

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

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

6 September 2021

MEGGITT

Dear Participant

Meggitt PLC Share Incentive Plan (“SIP”) and the recommended cash acquisition of Meggitt PLC by Parker-Hannifin Corporation

SIP Shares

As you know, the boards of Parker-Hannifin Corporation (“**Parker**”) and Meggitt PLC (“**Meggitt**”) announced on 2 August 2021 that they had reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued share capital of Meggitt by Parker (the “**Acquisition**”).

Why are we writing to you?

We are writing to you to explain the effect of the Acquisition on your SIP Shares and your rights in relation to those SIP Shares. SIP Shares may comprise both Free Shares which were awarded annually to all eligible UK employees (and were suspended in 2020 and 2021) and Partnership Shares which you have chosen to purchase monthly from your pre-tax salary. The SIP is administered by Computershare.

Please read this letter carefully. You will find a list of definitions in **Appendix A** which explain the key defined terms used in this letter.

In summary:

- as you own Meggitt Shares through the SIP, you have the opportunity, if you wish, to vote for or against the Acquisition. As the SIP Shares are held on your behalf by the SIP Trustee, to do this you need to instruct the SIP Trustee which way to vote. A separate email invitation explaining how and the terms upon which you can instruct the SIP Trustee to vote on the Acquisition and the deadline to do so will be sent to you on or shortly after 6 September 2021.

If you would like to instruct the SIP Trustee to vote in respect of your SIP Shares, you must submit your instruction online via EquatePlus as soon as possible after you receive your email invitation and by no later than 5 p.m. (UK time) on Sunday 12 September for the Court Meeting and 5 p.m. (UK time) on Sunday 12 September for the General Meeting on 21 September 2021. No other action is required to be taken by you as a result of this letter (other than ensuring that your bank account details held within the EquatePlus platform are up to date).

- if the Acquisition proceeds, all SIP Shares held in the SIP Trust at Scheme Record Time will be acquired by Parker for 800 pence in cash for each Meggitt Share, subject to the terms of the Acquisition.

- you will receive your sale proceeds in cash. Your proceeds will be sent by the SIP Trustee as soon as practicable following the completion of the Acquisition. The proceeds will be sent to your bank account details held within the EquatePlus platform. **Please ensure your bank account details are to up to date or add them if they are missing.**

If you participate in other Meggitt share plans you will receive separate letters about the effect of the Acquisition on any other options or awards you hold under those plans and the choices available to you. Please read those letters carefully.

The Acquisition

The Acquisition will result in Meggitt and its subsidiaries becoming wholly-owned subsidiaries of Parker.

It is intended that the Acquisition will take place through what is called a “scheme of arrangement” (the “**Scheme**”). This is a procedure that must be approved by Meggitt Shareholders and the Court. This means the Scheme needs to be approved by Meggitt Shareholders at two separate meetings, both of which will be held on 21 September 2021:

- the “**Court Meeting**” is a meeting of the holders of “Scheme Shares” (as defined in the Scheme Document) convened with the permission of the Court; and
- the “**General Meeting**” is a meeting to approve a special resolution to:
 - authorise the Meggitt Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
 - amend the articles of association of Meggitt by the adoption and inclusion of a new article.

Further information on the Scheme is set out in the Scheme Document dated 16 August 2021, a copy of which is available on the Meggitt website at https://www.meggittoffer.com/Pages/Parker_Hannifin. The notices of Court Meeting and General Meeting, which contain full details of the resolutions to be proposed at the Court Meeting and the General Meeting, are also contained in the Scheme Document.

What are the terms of the Acquisition?

The terms of the Acquisition are set out in full in the Scheme Document. However, in summary, if the Scheme goes ahead, Meggitt Shareholders will be entitled to receive 800 pence in cash for each Meggitt Share they own at the Scheme Record Time, subject to the terms of the Acquisition.

If the Acquisition does not go ahead, your SIP Shares will continue to be held on your behalf in the SIP Trust.

When is the Acquisition likely to take place?

The Acquisition is currently expected to take effect in the third quarter of 2022, subject to Meggitt Shareholder approval and receipt of the relevant competition clearances, regulatory approvals and national security and foreign investment clearances. An expected timeline of key events relating to the Acquisition is available in the Scheme Document.

Your right to vote on the Acquisition

As you are the beneficial owner of the Meggitt Shares held on your behalf by the SIP Trustee, you may instruct the SIP Trustee to vote in relation to those Meggitt Shares on your behalf at the Court Meeting and the General Meeting. A separate email invitation explaining how and the terms upon which you can instruct the SIP Trustee to vote on the Acquisition and the deadline to do so will be sent to you on or shortly after 6 September 2021.

