

**PLEASE READ THIS LETTER CAREFULLY. IT EXPLAINS THE IMPACT OF THE ACQUISITION ON YOUR LTIP OPTIONS AND 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.

7 November 2022

Dear Participant

## 1. What is this letter about?

We are writing to explain how the acquisition of AVEVA Group PLC (**AVEVA**) by Ascot Acquisition Holdings Limited (**Bidco**) (the **Acquisition**) will affect your awards under the AVEVA Long Term Incentive Plan 2021 (the **2021 LTIP**) and the AVEVA Long Term Incentive Plan 2014 (the **2014 LTIP**) (together, the **LTIPs**) and the action it is proposed that you take.

Details of your outstanding awards under the LTIPs are available on your Shareworks account.

**SUMMARY OF PROPOSAL: Exercise your LTIP Options and receive the Offer Price for the AVEVA Shares you acquire on exercise (the Proposal).**

There are two alternatives under the Proposal as to when you exercise your LTIP Options:

**Choice A:** Exercise your LTIP Options on Court Sanction and receive the Offer Price for the AVEVA Shares you acquire on exercise.

**Choice B:** Exercise your LTIP Options at the end of the one-month period after Court Sanction (for LTIP Options held under the 2021 LTIP) or on the Effective Date (for LTIP Options held under the 2014 LTIP) and receive the Offer Price for the AVEVA Shares you acquire on exercise. With Choice B, you will receive the proceeds of sale later than under Choice A.

**You will need to take action to exercise your LTIP Options. This will not happen automatically.** You must complete the online exercise instruction on your Shareworks account as soon as possible, and by no later than 2 December 2022.

Further details about your choices are explained in section 4 below.

## 2. The Acquisition

The Acquisition is being implemented by way of a Court process, known as a scheme of arrangement (the **Scheme**). The Scheme is a procedure that requires both the approval of AVEVA Shareholders, which will be sought at shareholder meetings expected to be held on 17 November 2022, and sanction (i.e. approval) by the Court, which is currently expected to take place around Q1 2023 (**Court Sanction**). It is currently expected that the Scheme will then become effective a couple of days later (which is known as the **Effective Date** of the Scheme) and at this time AVEVA will be owned by Bidco.

AVEVA Shareholders will be entitled to receive the **Offer Price** (£31.00) in cash for each AVEVA Share they own at the Scheme Record Time.

The terms of the Acquisition are set out in full in the Scheme Document which is available on the AVEVA website at <https://investors.aveva.com/recommended-offer-for-AVEVA-group-plc/>.

### 3. How does the Acquisition affect my LTIP Options?

The Acquisition will change the usual treatment of your LTIP Options. As a result of the Acquisition, your LTIP Options will vest early and become exercisable on Court Sanction (unless they vest or lapse earlier in accordance with the LTIP Rules).

The extent to which your LTIP Options will vest and become exercisable is subject to (i) the achievement of the Performance Conditions and any other condition imposed on the vesting of your LTIP Options (or extent to which progress towards satisfaction has been made), which will be determined by the AVEVA Remuneration Committee on or shortly before the Court Sanction and (ii) time pro-rating, by reference to the proportion of the performance period that has been completed by the date of Court Sanction.

We do not yet know exactly when Court Sanction will happen and so we cannot tell you precisely what the impact of the application of Performance Conditions or time pro-rating will be on your LTIP Options. As an example only, if Court Sanction were to take place on 15 March 2023, then the projected adjustment for Performance Conditions and application of time pro rating would be as follows:

Date of Grant	Adjustment for Performance Conditions*	Proportion of LTIP Options that Vest on Court Sanction
15 September 2020	13.3%	10.7%
15 July 2021	0.0%	0%
15 July 2022	96.0%	18.6%

\*Based on a projection of performance to date. This number could go up as well as down based on actual company performance.

When you exercise your LTIP Options, you will also receive additional AVEVA Shares reflecting the value of dividends that would have been payable on the AVEVA Shares under your LTIP Options during the vesting period.

