qualifying Loan Facility" has the meaning specified in Section 2.07(c).

"Rating Level Period" means a Rating Level I Period, Rating Level II Period, Rating Level III Period, Rating Level IV Period or Rating Level V Period, as applicable.

"Rating Level I Period" means any period during which the S&P Rating is A- or better, the Moody's Rating is A3 or better or the Fitch Rating is A- or better.

"Rating Level II Period" means any period during which the S&P Rating is BBB+, the Moody's Rating is Baa1 or the Fitch Rating is BBB+.

“Rating Level III Period” means any period during which the S&P Rating is BBB, the Moody’s Rating is Baa2 or the Fitch Rating is BBB.

“Rating Level IV Period” means any period during which the S&P Rating is BBB-, the Moody’s Rating is Baa3 or the Fitch Rating is BBB-.

“Rating Level V Period” means any period that is not a Rating Level I Period, Rating Level II Period, Rating Level III Period or Rating Level IV Period, and shall include a period during which two or more of S&P, Moody’s and Fitch shall not have a Debt Rating in effect.

“Receiving Agent” means the receiving agent appointed by the Borrower in connection with the acquisition of the Target Shares.

“Recipient” means (a) the Administrative Agent, or (b) any Lender, as applicable.

“Register” has the meaning specified in Section 10.04(c).

“Registrar” means the Registrar of Companies for England and Wales.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

“Replacement Lender” has the meaning specified in Section 2.12(b).

“Required Lenders” means, at any time, Lenders holding more than fifty percent (50%) of the sum of (a) the aggregate unpaid principal amount of the Loans plus (b) the aggregate amount of Commitments then in effect.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Revolving Credit Facility” means the credit facility under that certain Amended and Restated Credit Agreement, dated as of September 4, 2019, by and among the Borrower and certain subsidiaries of the Borrower, as borrowers, the lenders party thereto from time to time and KeyBank National Association, as administrative agent.

“S&P” means S&P Global Ratings or any successor thereto.

“S&P Rating” means, at any time, the then current rating by S&P (including the failure to rate) of the Borrower’s senior, unsecured, non-credit-enhanced long-term indebtedness for money borrowed.

“Sanctions” means any sanctions enacted, administered, imposed or enforced from time to time by (a) the U.S. government, including those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, or other relevant sanctions authorities.

“Scheme” means a scheme of arrangement made pursuant to Part 26 of the Companies Act between the Target and the holders of Target Shares in relation to the transfer of the Scheme Shares to the Borrower as contemplated by the Scheme Circular (as such Scheme Circular may be amended in accordance with the terms of this Agreement).

“Scheme Circular” means the circular (including any supplemental circular) to the shareholders of the Target to be issued by the Target setting out the proposals for the Scheme and containing the notices of the Court Meeting and the General Meeting.

“Scheme Documents” means the Scheme Press Release, the Scheme Circular and any other material document sent to the holders of Target Shares in relation to the terms and conditions of the Scheme.

“Scheme Effective Date” means the date on which a copy of the court order sanctioning the Scheme is duly filed on behalf of the Target with the Registrar and the Scheme becomes effective in accordance with section 899 of the Companies Act.

“Scheme Press Release” means each press release made by or on behalf of the Borrower announcing, in compliance with Rule 2.7 of the Takeover Code, a firm intention to make an offer which is to be implemented by means of the Scheme or, as the case may be, a conversion from an Offer to a Scheme in accordance with Section 8 of Appendix 7 to the Takeover Code.

“Scheme Resolutions” means the resolutions to be set out in the Scheme Circular to be considered and, if thought fit, approved at the General Meeting.

“Scheme Shareholders” means the registered holders of Scheme Shares at the relevant time.

“Scheme Shares” means the Target Shares which are subject to the Scheme in accordance with its terms.

“SEC” means the United States Securities and Exchange Commission, or any governmental body or agency succeeding to any of its principal functions.

“Solvent” when used with respect to any Person, together with its Subsidiaries on a consolidated basis, means that, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person and its Subsidiaries, on a consolidated basis, will, as of such date, exceed the amount of all “liabilities of such Person and its Subsidiaries, on a consolidated basis, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person and its Subsidiaries, on a consolidated basis, will, as of such date, be greater than the amount that will be required to pay

the liability of such Person and its Subsidiaries, on a consolidated basis, on their debts as such debts become absolute and matured, (c) such Person and its Subsidiaries on a consolidated basis will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person and its Subsidiaries, on a consolidated basis, will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"SONIA" means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator's Website on the immediately succeeding Business Day.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"SONIA Conforming Changes" means, with respect to Daily Simple SONIA, any conforming changes to the definition of Derived Rate, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of Daily Simple SONIA and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of Daily Simple SONIA exists, in such other manner of administration as the Administrative Agent may determine).

"Squeeze-Out" means, if the Borrower becomes entitled to give notice under section 979 of the Companies Act, the procedure to be implemented following the date on which the Offer is declared or becomes unconditional under section 979 of the Companies Act to squeeze out all of the outstanding shares in the Target which the Borrower has not acquired, contracted to acquire or in respect of which it has not received valid acceptances.

"Squeeze-Out Notice" means a notice issued to a holder of Target Shares by the Borrower in accordance with section 979 of the Companies Act.

"Squeeze-Out Rights" means the rights of the Borrower pursuant to sections 979 to 982 of Chapter 3 of Part 28 of the Companies Act to acquire any remaining Target Shares which are the subject of the Offer.

"Sterling" or "£" means the lawful currency of the United Kingdom.

“Sterling Equivalent” means, on any date, (a) with respect to any amount in Sterling, such amount and (b) with respect to any amount in any currency other than Sterling, the equivalent in Sterling of such amount determined by the Administrative Agent using the Exchange Rate in effect at 11:00 a.m. (New York City time) three Business Days prior to the applicable date of determination (unless the Sterling Equivalent is being determined pursuant to clause (ii) of the proviso in the definition of “Exchange Rate”, in which case, the Sterling Equivalent shall be determined using the applicable Exchange Rate as of the date of determination).

“Subsidiary” means, with respect to any Person, at any date, any other Person a majority of the Voting Stock of which is owned by such first Person, or by such first Person and one or more Subsidiaries thereof, or by one or more Subsidiaries thereof. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Successor Conforming Changes” means, with respect to any Successor Rate, any conforming changes to the definition of Derived Rate, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Borrower).

“Takeover Code” means the City Code on Takeovers and Mergers in the United Kingdom issued by the Panel from time to time.

“Target” means Meggitt PLC.

“Target Existing Debt” means indebtedness and other obligations of the Target and its Subsidiaries under their existing credit facilities.

“Target Refinancing” means, as applicable, (a) the repayment in full of all or certain of the Target Existing Debt, together with any fees, costs, expenses and premia in relation thereto and (b) the release of any guarantees or liens in respect thereof.

“Target Shares” means all of the issued and unconditionally allotted ordinary shares in the Target and any further such shares which may be issued or unconditionally allotted pursuant to the exercise of any subscription or conversion rights, options or otherwise.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Ticking Fee” has the meaning specified in Section 2.08(a).

“Total Capitalization” means, at any time, with respect to the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) the aggregate outstanding principal amount of Indebtedness of the Borrower and its Subsidiaries for or in respect of borrowed money at such time; plus (b) total shareholders’ equity as set forth in the Borrower’s then most recent financial statements delivered hereunder.

“Total Debt” means, at any time, the aggregate outstanding principal amount of Indebtedness of the Borrower and its Subsidiaries on a consolidated basis; provided that, there shall be excluded from Total Debt the amount of any Indebtedness incurred by the Borrower or its Subsidiaries under any offering of notes to the extent the proceeds thereof are (a) intended to be used to finance one or more acquisitions permitted hereunder and (b) held by the Borrower or any Subsidiary in a segregated account pending such application (or pending the redemption of such notes in the event any such acquisition is not consummated), until such time as such proceeds are released from such segregated account.

“Transactions” means (i) the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, (ii) the borrowing of the Loans, (iii) the consummation of the Acquisition, (iv) the Target Refinancing, if applicable, and (v) the payment of fees and expenses related thereto.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” means the United States of America.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 2.10(g).

“Voting Stock” means, at any time, the outstanding securities or other ownership interests of a Person entitled to vote generally in an election of directors or other Persons performing similar functions of such Person.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means the Borrower and the Administrative Agent.

“Wholly-Owned Subsidiary” means any Subsidiary one hundred percent (100%) of the Voting Stock of which (other than directors’ qualifying shares) is owned, directly or indirectly, beneficially and of record, by the Borrower.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Computation of Time Periods; Terms Generally.