If you would like to instruct the SIP Trustee to vote in respect of your SIP Shares, you must submit your instruction online via EquatePlus after you receive your email invitation and follow the online instructions. You will need to submit your online voting instruction by no later than

5 p.m. (UK time) on Sunday 12 September for the Court Meeting and 5 p.m. (UK time) on Sunday 12 September for the General Meeting on 21 September 2021. There is no need physically to attend the Court Meeting or the General Meeting to vote.

If you take no action, or if you miss the deadline, the SIP Trustee will not vote in respect of the SIP Shares it holds on your behalf and will bear no responsibility or liability if you take no action or provide late, illegible and/or incorrect instructions. The SIP Trustee is under no obligation to remind you to complete your instructions or correct incorrect forms. The Scheme will be approved (or not) by Meggitt Shareholders at the Court Meeting and the General Meeting based on the votes of those Meggitt Shareholders who do vote. This will not affect the sale of your SIP Shares under the Acquisition, if the Acquisition proceeds; they will still be sold to Parker.

How does the Acquisition affect your SIP Shares?

The SIP Shares fall into two categories:

- Partnership Shares, which are Meggitt Shares which were purchased by the SIP Trustee on your behalf using contributions made by you out of your pre-tax salary each month; and
- Free Shares, which are Meggitt Shares which were awarded to you for free.

The SIP will continue as normal until completion of the Acquisition, meaning that you can continue to acquire Partnership Shares in the normal way. If the Acquisition completes, the SIP Trustee will participate in the Scheme in the same way as other Meggitt Shareholders which means that any SIP Shares you hold in the SIP Trust as at the Scheme Record Time will automatically be sold to Parker for 800 pence in cash for each SIP Share, subject to the terms of the Acquisition. The per share consideration payable to you shall be the per share amount that is paid to Meggitt Shareholders under the terms of the Scheme as set out in the Scheme Document, or where applicable, such higher amount that is paid by Parker to Meggitt Shareholders for each Meggitt Share.

The proceeds due to you will be paid to you in cash as soon as practicable after the Acquisition completes and Parker has paid the money to Meggitt Shareholders for the Acquisition. You do not need to take any further action in this regard, other than checking that your bank details are correct in the EquatePlus platform.

You should not have to pay any income tax, National Insurance Contributions or capital gains tax when you sell your SIP Shares to Parker under the Acquisition (assuming that your SIP Shares are sold directly out of the SIP Trust to Parker). This does not constitute legal, tax or financial advice and the treatment of your SIP Shares will depend on your particular individual circumstances. If you have any questions about your legal, tax or financial position, you are strongly advised to take independent legal, tax and/or financial advice.

Appendix B to this letter contains some Q&As with further details on how the Scheme will affect your SIP Shares.

What if you have questions?

If you have any questions in relation to the impact of the Acquisition on your SIP Shares, please contact Computershare via the helpline on +44 (0370) 703 6210.

You should note that none of Computershare, the SIP Trustee, Meggitt or Parker, or any of their employees, can provide legal, tax, financial or investment advice on the Acquisition.

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

Yours sincerely



EES Trustees Limited
acting as trustee of the Meggitt PLC Share Incentive Plan

Appendix A

“Acquisition” means the proposed acquisition by Parker of the entire issued, and to be issued, ordinary share capital of Meggitt;

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

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

“Court Meeting” means the meeting of the holders of “Scheme Shares” (as defined in the Scheme Document) convened with the permission of the Court;

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

“General Meeting” means the meeting of Meggitt Shareholders to approve the special resolution to:

- authorise the Meggitt Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- amend the articles of association of Meggitt by the adoption and inclusion of a new article;

“Meggitt” means Meggitt PLC, a company incorporated in England and Wales with registered number 00432989;

“Meggitt Directors” means the directors of Meggitt;

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

“Meggitt Shares” means ordinary shares of five pence each in the capital of Meggitt;

“Parker” means Parker-Hannifin Corporation, a corporation incorporated in the State of Ohio, United States of America;

“Scheme” means the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Meggitt and holders of Meggitt Shares, as set out in Part IV (*The Scheme of Arrangement*) of the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Meggitt and Parker, pursuant to which Parker will become the holder of the entire issued and to be issued ordinary share capital of Meggitt;

“Scheme Document” means the document setting out the terms of the Scheme dated 16 August 2021 sent to Meggitt Shareholders;

“Scheme Record Time” means 6:30 p.m. (London time) on the Business Day immediately after the day on which Court Sanction occurs;

“SIP” means the Meggitt PLC Share Incentive Plan;

“SIP Shares” means Meggitt Shares held under SIP by the SIP Trustee; and

“SIP Trustee” means EES Trustees Limited acting as trustees of the SIP.