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

### 4. What are my choices?

You have the following choices in relation to your LTIP Options that become exercisable as a result of the Acquisition:

#### **Choice A: Apply now to exercise your LTIP Options on Court Sanction.**

You can elect to exercise your LTIP Options on Court Sanction.

If you do this, your LTIP Options will be exercised on Court Sanction and the AVEVA Shares you acquire will be automatically acquired by Bidco and you will receive £31.00 per AVEVA Share, less any required deductions (see Section 11) and any applicable exercise price.

**If you want to select Choice A, please access your Shareworks and complete an online exercise instruction as soon as possible and by no later than 2 December 2022.**

**Choice B: Apply now to exercise your LTIP Options conditional on Court Sanction, at the end of the one-month period after Court Sanction (for LTIP Options held under the 2021 LTIP) or on the Effective Date (for LTIP Options held under the 2014 LTIP).**

You can exercise your LTIP Options in the one-month period after Court Sanction (for LTIP Options held under the 2021 LTIP) or between Court Sanction and the Effective Date (for LTIP Options held under the 2014 LTIP).

If you select **Choice B**, your LTIP Options will be exercised at the end of the one-month period after Court Sanction (for LTIP Options held under the 2021 LTIP) or on the Effective Date (for LTIP Options held under the 2014 LTIP). The AVEVA Shares you acquire will be automatically acquired by Bidco and you will receive £31.00 per AVEVA Share, less any required deductions (see Section 11) and any applicable exercise price.

Please note that if you decide to exercise your LTIP Options after Court Sanction, you may receive the money due to you at least one month later than under **Choice A**.

**If you want to select Choice B, please access your Shareworks account and complete an online exercise instruction as soon as possible and by no later than 2 December 2022.**

#### **5. When will I receive the money?**

If you select **Choice A**, the money will be paid to you in the first practicable payroll after the Acquisition completes and if you select **Choice B**, the money will be paid to you in the first practicable payroll after your exercise takes place (which may be at least one month later than the payments for Choice A are made).

In all cases the money will be converted into the currency in which your salary is paid and paid into your usual salary bank account via payroll.

#### **6. What if the Acquisition does not complete?**

If the Acquisition does not happen for any reason, your LTIP Options will continue and vest on the normal vesting date and become exercisable subject to your continued employment and the Performance Conditions and any other condition imposed on the vesting of your LTIP Options in accordance with the LTIP Rules.

#### **7. My LTIP Options have already vested. Does that change anything?**

If you hold Vested LTIP Options, they are already exercisable and you can exercise them earlier than Court Sanction if you wish.

If you elect to exercise your Vested LTIP Options before Court Sanction, a sufficient number of AVEVA Shares that you acquire on exercise of your Vested LTIP Options will be sold on your behalf to cover taxes and any applicable fees and any applicable exercise prices.

You may either sell the balance of the AVEVA Shares immediately (and receive whatever sale price is achieved at that time) or decide to hold them until Court Sanction. The AVEVA Shares that you hold

at Court Sanction will be acquired by Bidco under the Acquisition and you will receive £31.00 per AVEVA Share.

You can elect to exercise your Vested LTIP Options before Court Sanction by completing an online exercise instruction on your Shareworks account in the usual way.

You should check the lapse date of any Vested LTIP Options that you hold to make sure that they are not due to lapse before Court Sanction. If they are, an election for Choice A or Choice B will not be effective and you may lose any value from your LTIP Options.

#### 8. What happens if my LTIP Option is due to lapse before Court Sanction?

If your LTIP Options lapse before Court Sanction then the Acquisition will not change the lapse date. If your LTIP Options are exercisable, then you should consider exercising them before they lapse. If your LTIP Options lapse without having become exercisable (for example, because you resign), then the Acquisition will have no effect.

Nothing in this letter shall be taken to extend the life of an LTIP Option that would lapse on or prior to Court Sanction in accordance with the LTIP Rules.