(a) In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” mean “to but excluding”.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); any reference herein to any Person shall be construed to include such Person’s successors and assigns; the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; and all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

(c) Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change

occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. If the Borrower adopts the International Financial Reporting Standards, and such change or adoption results in a change in the calculation of any component (or components in the aggregate) of the financial covenant set forth in Section 7.04 hereof or the related financial definitions, at the option of the Administrative Agent, the Required Lenders or the Borrower, the parties hereto will enter into good faith negotiations to amend such financial covenant and financial definitions in such manner as the parties shall agree, each acting reasonably, in order to reflect fairly such change or adoption so that the criteria for evaluating the financial condition of the Borrower and its Subsidiaries shall be the same in commercial effect after, as well as before, such change or adoption is made (in which case the method and calculating such financial covenants and definitions hereunder shall be determined in the manner so agreed); provided that, until so amended, such calculations shall continue to be computed in accordance with GAAP as in effect prior to such change or adoption. For clarification purposes, the parties hereto acknowledge and agree that in no event will any lease that would have been categorized as an operating lease as determined in accordance with GAAP as in effect on December 31, 2018 be considered a capital lease for any purpose of this Agreement.

SECTION 1.04. Daily Simple SONIA Disclaimer. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to Daily Simple SONIA, any component definition thereof or rates referenced in the definition thereof or any alternative, successor or replacement rate thereto (including any Successor Rate), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Successor Rate) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, Daily Simple SONIA prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Successor Rate Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of Daily Simple SONIA, any alternative, successor or replacement rate (including any Successor Rate) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain Daily Simple SONIA, any component definition thereof or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II

AMOUNTS AND TERMS OF THE LOANS

SECTION 2.01. Loans. Subject to the terms and conditions hereof, each Lender severally agrees to make Loans to the Borrower in Sterling, (x) from time to time on any Business Day during the Availability Period for any Certain Funds Purpose other than the Target Refinancing and (y) on the Closing Date, to fund the Target Refinancing, if any, in each case, in an aggregate amount not to exceed such Lender's Commitment. Amounts prepaid or repaid in respect of the Loans may not be re-borrowed.

SECTION 2.02. Evidence of Indebtedness. Upon the request of a Lender, to evidence the obligation of the Borrower to repay the portion of the Loan made by such Lender and to pay interest thereon, the Borrower shall execute a Note, payable to such Lender and its registered assigns in the principal amount of its Commitment; provided that the failure of such Lender to request a Note shall in no way detract from the Borrower's obligations to such Lender hereunder.

SECTION 2.03. Interest.

(a) Generally. The Borrower shall pay interest on the unpaid principal amount of each Loan made to it and owing to each Lender from the date of such Loan is funded by the Lenders to the Administrative Agent in accordance with Section 2.05(d) until such principal amount shall be paid in full, at a rate per annum equal to the Derived Rate, payable in arrears on each Interest Payment Date.

(b) Default Rate. Anything herein to the contrary notwithstanding, if an Event of Default shall occur and be continuing, upon the election of the Administrative Agent or the Required Lenders, the Borrower shall pay interest on the outstanding principal amount of the Loans and on the unpaid amount of all interest, fees and other amounts payable by the Borrower hereunder, such interest to be payable on demand, at a rate per annum equal at all times to two percent (2%) per annum above the rate per annum required to be paid pursuant to subsection (a) above.

(c) Limitation on Interest. In no event shall the rate of interest hereunder exceed the maximum rate allowable by law. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, apply any excess to the payment of outstanding principal, expenses, fees, or premiums rather than interest.

SECTION 2.04. Voluntary Commitment Reductions and Prepayments.

(a) Commitment Reductions. The Borrower may at any time, upon not less than three Business Days' notice to the Administrative Agent, which shall be irrevocable, terminate in whole or in part the Commitments, provided that any notice of termination may state that it is conditioned upon the effectiveness of other credit facilities or the receipt of proceeds from another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent) if such condition is not satisfied. Each termination of Commitments hereunder shall be permanent.

(b) Prepayments. The Borrower shall have the right at any time or from time to time to prepay, on a pro rata basis for all of the Lenders, all or any part of the principal amount of the Loans. Such payment shall include interest accrued on the amount so prepaid to the date of such prepayment and shall be without any premium or penalty. Each prepayment of the Loans shall be applied as directed by the Borrower.

The Borrower shall give the Administrative Agent irrevocable written notice of prepayment of Loans by no later than 1:00 P.M. (Eastern time) three Business Days before the Business Day on which such prepayment is to be made; provided that any notice of prepayment may state that it is conditioned upon the incurrence of other Indebtedness or the receipt of proceeds from another transaction, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent) if such condition is not satisfied.

Each partial reduction of Commitments or prepayment of Loans shall be in the principal amount of not less than Ten Million Sterling (£10,000,000), increased by increments of One Million Sterling (£1,000,000), or, in each case, the entire amount then outstanding.

SECTION 2.05. Notice of Credit Events; Funding of Loans

(a) Notice of Credit Events. The Borrower shall provide to the Administrative Agent a Notice of Loan borrowing, in the form of Exhibit C hereto, prior to 11:00 A.M. (Eastern Time) three Business Days prior to the proposed date of borrowing of any Loans.

(b) [Reserved].

(c) Minimum Amount. Each request for a borrowing of Loans shall be in an amount of not less than Ten Million Sterling (£10,000,000), increased by increments of One Million Sterling (£1,000,000), or, in each case, the entire amount then outstanding.

(d) Funding by Lenders. Each Lender shall, before 11:00 A.M. (Eastern time) on the date that is one Business Day prior to the requested date of borrowing by the Borrower, make available for the account of its lending office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of the requested Loan. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article V, the Administrative Agent will wire or deposit the proceeds of the Loan, in same day funds, to such account as the Borrower may direct on the date of the requested borrowing.

(e) Obligations Several. The failure of any Lender to make its portion of any Loan shall not relieve any other Lender of its obligation hereunder to make its portion of any Loan, but no Lender shall be responsible for the failure of any other Lender to make their portion of the Loan.

SECTION 2.06. Payment on the Loans and Other Obligations.

(a) Payments Generally. Each payment made hereunder or under any other Loan Document by the Borrower shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever.

(b) Payments in Sterling. All payments, including but not limited to principal, interest, fees or any other amount owed by the Borrower under this Agreement, shall be made in Sterling. All payments described in this subsection (b) shall be remitted to the Administrative Agent, at the address of the Administrative Agent for notices referred to in Section 10.01 hereof for the account of the Lenders not later than 9:00 A.M. (Eastern time) on the due date thereof in immediately available funds. Any such payments received by the Administrative Agent after 9:00 A.M. (Eastern time) shall be deemed to have been made and received on the next Business Day.

(c) Payments to Lenders. Upon the Administrative Agent's receipt of payments hereunder, the Administrative Agent shall immediately distribute to each Lender its ratable share of the amount of principal, interest, and facility and other fees received by the Administrative Agent for the account of such Lender. Payments received by the Administrative Agent shall be delivered to the Lenders in immediately available funds. Each Lender shall record any principal, interest or other payments, the principal amounts, all prepayments and the applicable dates, with respect to its portion of any Loan made, and payments received by such Lender, by such method as such Lender may generally employ; provided that failure to make any such entry shall in no way detract from the obligations of the Borrower under this Agreement or any Note. The aggregate unpaid amount of the Loans and other information with respect to the Loans set forth in the records of the Administrative Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal, interest and fees owing to each Lender.

(d) Timing of Payments. Subject to the limitations in the definition of "Interest Payment Date", whenever any payment to be made hereunder, including, without limitation, any payment to be made on the Loans, shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next Business Day and such extension of time shall in each case be included in the computation of the interest payable on the Loans.

(e) Computations. All computations (i) of interest shall be made on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable, and (ii) of fees (including Ticking Fees) and other amounts hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an interest rate or fee hereunder made in accordance with the provisions of this Agreement shall be conclusive and binding for all purposes, absent manifest error.

(f) Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to

each such Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each such Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

SECTION 2.07. Mandatory Commitment Reductions and Repayments.

(a) Commitment Termination Date. Unless previously terminated, the Commitments shall automatically terminate upon the termination of the Certain Funds Period.

(b) Maturity Date. The Borrower promises to repay all outstanding Loans on the Maturity Date or such earlier date as required herein.

(c) Debt Issuances, Equity Issuances and Dispositions. In the event that the Borrower or any of its Subsidiaries receives any Net Cash Proceeds from:

- (1) the issuance of any Equity Interests by the Borrower or any of its Subsidiaries, other than an Excluded Equity Issuance;
- (2) the incurrence of any Indebtedness by the Borrower or any of its Subsidiaries, other than Excluded Debt; or
- (3) from any Disposition, other than an Excluded Disposition,

then first, the undrawn Commitments shall be automatically reduced in an amount equal to 100% of such Net Cash Proceeds (or the Sterling Equivalent thereof) on the date of receipt by the Borrower or such Subsidiary thereof until the undrawn Commitments equal zero, and thereafter, the Borrower shall prepay the Loans in an amount equal to 100% of such Net Cash Proceeds (or the Sterling Equivalent thereof) to the extent remaining following the reduction of the Commitments to zero, not later than five (5) Business Days following the receipt by the Borrower thereof.

