

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This letter should be read in conjunction with the circular to e2v Shareholders dated 21 December 2016 (the “Scheme Document”) which can be found on the main e2v website at www.e2v.com. The definitions used in the Scheme Document apply in this letter except where the context otherwise requires.

The release, publication or distribution of this document and/or the accompanying documents (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.

21 December 2016

To: All participants in the e2v 2004 Sharesave Scheme and the e2v 2014 Sharesave Scheme (“**Sharesave Schemes**”)

Dear Colleague

RECOMMENDED CASH OFFER FOR E2V TECHNOLOGIES PLC (“e2v”) BY TELEDYNE BIDCO (“Teledyne”)

Summary

As you may be aware, the boards of Teledyne and e2v have recently reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of e2v will be acquired by Teledyne (the “**Acquisition**”).

Under the terms of the Acquisition, holders of e2v Shares will be entitled to receive 275 pence in cash for each e2v Share (the “**Consideration**”).

A special procedure is being used for the Acquisition known as a ‘Scheme of Arrangement’ under Part 26 of the Companies Act 2006 (the “**Scheme**”). More details about this can be found on the main e2v website at www.e2v.com (where you can also obtain a copy of the Scheme Document). The effective date of the takeover of e2v is expected to be on or about 22 March 2017 (“**Effective Date**”).

The Scheme remains subject to shareholder approval, the Court approving the Scheme (“**Court Sanction**”) and certain other conditions. If the Scheme does not become effective, your option(s) under the Sharesave Schemes (the “**Option(s)**”) will continue in the same manner as they would have done absent the Scheme.

How the Acquisition will affect your Option(s)

Options granted in December 2013

If you hold an Option granted in 2013, you will already have received an exercise form in relation to that Option (unless your Option has not yet become exercisable because you have taken a savings holiday).

- (i) If you have chosen to exercise and sell the e2v Shares you receive on exercise of that Option: You need do nothing more. The amount you receive for your e2v Shares will (broadly) be the price at which e2v Shares are trading on the stock exchange at the time they are sold in accordance with your instructions. This may be different to the Consideration.
- (ii) If you have chosen to exercise but retain the e2v Shares you receive on exercise of that Option: As a shareholder, you will be sent a copy of the Scheme Document and will be able to sell your e2v Shares to Teledyne under the Scheme for 275 pence in cash for each e2v Share, in the same way as other shareholders.
- (iii) If you have done nothing, but want to exercise and sell the e2v Shares you receive on exercise of that Option:
 - (a) if you want the e2v Shares to be sold and the proceeds of sale to be transferred to you as soon as possible, you should complete and return the exercise form you were sent in relation to this Option. Equiniti will not accept this exercise notice if it is received by them after 28 February 2017. Note that the amount you receive for your e2v Shares will (broadly) be the price at which e2v Shares are trading on the stock exchange at the time they are sold in accordance with your instructions. This may be different to the Consideration.
 - (b) if you want to exercise and sell the e2v Shares you receive on exercise of that Option to Teledyne under the Scheme (for 275 pence per e2v Share), you should ignore the exercise form you were sent in relation to this Option and make your choices on the enclosed exercise form in accordance with the instructions above.

If your Option has not yet become exercisable (because you have taken a savings holiday) e2v or Equiniti will write to you in due course.

Options granted in 2014, 2015 or 2016

Under the Sharesave Schemes, you would normally make 36 monthly payments into your sharesave account held at Lloyds Bank plc through monthly payroll deductions. This would normally be spread over a period of three years (or up to six months longer if you take a savings payment holiday), after which your sharesave account would mature. Upon the account maturing, you would be able to exercise the relevant Option – i.e. use the savings built up to buy e2v Shares at the price set at the time the relevant Option was granted (the price is known as the ‘exercise price’ and is set out in your option certificate).