#### 9. What happens if I leave employment with the AVEVA Group?

If you leave employment with the AVEVA Group before the Court Sanction, the leaver provisions under the LTIP Rules will apply in the normal way. This means that, subject to the discretion of the AVEVA Remuneration Committee:

- if you leave for a “good leaver” reason (for example due to redundancy, injury, disability or death), a proportion of your Unvested LTIP Options held under the 2021 LTIP will vest on the normal vesting date (or on Court Sanction, if earlier) and will be exercisable (i) for six months after the normal vesting date or in the event of death, for 12 months after the date of death (as applicable); or (ii) if earlier, for one month after Court Sanction, and any LTIP Options that do not vest will lapse immediately; or
- if you leave for a “good leaver” reason (for example due to redundancy, injury, disability or death), your Unvested LTIP Options held under the 2014 LTIP will cease to be capable of vesting and shall lapse, unless the Remuneration Committee determines otherwise within 30 days, in which case a proportion of your Unvested LTIP Options will vest on the normal vesting date (or on Court Sanction, if earlier) subject to time pro-rating to reflect the proportion of the performance period that you worked to the date of cessation, and will be exercisable (i) for six months after the normal vesting date or in the event of death, for 12 months after the date of death (as applicable); or (ii) if earlier, on the Effective Date, and any LTIP Options that do not vest will lapse immediately; or
- if you leave for a reason other than a “good leaver” reason, your LTIP Options will lapse.

Please note that if you leave the AVEVA Group before Court Sanction and your LTIP Options lapse before Court Sanction as a result of your departure, any **Choice A** or **Choice B** instruction you make will not take effect. You will not receive any money for LTIP Options that lapse.

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

If the AVEVA Dealing Code Policy (**Dealing Code**) applies to you, you must obtain permission to exercise your LTIP Options before you submit any instruction. You can seek permission to deal by following the process set out in the Dealing Code.

## 11. What about tax?

General tax information on the impact of the Acquisition on your LTIP Options is contained on Shareworks and/or your document folder on SharePoint. Please note that this does not constitute tax advice and the tax treatment will depend on your particular individual circumstances.

## 12. What if I participate in other AVEVA share plans?

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

## 13. What are LTIP Replacement Awards and am I eligible for them?

As a participant in the LTIPs, you may also be eligible for an LTIP Replacement Award. This is a replacement cash plan that is conditional upon completion of the Acquisition.

As noted above, your LTIP Options will vest early as a result of the Acquisition. An LTIP Replacement Award is an additional cash award equal to the value of either 50% (for 2020 and 2021 grants) or 100% (for 2022 grants) of the number of AVEVA Shares under your unvested LTIP Options immediately prior to Court Sanction, less the number of AVEVA Shares that vest on Court Sanction, based on the Offer Price of £31.00 per AVEVA Share. An LTIP Replacement Award will vest and become payable on the Normal Vesting Date (as defined in the LTIP Rules) of your LTIP Options.

By way of examples only (based on the projected adjustment for Performance Conditions and application of time pro rating set out in Section 3):

- If you held an LTIP Option over 1000 AVEVA Shares that was granted in 2020 (that would have vested on 15 July 2023 absent the Transaction), it would vest as to 107 AVEVA Shares on Court Sanction. Your LTIP Replacement Award would be worth £12,183, i.e.  $(0.5 \times 1000 - 107) \times £31$ , and would vest on 15 July 2023.
- If you held an LTIP Option over 1000 AVEVA Shares that was granted in 2022 (that would have vested on 15 July 2025 absent the Transaction), it would vest as to 186 AVEVA Shares on Court Sanction, your LTIP Replacement Award would be worth £25,234, i.e.  $(1.0 \times 1000 - 186) \times £31$ , and would vest on 15 July 2025.

In order to be eligible for an LTIP Replacement Award you must be employed by AVEVA or a member of the AVEVA Group or Bidco Group on the Normal Vesting Date.

If you leave employment with AVEVA or a member of the AVEVA Group or Bidco Group before the Normal Vesting Date for any “good leaver” reason (for example due to redundancy, injury, disability or death) the amount payable to you in respect of your LTIP Replacement Award will be reduced to reflect the proportion of the period from Court Sanction to the Normal Vesting Date that falls after the date on which you leave employment. If you leave for any other reason, your LTIP Replacement Award will lapse.