In addition, if the Borrower or any of its Subsidiaries shall enter in to a term loan or other credit agreement (including an amendment to any existing agreement, including the Revolving Credit Facility) for the stated purpose of financing the Acquisition which has conditions to availability thereunder that are no more restrictive to the borrower thereunder than the conditions precedent set forth in Section 5.02 (a "Qualifying Loan Facility") then the Commitments shall be automatically reduced in an amount equal to the commitments thereunder (or the Sterling Equivalent thereof) on the date of the execution of such Qualifying Loan Facility.

The Borrower shall notify the Administrative Agent of the receipt by the Borrower or any Subsidiary of any such Net Cash Proceeds or upon the execution of any Qualifying Loan Facility, as the case may be, and the Administrative Agent will promptly notify each Lender of its receipt of each such notice.

Any termination or reduction of the Commitments pursuant to this Section 2.07 shall be permanent. Each prepayment or reduction of the Commitments pursuant to this Section 2.07 shall be applied to the Loans or Commitments, as applicable, of the Lenders ratably in accordance with their respective portions of the Loans or Commitments, as applicable.

SECTION 2.08. Payment of Fees.

(a) Ticking Fee. The Borrower shall pay to the Administrative Agent, for the ratable account of the Lenders, as a consideration for the Commitments, a ticking fee (the "Ticking Fee") at a rate per annum equal to the Applicable Rate multiplied by the average daily outstanding aggregate amount of the Commitments, which will accrue beginning on October 1, 2021 through the date of termination or expiration of the Commitments (including upon the borrowing of the Loans). The accrued Ticking Fees shall be payable in Sterling on each date of borrowing of the Loans and on the date of termination or expiration of the Commitments.

(b) Lender Fees. The Borrower agrees to pay to the Administrative Agent, for the ratable account of the Lenders, all fees payable for the account of the Lenders, in the amounts and at the times specified in the Fee and Syndication Letter.

(c) Agent Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, all fees payable for the Administrative Agent's own account, in the amounts and at the times specified in the Fee and Syndication Letter.

(d) Duration Fees. The Borrower agrees to pay to the Administrative Agent, for the ratable account of the Lenders, duration fees (the "Duration Fees") in amounts equal to the percentage, as determined in accordance with the grid below, of the aggregate amount of the Loans and Commitments outstanding at 5:00 P.M. (New York City time) on each date set forth in the grid below, in each case payable on each such applicable date:

<u>90th day after the Closing Date</u>	<u>180th day after the Closing Date</u>	<u>270th day after the Closing Date</u>
0.50%	0.75%	1.00%

SECTION 2.09. Increased Costs, Illegality, Etc.

(a) Change in Law. If, due to either (i) the introduction of or any change in or in the interpretation or application (to the extent any such introduction or change occurs after the date hereof) of any law or regulation, or (ii) compliance with any direction, guideline or request from any central bank or other Governmental Authority adopted or made after the date hereof (whether or not having the force of law), there shall be any increase in the cost to, or reduction in the amount receivable by, any Lender in connection with agreeing to make or making, continuing, converting to, funding or maintaining its Commitments or its Loans (other than Indemnified Taxes and Excluded Taxes), then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost or reduction. A certificate as to the amount of such increased cost, submitted the

Borrower by such Lender, shall be conclusive and binding for all purposes, absent manifest error. For purposes of this Section 2.09, the Dodd-Frank Act, any requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) under Basel III, and any rules, regulations, orders, requests, guidelines and directives adopted, promulgated or implemented in connection with any of the foregoing, regardless of the date adopted, issued, promulgated or implemented, are deemed to have been introduced and adopted after the Effective Date.

(b) Capital Requirements. If any Lender determines in good faith that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request from any central bank or other Governmental Authority adopted or made after the date hereof (whether or not having the force of law) affects or would affect liquidity requirements or the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender, and that the amount of such capital or liquidity requirement is increased by or based upon the existence of such Lender's Commitment or the Loans, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender therefor to the extent that such Lender reasonably determines such increase in capital or liquidity requirement to be allocable to the existence of such Lender's Commitment, or to the making or maintenance of Loans. A certificate as to such amounts submitted to the Borrower (with a copy to the Administrative Agent) by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(c) Rates Unavailable. If the Administrative Agent determines that no reasonable basis exists for determining Daily Simple SONIA (including pursuant to the second sentence in the definition thereof), the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon the Derived Rate shall automatically be amended, without any action by any other party to this Agreement, to refer to the sum of the Central Bank Rate plus the applicable Central Bank Rate Adjustment plus the Applicable Rate. If the circumstances in the immediately preceding sentence apply but the Central Bank Rate is unavailable for any day, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon the Derived Rate shall then automatically be amended, without any action by any other party to this Agreement, to refer to the sum of the most recent Central Bank Rate for a day which is no more than five Business Days before such date of determination plus the Central Bank Rate Adjustment plus the Applicable Rate.

(d) Illegality. Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of (to the extent any such introduction or change occurs after the date hereof) any law or regulation shall make it unlawful, or any central bank or other Governmental Authority having jurisdiction shall assert in writing after the date hereof that it is unlawful, for any Lender to perform its obligations hereunder to make or continue to maintain its Loans or Commitments, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, whereupon the obligation of such Lender to make Loans shall be suspended shall be suspended until the Administrative Agent shall notify the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist; provided that, before making any such demand, such Lender agrees to use reasonable

efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different lending office if the making of such a designation would allow such Lender or its lending office to continue to perform its obligations to make or continue to maintain its Loans or Commitments and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(e) Replacement of Daily Simple SONIA. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined, that: (i) adequate and reasonable means do not exist for ascertaining Daily Simple SONIA, including, without limitation, because SONIA is not available or published on a current basis and such circumstances are unlikely to be temporary; or (ii) the SONIA Administrator or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which Daily Simple SONIA or SONIA shall no longer be made available, or used for determining the interest rate of loans, then, after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace Daily Simple SONIA with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) that has been broadly accepted by the syndicated loan market in the United States in lieu of Daily Simple SONIA (any such proposed rate, a "Successor Rate"), together with any proposed Successor Rate Conforming Changes and, notwithstanding anything to the contrary in Section 10.02, any such amendment shall become effective at 5:00 p.m. (New York City time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent notice that such Required Lenders do not accept such amendment; provided that if at any time any Successor Rate is less than zero, such Successor Rate shall be deemed to be zero for all purposes of this Agreement. If no Successor Rate has been determined and the circumstances under clause (i) above exist, then the Derived Rate shall be determined in accordance with Section 2.09(c) above.

SECTION 2.10. Taxes.

(a) Defined Terms. For purposes of this Section 2.10, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.10) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.10) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.04 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative

Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (ii)(A), (ii)(B), (ii)(D) and (ii)(E) of this Section 2.10) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made;

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement; and

(E) on or before the date on which the Administrative Agent (including any successor or replacement Administrative Agent) becomes the Administrative Agent hereunder, it shall deliver to the Borrower two executed copies of either (a) IRS Form W-9 or (b) with respect to amounts received on its own account, IRS Form W-8ECI and with respect to amounts received on account of any Lender, IRS Form W-8IMY certifying that it is a U.S. branch that has agreed to be treated as a U.S. Person for U.S. federal tax purposes or a qualified intermediary that has agreed to assume primary withholding obligations for Chapter 3 and Chapter 4 of the Code with respect to payments received by it from the Borrower in its capacity as Administrative Agent, as applicable.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.10 (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.10 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.11. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) of any amount owing to it hereunder (other than amounts payable pursuant to Section 2.09, 2.10 or 10.03) in excess of its ratable share thereof such Lender shall forthwith purchase from the other Lenders such participations in the amounts owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (a) the amount of such Lender's required repayment, to (b) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that, to the fullest extent permitted by applicable law, any Lender so purchasing a participation from another Lender pursuant to this Section 2.11 may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.12. Mitigation; Replacement of Lender.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.09 or 2.10, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking the Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.09 or 2.10, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. In addition, each Lender may, at its option, make its portion of any Loan available to or for the account of the Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make the Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay the Loan in accordance with the terms of this Agreement.

(b) Election to Replace by the Borrower. Subject to subsection (c) below, in the event that any Lender requests compensation pursuant to Section 2.09 or 2.10, then, so long as such condition exists, the Borrower may at its sole expense and effort require such Lender to assign and delegate, without recourse to or representation or warranty by such Lender, all of such Lender's Commitment and/or outstanding Loans to an assignee (any such assignee being herein called a "Replacement Lender") acceptable to the Borrower and the Administrative Agent, which acceptance shall not be unreasonably withheld; provided that such assignment does not conflict with Applicable Law. The purchase price of any such assignment shall be equal to the aggregate outstanding principal amount of the Loans held by such Lender *plus* all accrued but unpaid interest and accrued but unpaid fees owing to such Lender (and upon such delegation and assignment, and subject to the execution and delivery to the Administrative Agent by the Replacement Lender of documentation prepared by and satisfactory to the Administrative Agent and compliance with the requirements of Section 10.04(b), the Replacement Lender shall thereupon be deemed to be a Lender for all purposes of this Agreement and shall succeed to the rights and obligations of the Lender being replaced hereunder); provided that the Borrower shall also arrange for payment to the Administrative Agent of the processing and recordation fee specified in Section 10.04(b)(iv) with respect to such assignment. In the event that the Borrower exercises its rights under this subsection (b), the Lender being replaced shall no longer be a party hereto or have any rights or obligations hereunder; provided that the obligations of the Borrower to such Lender under Sections 2.09, 2.10 and 10.03 with respect to events occurring or obligations arising before or as a result of such replacement shall survive such exercise. The Borrower may not exercise its rights under this Section 2.12(b) with respect to any Lender if a Default has occurred and is then continuing.