As a consequence of the Acquisition, you will be permitted to exercise your Option(s) prior to the maturity date of your sharesave account. You will be able to exercise your Option(s) at any time during the period of six months from the date of Court Sanction, which is expected to be on or about 21 March 2017. During this six month exercise window you may continue to make savings through payroll deductions, thus building up additional funds to buy e2v Shares. If you exercise your Option(s) prior to the expiry of the six month exercise window, you will no longer continue to make monthly savings.

If you exercise your Option(s) and use your savings to buy e2v Shares, Teledyne will buy those shares (either under the Scheme, if you exercise as soon as possible, or pursuant to compulsory purchase provisions to be included in the Articles of Association of e2v). In either case, you will receive **275 pence per e2v Share**. This means you could make a gain by exercising your Option(s).

What choices do you have?

The following might not be a complete list for everyone as each person has different circumstances. The main choices that most participants in the Sharesave Schemes are likely to find relevant are set out below. Remember that if you hold more than one Option you do not have to make the same choice in respect of each one.

- (i) **Exercise your Option(s) just before the end of the six month exercise window following the Acquisition.** Unless you instruct us otherwise, your monthly payroll deductions will continue, thus allowing you to build up additional savings for buying e2v Shares. This will enable you to maximise the Consideration you receive, although you will have to wait until around six months after the Effective Date of the Acquisition before you receive it.

How to do this: To exercise any Option at the latest possible time tick the box in **Section 1B** adjacent to that Option on the enclosed exercise form.

- (ii) **Do nothing for now and exercise your Option(s) in the next few months.** You may keep making savings through payroll deductions and exercise your Option(s) at any time during the six month exercise window following the Acquisition. Your payroll deductions will cease from the next payroll date following the exercise of your Option(s).

How to do this: Please contact Equiniti on 0371 384 2040 to obtain an exercise form. (I am advised to let you know that Equiniti may record calls for training and service monitoring purposes).

- (iii) **Exercise your Option(s) as soon as possible.** If you would like to receive the money urgently from selling your e2v Shares then you can elect to exercise your Option(s) with effect from Court sanction of the Scheme. You will receive the cash payment as soon as practicable after the Effective Date. **However, you should recognise that by doing this you will no longer continue to make monthly savings and so your savings fund for buying e2v Shares and therefore the amount of Consideration you receive when you sell the e2v Shares will be lower.**

How to do this: If you would like to do this in relation to any Option, tick the box in **Section 1A** adjacent to that Option on the enclosed exercise form.

Tax implications

For current employees, even though Option(s) are exercised early (i.e. before the 36 monthly savings have been made and your account has matured), **no** income tax will become due on the gain arising on the exercise of options granted in 2014 or 2015. Income tax **will** arise on the exercise of options granted in 2016 (because the tax-favoured treatment does not apply to options which are granted when a sale is being considered).

Specific rules apply to leavers and you should contact Nick Wargent for more information.

A summary of the likely tax consequences of your choice(s) is set out in the Appendix to this letter.

Further information

If the Scheme is not sanctioned by the Court, your Option(s) will continue in the same manner as before, and you will be able (subject to the rules of the Sharesave Schemes) to acquire e2v Shares in due course.

If your Option(s) are already exercisable for a reason unconnected with the Scheme (e.g. because your employment has ceased) the choices detailed above may still be available to you provided your Option(s) have not lapsed by the Effective Date. The Scheme will not extend the window of exercise of your Option(s).

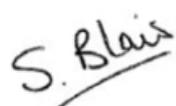
If you have any queries about this letter or the Scheme then please contact Nick Wargent on 01245 493 493.
If you have any queries about your Option(s) please contact the Equiniti helpline on 0371 384 2040.

In particular, please contact the company and Equiniti if you have already ceased employment with e2v or if you cease employment during the 6 month exercise period and still hold your Option(s).

Please note that none of e2v, Teledyne or any of their respective officers or employees can give any advice as to the action which you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from a qualified financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

Please note that nothing in this letter overrides or amends the Sharesave Schemes or the terms of your Option(s) in any way.