Your LTIP Replacement Award will normally be paid as soon as practicable after the Normal Vesting Date (less any required deductions).

You will receive further communication regarding your LTIP Replacement Award and its terms (the **Grant Letter**).

## 14. What if I have questions?

If you have any questions, please contact Shareworks using the helpline numbers below:

- EMEA Region - Toll Free 080 234 9514 / International +44 (0)20 7425 1075 (8:00AM - 6:00PM GMT)
- North America and Americas Region - Toll Free 1 877 380 7793 / International 1 403 515 3909 (8:00AM - 8:00PM EST)
- Australia and APAC Region - Toll Free 1 800 768 002 / International 1 403 515 3909 (9:30AM - 4:30PM Australian EST)

The AVEVA rewards team can also be contacted by emailing [Reward@aveva.com](mailto:Reward@aveva.com).

## 15. Proposals: Recommendation

**The AVEVA Independent Committee recommends that you accept the Proposal and select *Choice A* or *Choice B*. However, you should consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your LTIP Options.**

The AVEVA Independent Committee, which has been so advised by Lazard & Co., Limited (**Lazard**), as to the financial terms of the Proposal, considers the terms of the Proposal described above to be fair and reasonable in the context of the Acquisition. In providing advice to the AVEVA Independent Committee, Lazard has taken into account the commercial assessments of the AVEVA Independent Committee. Lazard is providing independent financial advice to the AVEVA Independent Committee for the purposes of Rule 15 of the City Code on Takeovers and Mergers.

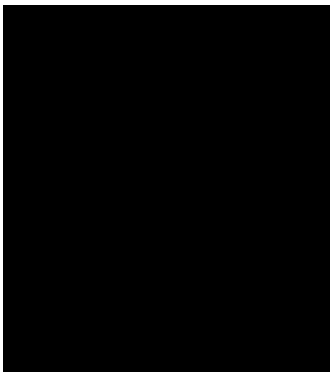
### Important notice

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

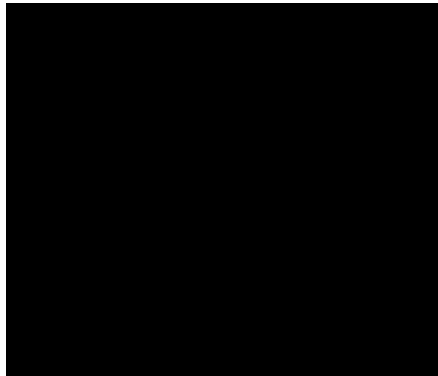
Capitalised terms in this letter have the meaning given to them in the LTIP Rules or the Scheme Document. However, the attached Glossary is intended to help you understand some of these terms. If there is a conflict between the information in this letter and appendices and the LTIP Rules, the Grant Letter or any relevant legislation, the LTIP Rules or the Grant Letter (as appropriate) and the legislation will prevail.

By selecting either Choice A or Choice B, you agree to the Terms and Conditions set out in the Schedule to this letter.

Yours faithfully,



Yours faithfully,



## Glossary

**2014 LTIP** means the AVEVA Long Term Incentive Plan 2014;

**2021 LTIP** means the AVEVA Long Term Incentive Plan 2021;

**Acquisition** means the recommended cash acquisition pursuant to which Bidco will acquire the entire issued and to be issued share capital of AVEVA;

**AVEVA** means AVEVA Group PLC;

**AVEVA Group** means AVEVA and its subsidiaries and subsidiary undertakings from time to time;

**AVEVA Independent Committee** means the committee of the board of directors of AVEVA comprising the AVEVA Independent Directors and constituted for the purposes of considering the Acquisition;

**AVEVA Independent Directors** means the directors of AVEVA at the time of this Letter other than Peter Herweck, Hilary Maxson and Oliver Blum;

**AVEVA Remuneration Committee** means the remuneration committee of the board of directors of AVEVA;

**AVEVA Shareholders** means the holders of AVEVA Shares from time to time;

**AVEVA Shares** means the ordinary shares of 3 <sup>5</sup>/<sub>9</sub> pence each in the capital of AVEVA, from time to time;