(c) Replacement of Affected Lenders. Each Lender agrees that, during the time in which a Lender is an Affected Lender, the Administrative Agent shall have the right (and the Administrative Agent shall, if requested by the Borrower), at the sole expense of the Borrower, upon notice to such Affected Lender and the Borrower and receipt of the Borrower's written consent thereto, to require that such Affected Lender assign and delegate, without recourse (in accordance with the restrictions contained in Section 10.04 hereof), all of its interests, rights and obligations under this Agreement to an assignee, approved by the Borrower (unless an Event of

Default shall exist) and the Administrative Agent, that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that such Affected Lender shall have received payment of an amount equal to the outstanding principal of its portion of the Loan, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from such assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts).

SECTION 2.13. Interest Rate Determination.

(a) [Reserved].

(b) [Reserved].

(c) [Reserved].

(d) Changes in Ratings Systems. If the rating system of Moody's, S&P or Fitch shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Administrative Agent (on behalf of the Lenders) shall negotiate in good faith to amend the references to specific ratings in this Agreement to reflect such changed rating system or the non-availability of ratings from such rating agency (provided, that no such amendment to such specific ratings shall in any event be effective without the approval of the Required Lenders).

ARTICLE III

[RESERVED]

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent and the Lenders, as of the Effective Date, the Closing Date and upon each borrowing of Loans that:

SECTION 4.01. Organization; Powers. The Borrower and each Subsidiary is (a) duly organized or incorporated, validly existing and (to the extent applicable) in good standing under the laws of the jurisdiction of its organization or incorporation, (b) has all requisite power and authority to carry on its business as now conducted and (c) except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every other jurisdiction where such qualification is required. Neither the Borrower nor any Subsidiary is an EEA Financial Institution.

SECTION 4.02. Authorization; Enforceability. The Transactions are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action and, if required, all necessary shareholder action, and this Agreement has been duly executed and delivered by the Borrower and constitutes, and each of the other Loan Documents to which it is a party when executed and delivered by the Borrower will constitute, a legal, valid and binding

obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights, and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for such as have been obtained or made and are in full force and effect or otherwise in connection with the Acquisition, (b) do not violate any (i) applicable law or regulation or (ii) the charter, by laws or other organizational documents of the Borrower or any of its Subsidiaries or any partnership agreement to which any of them is party or by which any of them is bound or (iii) any order of any Governmental Authority, (c) do not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or Property, or give rise to a right thereunder to require any payment to be made by any such Person and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.04. Financial Condition; No Material Adverse Change.

(a) Financial Condition. The Borrower has heretofore furnished to the Lenders its consolidated audited balance sheet and statements of income and cash flows as of and for the fiscal year ended June 30, 2020, as reported on by Deloitte & Touche LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such date in accordance with GAAP.

(b) No Material Adverse Change. Since June 30, 2020, no Material Adverse Change has occurred.

SECTION 4.05. Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries as to which there is a reasonable possibility of an adverse determination, and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect (other than Disclosed Matters).

SECTION 4.06. Compliance with Laws and Agreements; No Default. The Borrower and each Subsidiary (a) is in compliance with all laws (including ERISA and all applicable Environmental Laws), regulations and orders of any Governmental Authority applicable to it or its Property and all indentures, agreements and other instruments binding upon it or its Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect; (b) is in material compliance with all applicable Bank Secrecy Act and anti-money laundering laws and regulations; and (c) is in compliance, in all material respects, with the Patriot Act (as defined in Section 10.12 hereof). The Borrower has ensured that no Person who owns a controlling interest in or otherwise controls the Borrower is (i) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of

Foreign Assets Control (“OFAC”), Department of the Treasury, or any other similar lists maintained by OFAC pursuant to any authorizing statute, executive order or regulation, or (ii) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar executive orders. Neither the Borrower nor any of its Subsidiaries, or to the knowledge of the Borrower or any of its Subsidiaries, any director or officer of the Borrower or any of its Subsidiaries, is a Person that is, or is owned or controlled by Persons that are (i) the subject or target of any Sanctions, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. Neither the Borrower nor any of its Subsidiaries, or to the knowledge of the Borrower or any of its Subsidiaries, any director, officer, agent, employee or other person acting on behalf of the Borrower or any of its Subsidiaries has taken any action, directly or indirectly, that would result in a violation by such persons of Anti-Corruption Laws, anti-money laundering laws and Sanctions and the Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance therewith. No Default has occurred and is continuing.

SECTION 4.07. Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 4.08. Taxes. The Borrower and each Subsidiary has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Person has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.09. Disclosure. None of the reports, financial statements, certificates or other information (other than forward-looking information and projected financial information and information of a general economic nature and general information about the Borrower’s industry) furnished by or on behalf of the Borrower to the Lenders in writing in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being understood that such projected financial information is subject to uncertainties and contingencies, many of which are beyond the control of the Borrower, that no assurances can be given that such projected financial information will be realized, and that actual results may differ in a material manner from such projected financial information).

SECTION 4.10. Margin Regulations. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any extension of credit hereunder will be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying any Margin Stock.

SECTION 4.11. Beneficial Ownership. As of the Effective Date, the information included in any Beneficial Ownership Certification, if any, delivered pursuant to Section 5.01(f)(ii) is true and correct in all respects.

SECTION 4.12. Use of Proceeds. The proceeds of the Loans shall be used solely for Certain Funds Purposes.

SECTION 4.13. Acquisition Documents. In the case of a Scheme, the Scheme Documents contain all the material terms of the Scheme; and in the case of an Offer, the Offer Documents contain all material terms of the Offer.

SECTION 4.14. Solvency. The Borrower and its Subsidiaries, on a consolidated basis, are, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith will be and will continue to be, Solvent.

ARTICLE V

CONDITIONS OF LENDING

SECTION 5.01. Conditions to Effective Date. The Commitments of each Lender hereunder shall become effective and the Effective Date shall occur subject to the satisfaction (with the Administrative Agent acting reasonably in assessing whether the conditions precedent are satisfied) or waiver in accordance with Section 10.02 of the following conditions precedent:

(a) Executed Counterparts. The Administrative Agent shall have received from the Borrower and each Lender listed on Schedule I hereto a counterpart of this Agreement signed on behalf of such party.

(b) Press Release. The Administrative Agent shall have received a draft Offer Press Release or Scheme Press Release (as applicable) in form and substance reasonably satisfactory to the Administrative Agent.

(c) Opinion of Counsel to the Borrower. The Administrative Agent shall have received a favorable written opinion (in form and substance satisfactory to the Borrower and the Administrative Agent addressed to the Administrative Agent and the Lenders and dated the Effective Date) of counsel to the Borrower.

(d) Corporate Documents. The Administrative Agent shall have received (x) a certificate of the secretary, assistant secretary or other appropriate officer of the Borrower attaching, (i) the articles of incorporation of the Borrower, certified as of a recent date by the Secretary of State of the jurisdiction of its incorporation, (ii) the bylaws of the Borrower, (iii) the resolutions, written consents or other applicable action of the Borrower authorizing, among other things, the execution, delivery and performance of this Agreement and the other Loan Documents (including the borrowing of the Loans hereunder), and the Transactions and (iv) an incumbency certificate certifying the names and true signatures of the officers of the Borrower entitled to sign this Agreement and the other Loan Documents, in each case, in form and substance reasonably satisfactory to the Administrative Agent and (y) a good standing certificate for the Borrower from its jurisdiction of its incorporation.

(e) Fees and Expenses. The Lenders, Administrative Agent and the Lead Arranger shall have received all fees required to be paid under this Agreement and the Fee and Syndication Letter (or arrangements with respect to the payment thereof which are reasonably satisfactory to the Administrative Agent shall have been made) on or prior to the Effective Date, and all expenses (or arrangements with respect to the payment thereof which are reasonably satisfactory to the Administrative Agent shall have been made) for which invoices have been presented (including the reasonable fees and expenses of legal counsel), at least one (1) Business Day before the Effective Date.

(f) KYC Information. The Borrower shall have provided to the Lenders (i) the documentation and other information so requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including the PATRIOT Act, and (ii) if the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification, in form and substance satisfactory to Lenders.