Appendix B

FAQs

This Appendix B does not constitute tax, legal, investment or financial advice and the treatment of your SIP Shares will depend on your particular individual circumstances. If you have any questions about your tax, financial and/or legal position, you are strongly advised to take independent legal, financial and/or tax advice.

How do I know how many SIP Shares I have?

You can access information about your SIP Shares via the EquatePlus system.

If you experience any difficulties registering or logging in, please contact the Computershare helpline on +44 (0370) 703 6210.

Can I vote on the Acquisition?

Yes. You can instruct the SIP Trustee how to vote on the Acquisition in relation to your SIP Shares at both the Court Meeting and the General Meeting of Meggitt Shareholders, both to be held on 21 September 2021. If you wish to instruct the SIP Trustee to vote on your behalf, please submit your vote via EquatePlus after you receive your email invitation. You must submit your instruction as soon as possible and **by no later than 5p.m. (UK time) on 12 September for the Court Meeting and 5p.m. (UK time) on Sunday 12 September for the General Meeting on 21 September 2021.**

Will I pay income tax and National Insurance contributions on the withdrawal of my SIP Shares?

You should not have to pay any income tax or National Insurance contributions when you sell your SIP Shares to Parker under the Acquisition.

If the SIP Trustee is holding any residual cash for you at the Scheme Record Time, which was deducted from your salary but was insufficient to buy a Meggitt Share (i.e. a Partnership Share), the cash will be paid to you after deduction of income tax and National Insurance contributions as soon as practicable after the Acquisition has completed. This will be returned to you via payroll.

The above assumes you are resident and domiciled in the United Kingdom at all relevant times. If you are, or have been, an international assignee and worked in more than one country your tax position may be different to that described above. The above does not constitute tax advice and the tax treatment will depend on your particular individual circumstances. If you have any questions about your tax position, you are strongly advised to take independent financial and/or tax advice.

Will I have to pay Capital Gains Tax?

You are not expected to have to pay any Capital Gains Tax when you sell your SIP Shares to Parker under the Acquisition, assuming that your SIP Shares are sold directly out of the SIP Trust to Parker.

When will I get my cash?

The cash proceeds due to you will be paid to you as soon as practicable after the Acquisition completes and Parker has paid Meggitt Shareholders the money for the Acquisition. The proceeds will be sent to your bank account details held within the EquatePlus platform. **Please ensure your bank account details are to up to date or add them if they are missing.**

Will the SIP continue to operate if the Acquisition takes effect?

No. If the Acquisition takes effect, the SIP will not continue. You will be notified of the amount of any cash proceeds due to you along with any uninvested residual contributions for Partnership Shares, as soon as practicable after the Acquisition has completed.

What happens to the SIP before the Acquisition completes?

The SIP will continue to operate as normal until the Acquisition completes.

What happens under the other Meggitt share plans?

If you also participate in any of the other Meggitt share plans, you will receive separate letters about the effect of the Acquisition on your other options or awards in due course. Please read those letters carefully as the treatment may be different from the SIP.

What happens if I leave Meggitt before the Acquisition completes?

The way in which your SIP Shares will be treated if you leave employment will depend on (i) the type of SIP Shares you hold, (ii) how long you have held them; (iii) the value of the SIP Shares at the time you cease employment with the Meggitt Group and (iv) whether you are treated as a good leaver.

- If you leave employment as a good leaver, your SIP Shares will be transferred to you and you will not have to pay income tax or National Insurance contributions when those SIP Shares are transferred to you. If the Acquisition proceeds, those shares will still be acquired by Parker and you may have to pay Capital Gains Tax on any gain you make on that sale.
- If you leave employment and you are not a good leaver, your Free Shares and Partnership Shares will be transferred to you and you may have to pay income tax and National Insurance contributions on the value of those Partnership Shares and Free Shares. The amount of income tax and (if applicable) National Insurance contributions that you will pay will depend on how long the relevant SIP Shares have been held in SIP.
- If you have made contributions to acquire Partnership Shares which have not been used, these cash contributions will be returned to you, after deductions for tax and National Insurance contributions have been made.

You will be treated as a good leaver if you leave by reason of:

- your death, injury or disability;
- your redundancy;
- your retirement;
- the transfer of your employment under the Transfer of Undertakings (Protection of Employment) Regulations 2006; and/or
- an event that causes an “associated company” (within the meaning of the applicable tax legislation) by which you are employed to cease to be an associated company.

You may instruct the SIP Trustee to sell your SIP Shares rather than having them transferred to you. This may affect the Capital Gains Tax treatment of the SIP Shares.