

This letter is important and explains the impact of the Acquisition on your Conditional Awards under the SIRP. 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 and Retention Plan (“SIRP”) and the recommended cash acquisition of Meggitt PLC by Parker-Hannifin Corporation

Conditional Awards

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**”).

1. Why are we writing to you?

We are writing to explain how the Acquisition will affect your Conditional Awards under the SIRP.

Please read everything in this letter and its Appendix carefully. Their contents are very important. A brief explanation of the defined terms used in this letter is provided in the **Appendix**.

If you participate in other Meggitt share plans you will receive separate letters about your other share options or awards. Please read those letters carefully as the treatment under those plans may be different from Conditional Awards granted under the SIRP.

No action is required to be taken by you as a result of this letter.

2. The Acquisition

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

The Acquisition will take place through what is called a “scheme of arrangement” (the “**Scheme**”). This is a procedure that is subject to approval by Meggitt Shareholders at shareholder meetings, currently expected to take place on 21 September 2021, and by the Court on a date referred to in this letter as “**Court Sanction**”, which is expected to occur in the third quarter of 2022. This is not the date on which the Acquisition will be completed. The Acquisition is currently due to complete a couple of days after Court Sanction when the Scheme becomes effective (“**Completion**”).

Further information on the Scheme is set out in the Scheme Document sent to Meggitt Shareholders on 16 August 2021. A copy of the Scheme Document is also available on the Meggitt website at https://www.meggittoffer.com/Pages/Parker_Hannifin and on the Parker website at <https://www.aerospacegrowth.com/home/>.

This letter should be read together with the Scheme Document.

3. What are the terms of the Acquisition?

The terms of the Acquisition are set out in full in the Scheme Document. However, in summary, 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.

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.

4. 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, receipt of the relevant competition clearances, regulatory approvals and national security and foreign investment clearances and sanction by the Court. An expected timeline of key events relating to the Acquisition is set out in the Scheme Document.

As set out above, Court Sanction is currently expected to take place during the third quarter of 2022. Once the date of Court Sanction is known, Meggitt will announce this via a Regulatory Information Service (with such announcement being made available on Meggitt's website at https://www.meggittoffer.com/Pages/Parker_Hannifin).

5. How does the Acquisition affect my Conditional Awards?

The Acquisition will change the usual treatment of your Conditional Awards.

Normally, your Conditional Awards would vest on the second anniversary of the date of grant (or the date(s) notified in your Award Certificate, if different). You would normally receive the Meggitt Shares under a Conditional Award following the end of the relevant vesting period.

However, as a result of the Acquisition, your Conditional Awards will vest early (if they have not already vested) on Court Sanction, unless they lapse earlier in accordance with their terms. Time pro-rating will not apply, meaning your Conditional Awards will vest in full.

If any of your Conditional Awards vest before Court Sanction, Meggitt Shares will be transferred to you and any Meggitt Shares you own at the Scheme Record Time will also be automatically acquired by Parker as part of the Scheme.

If your Conditional Awards vest on Court Sanction, the Meggitt Shares you receive will also be automatically acquired by Parker under the Scheme for 800 pence in cash for each Meggitt Share (less any income tax and social security contributions, if applicable in your jurisdiction, that Meggitt is required to withhold and any applicable fees).

If Court Sanction does not happen for any reason, your Conditional Awards will continue as normal, subject to the rules of the SIRP.

6. What do I need to do?

You do not need to do anything for your Conditional Awards to vest. This will happen automatically on Court Sanction (if they have not already vested). Any proceeds due to you (less income tax and social security contributions that Meggitt is required to withhold and less any applicable fees) from the sale of your Meggitt Shares to Parker will be paid to you through payroll after the proceeds have been received from Parker.

Any Meggitt Shares to which you become entitled in connection with the Acquisition in relation to your Conditional Awards will be held on your behalf by the EBT Trustee, as your nominee.

7. Which currency will I receive the cash consideration in?

You will receive the cash proceeds (less any income tax and social security contributions that Meggitt is required to withhold and any applicable fees) through payroll in your payroll currency, on the next practicable payroll date following Completion.

If your payroll currency is not GBP, the amount per Meggitt Share received may vary, depending on the prevailing exchange rate, and any risk associated with this will be taken by you.

8. What if the Acquisition does not go ahead?

If Court Sanction does not happen for any reason, your Conditional Awards will continue as normal under the rules of the SIRP.

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

The leaver arrangements under the SIRP will apply to your Conditional Awards in the normal way if you leave or have left the Meggitt Group before Court Sanction. In summary, this means:

- if you do not qualify as a “good leaver” under the rules of the SIRP, any Conditional Awards that you hold will lapse on the date that your employment ceases; or
- if you qualify as a “good leaver” under the rules of the SIRP (for example, if you leave because of death, injury, disability, retirement, redundancy or any other reason at the discretion of the Remuneration Committee), your Conditional Awards will vest on the earlier of (i) the normal Vesting Date (unless the Remuneration Committee determines that your Conditional Award will vest on the date on which you leave employment) and (ii) Court Sanction; and
- in addition, if you hold a deferred bonus award granted in the form of a Conditional Award on or after 20 February 2019, and you are not an executive director of the Company, and you leave the Meggitt Group for any reason except for dismissal for cause, that particular award will vest on the earlier of (i) the normal Vesting Date (unless the Remuneration Committee determines that your Conditional Award will vest on the date on which you leave employment) and (ii) Court Sanction.