The Administrative Agent and the Lenders irrevocably confirm that the Effective Date has occurred on the date of this Agreement.

SECTION 5.02. Conditions to Closing Date. Subject to Section 5.04, the obligation of each Lender to make a Loan hereunder shall be subject to all of the following conditions precedent having been satisfied (with the Administrative Agent acting reasonably in assessing whether the conditions precedent are satisfied) or waived in accordance with Section 10.02 on or prior to the Long-Stop Date:

- (a) Effective Date. The Effective Date shall have occurred.
- (b) Officer’s Certificate. The Administrative Agent shall have received the Closing Date Officer’s Certificate.
- (c) Scheme/Offer Sanctioned. If the Acquisition is pursuant to:
 - (i) a Scheme, then the Scheme Effective Date shall have occurred; or
 - (ii) an Offer, then the Offer Unconditional Date shall have occurred,

in each case without the Borrower having agreed to any Materially Adverse Amendment to the applicable Acquisition Documents except in accordance with Section 6.11(b).

(d) Absence of Certain Funds Event of Default and Accuracy of Certain Funds Representations. On the Closing Date, immediately before and after giving effect to the making of and application of proceeds of the applicable Borrowing, no Certain Funds Event of Default shall have occurred which is continuing.

(e) Fees. The Lenders, the Administrative Agent and the Lead Arranger shall have received all fees required to be paid under this Agreement and the Fee and Syndication Letter (or arrangements for such fees to be deducted by the Administrative Agent from the proceeds of the Loans shall have been made) on or prior to the Closing Date (and for the avoidance of doubt, a direction by the Borrower to the Administrative Agent to deduct the full amount of such fees from the proceeds of the Loans to be funded on the Closing Date in the applicable request for a borrowing of Loans on the Closing Date or a closing funds flow demonstrating to the reasonable satisfaction of the Administrative Agent that such fees will be paid on the Closing Date shall each be sufficient to satisfy this condition).

(f) Notice of Loan Borrowing. The Administrative Agent shall have received a request for a borrowing of the Loans to be made in accordance with the requirements hereof.

SECTION 5.03. Each Subsequent Borrowing Date. Subject to Section 5.04, the obligation of each Lender to make a Loan on any date after the Closing Date shall be subject to all of the following conditions precedent having been satisfied (with the Administrative Agent acting reasonably in assessing whether the conditions precedent are satisfied) or waived in accordance with Section 10.02 on or prior to the last day of the Availability Period:

(a) Closing Date. The Closing Date shall have occurred.

(b) Absence of Certain Funds Event of Default and Accuracy of Certain Funds Representations. On such date, immediately before and after giving effect to the making of and application of proceeds of such Loans, no Certain Funds Event of Default shall have occurred which is continuing and the Certain Funds Representations shall be true and correct in all material respects (or, to the extent qualified by materiality, all respects).

(c) Fees and Expenses. The Lenders, Administrative Agent and the Lead Arranger shall have received all fees required to be paid under this Agreement and the Fee and Syndication Letter on or prior to such date, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), at least one (1) Business Day before such date.

(d) Notice of Loan Borrowing. The Administrative Agent shall have received a request for a borrowing of the Loans to be made on such date in accordance with the requirements hereof.

SECTION 5.04. Actions during Certain Funds Period. Notwithstanding anything to the contrary in this Agreement, during the Certain Funds Period no Lender shall (unless (i) in the case of a particular Lender, in respect of clause (c) below, it would be illegal for such Lender to participate in making the Loans; provided, that such Lender has used commercially reasonable efforts to make the Loan through an Affiliate of such Lender not subject to such legal restriction; provided, further, that the occurrence of such event in relation to one Lender shall not relieve any other Lender of its obligations hereunder, (ii) a Certain Funds Event of Default has occurred and is continuing or, in respect of clause (c) below, would result from making such Loans or (iii) in respect of clause (c) below, a Lender is not obligated pursuant to Section 5.02 or 5.03 to make a Loan) be entitled to:

(a) cancel or terminate any of its Commitments (subject to any commitment reductions made pursuant to Section 2.07);

(b) rescind, terminate or cancel this Agreement or any of the Loans or exercise any similar right or remedy or make or enforce any claim under this Agreement it may have to the extent to do so would prevent or limit the making of its Loans;

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- (c) refuse to participate in the making of its Loans, subject to satisfaction of the conditions set forth in Section 5.02 or 5.03;
 - (d) exercise any right of set-off or counterclaim or similar right or remedy to the extent to do so would prevent or limit the making of its Loans; or
 - (e) cancel, accelerate or cause repayment or prepayment of any amounts owing under any Loan Document to the extent to do so would prevent or limit the making of its Loans,

provided, that immediately upon the expiration of the Certain Funds Period, all such rights, remedies and entitlements shall be available to the Lenders if applicable at such time notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

SECTION 5.05. Determinations under Article V. For the purposes of determining compliance with the conditions specified in this Article V, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the applicable date referred to in this Article V specifying its objection thereto.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on the Loans and all fees and all other amounts whatsoever payable hereunder shall have been paid in full in cash, the Borrower covenants and agrees with the Administrative Agent and the Lenders that:

SECTION 6.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, the consolidated balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under subpart (a) or (b) of this Section 6.01, a certificate of a Financial Officer of the Borrower (i) certifying as to whether an Event of Default has occurred and is continuing and, if an Event of Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 7.04, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.04(a) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under subpart (a) of this Section 6.01, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any of its Subsidiaries with the SEC, or with any national securities exchange; and

(f) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries, or compliance with the terms of this Agreement and the other Loan Documents, as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to Section 6.01(a), Section 6.01(b) or Section 6.01(e) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents or notices, or provides a link thereto on the Borrower's website, or (ii) on which such documents or notices are posted on the Borrower's behalf on an internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (x) upon the written request of the Administrative Agent, the Borrower shall deliver paper copies of such documents or notices to the Administrative Agent for any Lender that requests the Borrower deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent and (y) the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents or notices and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents.

SECTION 6.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$10,000,000;
- (d) the assertion of any Environmental Claim by any Person against, or with respect to the activities of, the Borrower or any of its Subsidiaries and any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any Environmental Claim or alleged violation that would not (either individually or in the aggregate) have a Material Adverse Effect; and
- (e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 6.02 shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided, that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.02.

SECTION 6.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.05. Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, maintain and preserve all of its Property that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where failure to do so would not have a Material Adverse Effect.

SECTION 6.06. Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain appropriate and adequate insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is customary in the industries in which the Borrower or such Subsidiary operates.

SECTION 6.07. Books and Records and Visitation Rights. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account as are necessary to prepare Consolidated financial statements in accordance with GAAP, in which full and correct entries shall be made of all financial transactions and Property and business of the Borrower and each such Subsidiary in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, at any reasonable time during normal business hours and upon reasonable prior notice and from time to time, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and with their independent certified or chartered public accountants.

SECTION 6.08. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority (including, without limitation, ERISA and Environmental Laws and any the rules and regulations thereunder) applicable to it or its Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.09. Use of Proceeds. The proceeds of the Loans shall be used solely for Certain Funds Purposes. No part of the proceeds of the Loans will be used, whether directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any Margin Stock. The Borrower will not, directly or, to the Borrower's knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) (i) to fund activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject or target of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise); or (b) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of Anti-Corruption Laws or anti-money laundering laws; provided that, for the purposes of the definition of Certain Funds Covenant, payment of the proceeds of the Loans to (A) the Receiving Agent in consideration for the purchase of the Target Shares and the disbursement of those proceeds to the holders of the Target Shares in compliance with its customary procedures, (B) the agent or trustee, as applicable, for the holders of the Target Existing Debt and the disbursement of those proceeds to such holders pursuant to the Target Refinancing, in compliance with the customary procedures of such agent or trustee, and (C) pay (directly or indirectly) any United Kingdom stamp duty and stamp duty reserve tax, or any fees, costs and expenses required to be paid under the terms of the Loan Documents to the Administrative Agent and/or the Lenders, in each case, shall not constitute a breach of clause (a) or (b) of this sentence.

SECTION 6.10. Beneficial Ownership. Promptly following any request therefor, Borrower shall provide information and documentation reasonably requested by Administrative Agent for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and, to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Beneficial Ownership Regulation.

SECTION 6.11. Scheme and Offer.