**Bidco** means Ascot Acquisition Holdings Limited;

**Bidco Directors** means the directors of Bidco as at the date of this document;

**Bidco Group** means (i) Bidco; (ii) Schneider Electric; (iii) the respective subsidiary undertakings of Bidco and Schneider Electric (excluding each member of the AVEVA Group);

**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;

**Effective Date** means the date on which the Scheme becomes effective in accordance with its terms (i.e. the date on which ownership of AVEVA passes to Bidco);

**LTIPs** means the 2021 LTIP and 2014 LTIP;

**LTIP Options** means options over AVEVA Shares granted to employees and former employees of AVEVA and its subsidiaries under the LTIPs;

**LTIP Rules** means the rules of the LTIPs;

**Normal Vesting Date** means the date or dates on which an LTIP Option vests under the applicable LTIP Rules, which is normally the third anniversary of the date of grant;

**Performance Conditions** means a condition related to performance which may be applied to LTIP Options under the 2021 LTIP or a condition of vesting applicable to LTIP Options under the 2014 LTIP, as applicable;

**Scheme** means the scheme of arrangement which is the procedure by which Bidco will become the holder of the entire issued and to be issued ordinary share capital of AVEVA, not already held by Schneider Electric;

**Scheme Document** means the document setting out the terms of the Scheme dated 18 October 2022 sent to AVEVA Shareholders;

**Scheme Record Time** means the time and date specified as such in the Scheme Document or such other time as AVEVA and Bidco may agree;

**Schneider Electric** mean Schneider Electric SE, a societas Europea incorporated in France with sole identification number 542 048 574 R.C.S. Nanterre and with its registered address at 35, rue Joseph Monier, 92506 Rueil-Malmaison (France);

**Unvested LTIP Options** means any LTIP Option which is not a Vested LTIP Option; and

**Vested LTIP Options** means LTIP Options which have vested and become exercisable subject to the LTIPs.



**Schedule**  
**TERMS AND CONDITIONS**

These terms and conditions are important: they apply both to this letter and any online exercise instruction you give in respect of the Proposal. You should read these terms and conditions carefully before submitting the online exercise instruction. You should keep a copy of these terms and conditions for future reference.

1. In the event of any differences between this letter and the LTIP Rules which govern the LTIP Options to which this letter relates or the applicable legislation, the LTIP Rules or applicable legislation (as appropriate) will prevail. Copies of the LTIP Rules are available on request.

Submitting the online exercise instruction

2. The online exercise instruction will be of no effect unless it is submitted in accordance with the instructions set out in the online acceptance form by 5pm on 2 December 2022.

Exercising your LTIP Options using the online exercise instruction

3. By submitting the online exercise instruction you confirm that you have had the opportunity to review the Scheme Document (which is available on the AVEVA website at <https://investors.aveva.com/recommended-offer-for-AVEVA-group-plc/>), this letter and the online exercise instruction, and that you have read and irrevocably agree to their respective terms and conditions.
4. By submitting the online exercise instruction (and not withdrawing it prior to 5pm on 2 December 2022), you irrevocably elect (i) to exercise your LTIP Options (as selected) over AVEVA Share to which you are entitled upon vesting of your LTIP Options and (ii) to acquire AVEVA Shares.
5. By submitting the online exercise instruction you agree that you will be entitled to receive an amount equal to the Offer Price per AVEVA Share in respect of your LTIP Options that are exercised and agree that such amount (less any required deductions and any applicable exercise price) will be paid as set out in this letter.
6. If the Acquisition does not happen for any reason, your online exercise instruction will have no effect.
7. By submitting the online exercise instruction, you acknowledge and agree that the trustee of AVEVA Group Employee Benefit Trust 2008, (the **Trustee**) may act on your behalf as nominee in relation to any rights you have under or in relation to the LTIPs and confirm that the transfer of AVEVA Shares to the Trustee (as your nominee) in accordance with the LTIP Rules will constitute satisfaction of your rights under the LTIPs and the payment of the Offer Price to the Trustee (or to AVEVA on behalf of the Trustee) will constitute satisfaction of your rights pursuant to the Acquisition.