10. Tax

As the tax rules for each country are different, the final amount of tax and social security contributions you will have to pay depends on where you are resident for tax purposes.

Where applicable, a sufficient amount will be deducted from the cash proceeds due to you to cover any tax withholding due. Please note that even if tax has been deducted you may still have to report the receipt and sale of your Meggitt Shares on your personal tax return.

If tax and social security contributions have not been deducted by Meggitt you may have to pay some tax and social security contributions directly to the tax authority yourself or from a subsequent salary payment.

This information is intended as a general guide and does not constitute tax advice to any individual participant. Please remember that tax law can and often does change, and you should not necessarily assume the current tax position will continue. As the tax rules for each country are different, the final amount of tax and social security contributions you will have to pay depends upon where you are resident for tax purposes and we strongly recommend that if you are unsure how your Conditional Awards will be taxed, you seek advice from an independent financial or tax adviser in your country.

Please note that none of Meggitt or Parker, or any of their employees, can provide you with legal, personal tax or financial advice. If you are in any doubt as to the contents of this letter or the effect that the Acquisition will have on your personal tax position, 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.

11. What if I have questions?

If you have any questions that relate to your Conditional Awards, or for any questions on how to access your Ocorian account, please contact the Meggitt team at Ocorian by email at Meggitt@Ocorian.com. Operating hours are 09:00 – 17:00 Monday to Friday, excluding weekends and UK Bank Holidays. Please note that no legal, tax, investment or financial advice on the merits of the Acquisition or its effect on your Conditional Awards can be provided by Ocorian or any of its employees.

Details of your Conditional Awards are available to view on the Ocorian share portal at <https://meggitt.schemetrack.net/>.

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

- Access the Ocorian share portal at: <https://meggitt.schemetrack.net/>
- Enter your username (your email address).
- Then enter your password (when you first registered you will have been asked to create a password).
- If you have forgotten your password, select '*Forgotten your password?*' and you will be asked some security questions before being prompted to re-set your password.

Once logged in to your Ocorian share portal account you will need to:

- Click the '*My Awards*' tab.
- Click the '*Outstanding*' tab.

If you experience any difficulties registering or logging in, please contact the Meggitt team at Ocorian by email at Meggitt@Ocorian.com.

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

12. Important notes

Nothing in this letter or its appendix constitutes financial advice to any holder of shares, share awards or share options in Meggitt or Parker. Neither Meggitt nor Parker, nor any of their employees, can provide legal, tax, financial or investment advice on the Acquisition.

Defined terms used in this letter are set out in the **Appendix**.

If you have received this letter electronically, you may request a hard copy of this letter, free of charge, by emailing shareschemes@meggitt.com. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

If there is a conflict between the information in this letter, its appendix and the rules of the SIRP or any relevant legislation, the rules of the SIRP and the legislation will prevail.

If there is a conflict between the English language version of this letter and any translation into a language other than English, the English language version will prevail.

Yours faithfully



For and on behalf of
Meggitt PLC

Yours faithfully



For and on behalf of
Parker-Hannifin Corporation

Appendix

A brief explanation of some definitions

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

“**Award Certificate**” means a statement sent to each participant in the SIRP setting out the terms of their Conditional Award, equivalent to their deed of grant;

“**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;

“**Completion**” means the date on which the Scheme takes effect;

“**Conditional Award**” means a conditional right to receive Meggitt Shares in accordance with the rules of the SIRP;

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

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

“**EBT Trustee**” means Ocorian Limited, a company incorporated in Jersey, Channel Islands with registered number 52417;

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

“**Meggitt Directors**” means the directors of Meggitt;

“**Meggitt Group**” means Meggitt and its subsidiaries and subsidiary undertakings from time to time;

“**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;

“**Parker Directors**” means the directors of Parker;

“**Parker Group**” means Parker and its subsidiaries and subsidiary undertakings from time to time;

“**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;

“**SIRP**” means the Meggitt Share Incentive and Retention Plan, as amended from time to time; and

“**Vesting Date**” means the second anniversary of the date of grant (or the date(s) notified in a participant’s Award Certificate, if different).

Notes

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

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

Each of the Meggitt Directors, whose names are set out in the Scheme Document, accepts responsibility for the information contained in this letter (including any expressions of opinion and, without limitation, all information in respect of Meggitt which has been incorporated by reference in this document), except for that information for which the Parker Directors accept responsibility. To the best of the knowledge and belief of the Meggitt Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Parker Directors, whose names are set out in the Scheme Document, accepts responsibility for the information contained in this letter (including any expressions of opinion) relating to the Parker Group (including, without limitation, all information in respect of the Parker Group which has been incorporated by reference in this document) and the Parker Directors, their close relatives, related trusts and other connected persons and persons acting in concert with Parker. To the best of the knowledge and belief of the Parker Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.