(a) The Borrower agrees that from and after the Effective Date, it shall:

(i) not issue any Press Release other than (x) pursuant to Section 6.11(a)(vi), or (y) unless, subject to such amendments as are not Materially Adverse Amendments, that Press Release is consistent in all material respects with the draft of the Press Release delivered to the Administrative Agent pursuant to Section 5.01(b);

(ii) except as consented to by the Lead Arranger in writing (such consent not to be unreasonably withheld, delayed or conditioned), ensure that the terms of the Offer or Scheme as set out in the Offer Documents or the Scheme Documents (as the case may be and, in each case, other than the Press Release) are consistent in all material respects with the form of the respective press release delivered to the Administrative Agent pursuant to Section 5.01(b) subject to any variation required by the Takeover Code, the Court or the Panel and, in each case, to any variations which would not contravene Section 6.11(b). In the case of an Offer, the Acceptance Condition shall be not capable of being satisfied, unless acceptances have been received that would, when aggregated with all Target Shares (excluding shares held in treasury) directly or indirectly owned by the Borrower, result in the Borrower (directly or indirectly) holding shares representing, in any case, more than 50% of all Target Shares carrying voting rights on a fully diluted basis (excluding any shares held in treasury) as at the date on which the Offer is declared unconditional (the "Minimum Acceptance Level");

(iii) comply in all material respects with the Takeover Code and all other applicable laws and regulations material in relation to any Offer or Scheme, subject to any consents, waivers or dispensations granted by the Panel or any other applicable regulator or the requirements of the Court;

(iv) promptly provide the Administrative Agent with such information as it may reasonably request in writing as to the status and progress of the Scheme or Offer (including, in the case of an Offer, the current level of acceptances, the implementation and exercise of the Squeeze-Out Rights and the dispatch of any Squeeze-Out Notices (if relevant) but excluding, in the case of a Scheme, the current level of proxies received and notified to the Target in respect of the Scheme and any other information not freely supplied by the Target), any regulatory and anti-trust clearances required in connection with the Acquisition and such other information as it may reasonably request regarding the status of the Acquisition subject to any confidentiality, regulatory or other restrictions relating to the supply of such information;

(v) deliver to the Administrative Agent copies of each Press Release, each Offer Document, any Scheme Document and all material legally binding agreements entered into by the Borrower in connection with an Offer or Scheme to the extent material to the interests of the Lenders (as reasonably determined by the Borrower), in each case, except to the extent it is prohibited by law or regulation from doing so;

(vi) in the event that a Scheme is switched to an Offer or vice versa (which the Borrower shall be entitled to do on multiple occasions provided that it complies with the terms of this Agreement), except as consented to by the Lead Arranger in writing (such consent not to be unreasonably withheld, delayed or conditioned), ensure that the terms and conditions contained in the Offer Documents or the Scheme Documents (whichever is applicable) are consistent in all material respects with those set out in the Press Release delivered to the Administrative Agent pursuant to Section 5.01(b) other than (x) any changes permitted to be made in accordance with Section 6.11(b) or which are required to reflect the change in legal form to an Offer or a Scheme, (y) in the case of a Scheme, any variation required by the Court or (z) any amendments that are not Materially Adverse Amendments;

(vii) in the case of an Offer, following the Closing Date while any Commitments remain outstanding, should the Borrower become entitled to exercise its Squeeze-Out Rights, promptly ensure that Squeeze-Out Notices are delivered to the relevant holders of shares in Target and otherwise comply with all of the applicable provisions of Chapter 3 of Part 28 of the Companies Act to enable it to exercise its Squeeze-Out Rights;

(viii) shall not take any action, and procure that none of its Affiliates nor any person acting in concert with the Borrower (within the meaning of the Takeover Code) takes any action, which would require the Borrower to make a mandatory offer for the Target Shares in accordance with Rule 9 of the Takeover Code or which would require a change to be made to the terms of the Scheme or the Offer (as the case may be), including pursuant to Rule 6 or Rule 11 of the Takeover Code which change, if made voluntarily, would be a Materially Adverse Amendment;

(ix) prior to the issuance of the relevant Press Release, not at any time (including following the Offer Unconditional Date or Scheme Effective Date) make any public announcement or public statement (other than in the relevant Press Release or Acquisition Document) concerning this Agreement or the parties to this Agreement (other than the Borrower and its Subsidiaries) in connection with the financing of the Acquisition without the prior written consent of the Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed) or unless required to do so by the Takeover Code or the Panel, the court, any regulation, any applicable stock exchange, any applicable governmental or other regulatory authority;

(x) in the case of an Offer, not declare the Offer unconditional unless the Minimum Acceptance Level is achieved;

(xi) subject always to the Companies Act and any applicable listing rules, in the case of a Scheme, within 30 days after the Scheme Effective Date and, in the case of an Offer, within 60 days after the date upon which the Borrower (directly or indirectly) owns Target Shares (excluding any shares held in treasury) which represent not less than 75% of all Target Shares (excluding any shares held in treasury), procure that such action as is necessary is taken to apply for the cancellation of trading in the Target Shares on the Main Market of the London Stock Exchange and the listing of the Target Shares on the official list maintained by the Financial Conduct Authority pursuant to Part 6 of the Financial Services and Markets Act 2000 and to cause the Target to reregister as a private company under the Companies Act as soon as reasonably practicable thereafter; and

(b) Except as consented to by the Lead Arranger in writing (such consent not to be unreasonably withheld, delayed or conditioned), the Borrower hereby covenants and agrees that from the Effective Date it will not amend, treat as satisfied or waive (i) any term or condition of the Scheme Documents or the Offer Documents (other than the Acceptance Condition), as applicable, other than any such amendment, treatment or waiver which is not a Materially Adverse Amendment, or (ii) if the Acquisition is proceeding as an Offer, the Acceptance Condition if the effect of such amendment, treatment or waiver would be that the Acceptance Condition would be capable of being satisfied at a level less than the Minimum Acceptance Level.

ARTICLE VII

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on the Loans and all fees and all other amounts whatsoever payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Administrative Agent and the Lenders that:

SECTION 7.01. Liens. The Borrower will not, nor will it permit any Subsidiary to, create, assume or suffer to exist any Lien on any Property now owned or hereafter acquired by it, except:

(a) Liens existing on the date of this Agreement and listed in Schedule III;

(b) any Lien existing on any Property of any Person at the time such Person becomes a Subsidiary of the Borrower and not created in contemplation of such event; provided that no such Lien shall extend to or cover other Property;

(c) purchase money Liens upon or in any Property acquired or held by the Borrower or any of its Subsidiaries in the ordinary course of business to secure the purchase price thereof or to secure Indebtedness incurred for the purpose of financing the acquisition, construction or improvement thereof, or Liens existing on any such Property at the time of or within one year of its acquisition or the completion of the construction or improvement thereof, provided that no such Lien shall extend to or cover any Property other than Property being acquired, constructed or improved; provided that individual financings by any lender may be cross-collateralized to other financings provided by such lender or its affiliates;

(d) any Lien on any Property of any Person existing at the time such Person is merged, amalgamated or consolidated with or into the Borrower or a Subsidiary of the Borrower and not created in contemplation of such event; provided that no such Lien shall extend to or cover other Property;

(e) any Lien existing on any Property prior to the acquisition thereof by the Borrower or a Subsidiary thereof and not created in contemplation of such acquisition; provided, that no such Lien shall extend to or cover other Property;

(f) Permitted Encumbrances;

(g) the replacement, extension or renewal of any Lien otherwise permitted under this Section 7.01 upon or in the same Property theretofore subject thereto; provided that no such extension, renewal or replacement shall extend to or cover any Property not theretofore subject to the Lien being extended, renewed or replaced; and

(h) precautionary filings of financing statements (under the Uniform Commercial Code from time to time in effect in any applicable jurisdiction and under any comparable foreign regime) in respect of (i) operating leases and (ii) accounts receivable of the Borrower or its Subsidiaries being sold to financial institutions in the ordinary course of business pursuant to receivables purchase agreements, in each case to the extent such precautionary filings cover only those accounts receivable that are the subject of the applicable receivables purchase agreement and the related assets and proceeds thereof.

SECTION 7.02. Fundamental Changes.

(a) Mergers, Consolidations, Disposal of Assets, Etc. The Borrower will not, nor will it permit any Subsidiary to, (1) merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or (2) Dispose of (in one transaction or in a series of transactions) all or substantially all of the Property, or all or substantially all of the stock or other ownership interests of the Borrower's Subsidiaries (in each case, whether now owned or hereafter acquired), in each case of the Borrower and its Subsidiaries when taken as a whole, or (3) liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Person (other than the Borrower) may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its Property to the Borrower or to another Subsidiary and (iv) the stock or Property of any Subsidiary may be sold, and any Subsidiary may be liquidated or dissolved, if the Borrower determines in good faith that such sale, liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders. Notwithstanding the foregoing, neither the consummation of the Acquisition nor the consummation of any transaction in connection therewith as contemplated by the Acquisition Documents (as may be amended or modified in accordance with Section 6.11(b)) shall constitute a breach of this Section 7.02(a).

(b) Lines of Business. The Borrower will not, nor will it permit its Subsidiaries to, engage in any business which is material to the operations of the Borrower and its Subsidiaries, taken as a whole, other than businesses of the general type conducted by the Borrower and its Subsidiaries on the date of this Agreement and businesses reasonably related thereto or technologically derived therefrom.

SECTION 7.03. Transactions with Affiliates. The Borrower will not, nor will it permit any of its Subsidiaries to Dispose of any Property to, or purchase, lease or otherwise acquire any Property from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, as determined by the Borrower in good faith, and (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate.