Investment decision and taxation

8. Exercising your LTIP Options is a personal decision, and if you are in any doubt as to the decision you should take, you are recommended to consult an independent financial adviser who is authorised under the *Financial Services and Markets Act 2000*. For legal reasons, neither AVEVA, Bidco nor Shareworks (nor any of their respective groups of companies, employees, officers or agents) can give you any investment, legal, financial or tax advice. By submitting the online exercise instruction you confirm that you have not relied on any

investment, legal, financial, tax or other advice from AVEVA, Bidco, Shareworks or any member of their respective groups of companies, or any employees, officers or agents thereof.

9. By submitting the online exercise instruction you agree that:
- (a) Bidco may pay the Offer Price for your AVEVA Shares to the Trustee or to AVEVA on behalf of the Trustee;
  - (b) AVEVA will pay the cash payment due in respect of your LTIP Options (including dividend equivalents) to you via payroll.
  - (c) AVEVA may deduct any income tax, social security contributions or other required deductions arising in connection with the exercise of your LTIP Options from your cash payments and pay this amount to the relevant tax authorities on your behalf;
  - (d) you undertake to pay any applicable exercise price in connection with the exercise of your LTIP Options within 90 days of such exercise, and you authorise AVEVA to deduct the aggregate exercise price from your cash payments;
  - (e) AVEVA may pay the balance following the deductions referred to in paragraphs 9.c. and 9.d. above to your salaried bank account; and
  - (f) if your payroll currency is not GBP, AVEVA will convert the payments into your payroll currency at the exchange rate available to it at the date of payment. Consequently the amount per AVEVA Share you receive may vary, depending on the prevailing exchange rate, and any risk associated with this will be taken by you.

#### General

- 10. None of AVEVA, Bidco and Shareworks (nor any member of their respective groups of companies, nor any of their employees, officers or agents) can be held responsible for any failure in the delivery of the online exercise instruction or any other document or any consequential loss.
- 11. If you have left or leave employment with AVEVA, your LTIP Options may lapse before the Acquisition occurs, dependent upon the circumstances of your leaving.
- 12. The online exercise instruction will be of no effect in respect of LTIP Options which have lapsed by the time of the intended exercise.
- 13. The information collected in the online exercise instruction will be used for data processing for which AVEVA is responsible and will be transmitted to any person(s) who require(s) such information for the purposes of carrying out your instructions, and such persons will include AVEVA, Bidco and Shareworks.
- 14. This letter and the online exercise instruction are each governed by and will be construed in accordance with the laws of England and Wales.

## Notes

The distribution of this document and/or the accompanying documents (in whole or in part) in or into 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.

The AVEVA Independent Committee, which has been so advised by Lazard & Co., Limited (**Lazard**) as to the financial terms of the Proposal, considers the terms of the Proposal to be fair and reasonable. In providing their advice to the AVEVA Independent Committee, Lazard has taken into account the commercial assessments of the AVEVA Independent Committee. Lazard is providing independent financial advice to the AVEVA Independent Committee for the purposes of Rule 15 of the City Code.

Lazard has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

Lazard, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as financial adviser to AVEVA, and no one else, in connection with the matters set out in this document, and will not be responsible to anyone other than the board of AVEVA for providing the protections afforded to clients of Lazard nor for providing advice in relation to the contents of this document or any other matter or arrangement referred to herein. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any matter, arrangement or statement contained or referred to herein or otherwise.

The AVEVA Independent Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this document (including any expressions of opinion), except for that information for which the Bidco Directors accept responsibility. To the best of the knowledge and belief of the AVEVA Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors, whose names are set out in the Scheme Document accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Bidco Group and the Bidco Directors, their close relatives, related trusts and other connected persons and persons acting in concert with Bidco (as such term is used in the City Code on Takeovers and Mergers). To the best of the knowledge and belief of such persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.