Section 7.04. Debt to Capitalization Ratio. Commencing on the last day of the second full fiscal quarter of the Borrower occurring after the Closing Date, at any time that the Borrower is not able to maintain a Moody's Rating, S&P Rating and Fitch Rating of A3, A- and A- (or better), respectively, the Borrower will not permit the Debt to Capitalization Ratio (as of the last day of any fiscal quarter of the Borrower) to exceed 0.65 to 1.00.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof (other than with respect to a contingent notice of prepayment which has been revoked) or otherwise;

(b) the Borrower shall fail to pay any interest on the Loans or any fee or any other amount (other than an amount referred to in subpart (a) of this Section 8.01) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, shall prove to have been incorrect in any material (without duplication of materiality) respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02, 6.03(a), 6.09 or 6.11 or in Article VII;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in subpart (a), (b) or (d) of this Article VIII), or any other Loan Document, and such failure shall continue unremedied for a period of 30 or more days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(f) the Borrower or any of its Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) an involuntary proceeding shall be commenced or an involuntary petition or application shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Subsidiaries (other than a non-material Subsidiary) or its debts, or of a substantial part of its Property, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than a non-material Subsidiary) or for a substantial part of its Property, and, in any such case, such proceeding or petition shall continue undismissed or undischarged for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any of its Subsidiaries (other than a non-material Subsidiary) shall (i) voluntarily commence any proceeding or file any petition or application seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii)(x) consent to the institution of or (y) fail to contest in a timely and appropriate manner, any proceeding or petition described in subpart (h) of this Section 8.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries (other than a non-material Subsidiary) or for a substantial part of its Property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any of its Subsidiaries (other than a non-material Subsidiary) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$25,000,000 shall be rendered against the Borrower or any of its Subsidiaries or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any Property of the Borrower or any of its Subsidiaries to enforce any such judgment; provided, however, that any such judgment shall not be an Event of Default under this subpart (k) if and for so long as (i) the amount of such judgment is covered by a valid and binding policy of insurance between the defendant and the insurer, and (ii) such insurer has been notified of, and has not disputed in writing, the claim (or the amount of the claim) made for payment of such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding (i) \$10,000,000 in any year or (ii) \$50,000,000 for all periods;

(m) a Change in Control shall occur; or

(n) any of the Loan Documents shall cease, for any reason, to be in full force and effect, or the Borrower or any of its Subsidiaries or Affiliates shall so assert other than as expressly permitted hereunder or thereunder;

then, subject in all cases to Section 5.04, the Administrative Agent may with the consent of the Required Lenders, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that, in the case of any event with respect to the Borrower described in subpart (h) or (i) of this Article VIII, the Commitments shall automatically terminate and the principal of the Loans then outstanding (if any), together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. The Administrative Agent shall exercise the rights under this Article VIII and all other collection efforts on behalf of the Lenders and no Lender shall act independently with respect thereto, except as otherwise specifically set forth in this Agreement.

Notwithstanding anything in this Agreement to the contrary, for a period commencing on the Closing Date and ending on the date falling 180 days after the Closing Date (the "Clean-up Date"), notwithstanding any other provision of this Agreement or any other Loan Document, any breach of covenants, misrepresentation or other Default (other than a breach of or Default with respect to Section 7.04), which arises only with respect to the Target and its Subsidiaries will be deemed not to be a breach of representation or warranty, a breach of covenant or an Event of Default, as the case may be, if: (a) it is capable of remedy and reasonable steps are being taken to remedy it; (b) the circumstances giving rise to it have not knowingly been procured by or approved by the Borrower and its Subsidiaries (other than the Target and its Subsidiaries); and (c) it has not had, and is not reasonably likely to have, a Material Adverse Effect.

ARTICLE IX

THE ADMINISTRATIVE AGENT

SECTION 9.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all

Lenders; provided that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give each Lender prompt notice of each notice given to it by or on behalf of the Borrower pursuant to the terms of this Agreement. The Lead Arranger shall have no powers, duties, responsibilities or liabilities whatsoever under this Agreement or any other Loan Document, and the inclusion of its title as "lead arranger" shall have no substantive effect.

SECTION 9.02. No Reliance. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction. Without limiting the generality of the foregoing, the Administrative Agent (a) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no representation or warranty to any Lender and shall not be responsible to any of them for any statements, warranties or representations made in or in connection with the Loan Documents; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of the Borrower or to inspect Property (including the books and records) of the Borrower or any of its Subsidiaries; (d) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any instrument or document furnished pursuant hereto; (e) shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to it by the Borrower or a Lender; and (f) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 9.03. Capacity as Lender. With respect to its Commitment and the portion of the Loans made by it, Citibank shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures for, accept investment banking engagements from and generally engage in any kind of business with, the Borrower and its Subsidiaries, any of their respective Affiliates and any Person who may do business with or own securities of the Borrower or any such Subsidiary or Affiliate, all as if Citibank were not Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 9.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.04 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 9.05. Indemnification. The Lenders agree to indemnify the Administrative Agent severally and ratably in accordance with the amount of Commitments and Loans held by them, for any amounts that the Borrower for any reason fails to indefeasibly pay under Section 10.03; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent, as determined by a final non-appealable judgment of a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any costs and expenses payable by the Borrower under Section 10.03 of this Agreement, to the extent that the Administrative Agent is not promptly reimbursed for such costs and expenses by the Borrower.

SECTION 9.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Administrative Agent, then the Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000; provided, that, if no such successor is willing and able to function as the Administrative Agent hereunder, such resignation or removal shall nonetheless become effective and (a) the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder, and (b) the Required Lenders shall perform the duties of the Administrative Agent (and all payments and communications provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly) until such time as the Required Lenders appoint a successor agent as provided for above in this Section 9.06. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as the Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under the Loan Documents.

SECTION 9.07. ERISA Representations.

(a) Each Lender (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Lead Arranger and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(b) (i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(c) In addition, unless either (a) subpart (i) in subsection (a) is true with respect to a Lender or (b) such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in subsection (a) above, such Lender further (1) represents and warrants, as of the date such Person became a Lender party hereto, to, and (2) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Lead Arranger and not, for the avoidance of doubt, to or for the benefit of the Borrower, that neither the Administrative Agent nor the Lead Arranger is a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Commitments, the Loans and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 9.08. Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.08(b).

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments), the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Acceptance (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an approved electronic platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any amounts owed by the Borrower hereunder, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 9.08 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, telecopied or delivered:

(a) if to the Borrower, at its address at Treasury Department, 6035 Parkland Boulevard, Cleveland, Ohio, 44124-4141, Attention of David B. Ostro (Fax No. 216-896-4041, Telephone No. [TELEPHONE]);

(b) if to the Administrative Agent, at its address at One Penns Way, Ops II, Floor 2, New Castle, Delaware, 19720, Attention of Bank Loan Syndications (Facsimile No. (646) 274-5080; E-mail: glagentofficeops@citi.com, with a copy to Agency Operations, Email: AgencyABTFSupport@citi.com; and

(c) if to any Lender, at the address for notices specified in the Administrative Questionnaire of such Lender or as otherwise specified in writing to the Administrative Agent.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent). All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by subsection (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of any Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Amendments. Subject to Section 2.09(c), neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase the Commitments of any Lender without the written consent of such Lender;

(ii) reduce the principal amount of the Loans or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender; provided, that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the default rate;

(iii) postpone the scheduled date of payment of the principal amount of the Loans, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of the Commitments, without the written consent of each Lender; provided that the foregoing shall not apply to a contingent notice of prepayment which has been revoked;

(iv) change Section 2.11 or the ratable treatment of the Lenders thereunder without the consent of each Lender; or

(v) change any of the provisions of this Section 10.02(b) or the percentage in the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

and provided further that no such agreement shall amend, modify or otherwise affect (x) the rights or duties of the Administrative Agent hereunder or (y) the provisions of Article V, in each case, without the prior written consent of the Administrative Agent. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, omission, error, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof (including a copy of such agreement) and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

Notwithstanding the foregoing, in the event that the terms of this Agreement are required to be modified as specified in the applicable provisions of the Fee and Syndication Letter, then this Agreement may be amended (to the extent not adverse to the interests of the Lenders) by the Administrative Agent and the Borrower without the need to obtain the consent of any Lender; provided, that if the Borrower shall fail to execute any amendment that the Lead Arranger reasonably determines is necessary to effect the changes contemplated by the first paragraph of Section 5 of the Fee and Syndication Letter within three Business Days from the date of delivery to the Borrower of a draft thereof, then the Administrative Agent is and shall be authorized to execute such amendment on behalf of the Borrower and such amendment shall become effective without further action by any Person. In furtherance of the foregoing, each of the Borrower and the Administrative Agent agree that it will enter into any amendment to this Agreement requested by any Lead Arranger in compliance with the terms of the Fee and Syndication Letter.

Notwithstanding anything to the contrary herein, the Administrative Agent will have the right to make SONIA Conforming Changes from time to time and any amendments implementing such SONIA Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing SONIA Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

SECTION 10.03. Costs and Expenses and Indemnification.

(a) The Borrower agrees to pay and reimburse on demand all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses, if any (including, without limitation, counsel fees and expenses of the Administrative Agent and each of the Lenders which shall be limited to one counsel for all such Persons, taken as a whole, and, if necessary, one local counsel in each appropriate jurisdiction for all such Persons, taken as a whole (and, in the case of an actual or potential conflict of interest, of one additional counsel and one additional local counsel in each appropriate jurisdiction for such affected Persons)), incurred by the Administrative Agent or any Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, counsel fees and expenses in connection with the enforcement of rights under this Section 10.03(a). Such fees and out-of-pocket expenses shall be reimbursed by the Borrower upon presentation to the Borrower of a statement of account, regardless of whether this Agreement is executed and delivered by the parties hereto or the transactions contemplated by this Agreement are consummated.

(b) The Borrower hereby agrees to indemnify the Administrative Agent, each Lender and each of their respective Affiliates and their respective officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all direct claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel, which shall be limited to one counsel for all such Persons, taken as a whole, and, if necessary, one local counsel in each appropriate jurisdiction for all such Persons, taken as a whole (and, in the case of an actual or potential conflict of interest, of one additional counsel and one additional local counsel in each appropriate jurisdiction for such affected Persons)), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Loans, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Article V are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such direct claim, damage, loss, liability or expense resulted from such Indemnified Party's own gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction. This Section 10.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim (including a value added tax or similar tax charged with respect to the supply of legal or other services).

(c) The Borrower hereby further agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Borrower for or in connection with or relating to this Agreement or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Loans, except to the extent such liability resulted from such Indemnified Party's gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction.

(d) The Borrower agrees not to assert any claim against any Indemnified Party, and each of the Lenders and the Administrative Agent agree not to assert any claim against the Borrower on any theory of liability, for consequential, indirect, special or punitive damages arising out of or otherwise relating to any of the Loan Documents or any of the transactions contemplated hereby or thereby or the actual or proposed use of the proceeds of the Loans.

SECTION 10.04. Assignments and Participations.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may assign to one or more Eligible Transferees all or a portion of its rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Loans at the time owing to it); provided that:

(i) (x) the Borrower shall give its prior written consent to such assignment (such consent not to be unreasonably withheld or delayed; provided that, during the Certain Funds Period, the Borrower may withhold such consent in its sole discretion unless a Certain Funds Event of Default is continuing), except in the case of any assignment (1) to a Lender, (2) following the Certain Funds Period, to an Affiliate of a Lender, (3) if an Event of Default (limited during the Certain Funds Period, to a Certain Funds Event of Default) has occurred and is continuing or (4) pursuant to the syndication provisions of the Fee and Syndication Letter and (y) the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed); provided further, that, following the Certain Funds Period, the Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof;

(ii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than £10,000,000 or in an integral multiple of £1,000,000 in excess thereof unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations with respect to the Commitments and Loans under this Agreement;

(iv) the parties to each assignment (other than the Borrower) shall execute and deliver to the Administrative Agent an Assignment and Acceptance prepared by the Administrative Agent, and shall pay to the Administrative Agent a processing and recordation fee of £3,500; and

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Upon acceptance and recording pursuant to subsection (d) of this Section 10.04, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.09, 2.10 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (e) of this Section 10.04.

(c) Maintenance of Register by the Administrative Agent. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of, and stated interest on, Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Effectiveness of Assignments. Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in subsection (b) of this Section 10.04 and any written consent to such assignment required by subsection (b) of this Section 10.04, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this subsection.

(e) Participations. Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided, that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to subsection (f) of this Section 10.04, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.09 and 2.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 10.04. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Loans or other obligations under the Loan Documents (the "Participant Register");

provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.09 or 2.10 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.09 unless the Borrower is notified of the participation sold to such Participant.

(g) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(h) No Assignments to the Borrower or Affiliates. Anything in this Section 10.04 to the contrary notwithstanding, no Lender may assign or participate any interest in the Commitments or the Loans held by it hereunder to the Borrower or any Affiliate or Subsidiary thereof without the prior consent of each Lender.

SECTION 10.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of the Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on the Loans, or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.09, 2.10 (to the extent provided therein), 10.03 and 10.11, Article IX and this Article X shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Fee and Syndication Letter and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of like import herein shall be deemed to include electronic signatures, digital copies of a signatory's manual signature, and deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, upon notice to the Administrative Agent, each Lender (and any affiliate thereof) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other indebtedness at any time owing by such Lender (or such affiliate) to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender (or such affiliate), irrespective of whether or not such Lender (or such affiliate) shall have made any demand under this Agreement and although such obligations may be unmaturing. The rights of each Lender (and its affiliates) under this Section 10.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender (or its affiliates) may have.

SECTION 10.09. Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower hereby irrevocably and unconditionally submits, for itself and its Property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its Property in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in subsection (b) of this Section 10.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process at the address provided for it in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.11. Confidentiality.

(a) Treatment of Certain Information. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by the Administrative Agent, the Lead Arranger or any Lender or by one or more Subsidiaries or Affiliates of the foregoing and the Borrower hereby authorizes the Administrative Agent, the Lead Arranger and each applicable Lender to share any information delivered to the Administrative Agent, the Lead Arranger or such Lender by the Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Person to enter into this Agreement, to any such Subsidiary or Affiliate, it being understood that any such Subsidiary or Affiliate receiving such information shall be bound by the provisions of subsection (b) of this Section 10.11 as if it were a Lender hereunder. Such authorization shall survive the repayment of the Loans, the termination of the Commitments and the termination of this Agreement or any provision hereof.

(b) Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed by any thereof (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory

authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this paragraph and to the execution of a confidentiality and front running letter substantially in the form of Exhibit E (with only such changes thereto as may be approved by the Administrative Agent and the Borrower), to (a) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, or (b) any actual or prospective party (or its related parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; (vii) on a confidential basis to any rating agency in connection with rating the Borrower or its Subsidiaries or the facilities or the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement and the credit facility contemplated hereby, (viii) on a confidential basis to any credit insurance provider relating to the Borrower and its obligations, (ix) with the consent of the Borrower or (x) to the extent such Information (A) becomes publicly available other than as a result of a breach of this paragraph or (B) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Loans and Commitments hereunder. For the purposes of this paragraph, "Information" means all information received from the Borrower relating to its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.11(b) shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(c) Material Non-Public Information. Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or its Subsidiaries, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information, (c) it will handle such material non-public information in accordance with applicable laws, including United States federal and state securities laws, (d) that some or all of the Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including, the Takeover Code, any securities law relating to insider dealing and market abuse, and accordingly, each of the Administrative Agent and the Lenders shall not use any Information for any unlawful purpose and (e) that it is aware of the terms and requirements of Practice Statement No.25 (Debt Syndication During Offer Periods) issued by the Panel.

SECTION 10.12. USA PATRIOT ACT. Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act, the Beneficial Ownership Regulation and other applicable "know your customer" and anti-money laundering rules and regulations.

SECTION 10.13. NO FIDUCIARY DUTY. The Administrative Agent, the Lead Arranger, each Lender and their respective Affiliates (collectively, solely for purposes of this Section 10.13, the "Lenders"), may have economic interests that conflict with those of the Borrower, its stockholders or its Affiliates. The Borrower hereby agrees that nothing in the Loan Documents or otherwise will be deemed to create a fiduciary relationship or fiduciary duty between any Lender, on the one hand, and the Borrower, its stockholders or its Affiliates, on the other. The Borrower acknowledges and agrees that (a) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, and (b) in connection therewith, no Lender has assumed a fiduciary responsibility in favor of the Borrower, its stockholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its Affiliates on other matters). The Borrower hereby acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. In addition, the parties hereto acknowledge that Citigroup Global Markets Inc., has been retained by the Borrower as financial advisor (in such capacity, the "Financial Advisor") to the Borrower in connection with the Acquisition. The parties hereto agree to such retention, and further agree not to assert any claim any party might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of the Financial Advisor and, on the other hand, Citibank and its Affiliates' relationships with the Borrower and the other parties hereto hereunder.

SECTION 10.14. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 10.15. WAIVER OF JURY TRIAL. THE BORROWER AND EACH OTHER PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER AND EACH OTHER PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.15.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PARKER-HANNIFIN CORPORATION

By: /s/ Todd M. Leombruno
Name: Todd M. Leombruno
Title: Executive Vice President and Chief
Financial Officer

Signature Page to Bridge Credit Agreement

CITIBANK, N.A.,
as the Administrative Agent and as a Lender

By: /s/ Susan M. Olsen
Name: Susan M. Olsen
Title: Vice President

CITICORP NORTH AMERICA, INC.,
as a Lender

By: /s/ Susan M. Olsen
Name: Susan M. Olsen
Title: Vice President

Signature Page to Bridge Credit Agreement