Yours sincerely

A handwritten signature in black ink that reads "S. Blair". The signature is written in a cursive style and is underlined.

Steve Blair

for and on behalf of e2v technologies plc
Group CEO

REGULATORY NOTES

The e2v Directors, who have been so advised by Investec and Rothschild, consider the terms of the proposals in respect of Option(s) contained in this letter to be fair and reasonable in the context of the Acquisition. Accordingly, the e2v Directors recommend you to take the course of action most suited to your personal circumstances. In providing advice to the e2v Directors, Investec and Rothschild have taken into account the commercial assessments of the e2v Directors.

The e2v Directors (whose names are set out in paragraph 2.1 of Part V of the Scheme Document) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the e2v Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Teledyne Directors (whose names are set out in paragraph 2.2 of Part V of the Scheme Document) accept responsibility for the information contained in this letter relating to Teledyne Bidco, each member of the Teledyne Group and themselves and their respective immediate families, related trusts and connected persons. To the best of the knowledge and belief of the Teledyne Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter 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 Teledyne Bidco Directors (whose names are set out in paragraph 2.3 of Part V of the Scheme Document) accept responsibility for the information contained in this letter relating to Teledyne Bidco, each member of the Teledyne Group and themselves and their respective immediate families, related trusts and connected persons. To the best of the knowledge and belief of the Teledyne Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investec, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for e2v and for no one else in connection with the matters set out in this letter and will not regard any other person as its client in relation to the matters referred to in this letter and will not be responsible to anyone other than e2v for providing the protections afforded to clients of Investec nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this letter.

Rothschild, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to e2v and no one else in connection with the matters referred to in this letter and will not regard any other person as its client in relation to the matters referred to in this letter and will not be responsible to anyone other than e2v for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the matters referred to in this letter.

Investec and Rothschild have given and not withdrawn their consent to the issue of this document with the inclusion of the references herein to its name in the form and context in which they are included.

A copy of the Scheme Document has been published on the company's website at www.e2v.com. e2v will send within two Business Days, without charge, to each person to whom a copy of this letter has been sent (each a "Recipient"), on their request, a copy of the Scheme Document or any other relevant documents published on the company's website in connection with the Acquisition. Requests should be addressed to Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA. The helpline number is 0371 384 2688 (or +44 121 415 if calling from outside the UK). Lines are open 8.30am to 5.30pm (UK time) Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls made from mobile telephones. Recipients may also request that all future documents, announcements and information sent to them in relation to the Acquisition be in hard copy form. The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice. This letter does not constitute a summary of the Scheme Document and should not be regarded as a substitute for reading it in full.

Appendix

UK TAX SUMMARY

The following is a summary for UK resident optionholders of certain aspects of the UK taxation implications of exercising the Option(s). It is intended as a guide only and not as personal tax advice. The precise taxation consequences for you will depend on your particular circumstances. Neither e2v nor any of its respective officers or employees can provide you with specific tax advice. If you are in any doubt as to your tax position or if you are or may be subject to taxation in another jurisdiction, you are advised to seek professional advice before taking any action in connection with this letter.

Income Tax

No income tax or national insurance contributions (“NICs”) should arise on the exercise of Options granted in 2013, 2014 or 2015. Income tax (but not NICs) will arise on the exercise of Options granted in 2016.

Capital Gains Tax (“CGT”)

You will potentially be subject to CGT when the e2v Shares you acquire on exercise of your Option(s) granted in 2013, 2014 or 2015 are sold to Teledyne. The amount potentially liable to CGT will be the amount by which the total Consideration exceeds the total exercise price of the Option(s).

For example, if you have exercised an Option over 2,000 e2v Shares with an exercise price of 187 pence per share:

<i>Total Consideration:</i>	<i>(2,000 x 275 pence)</i>	<i>= £5,500</i>
<i>Total exercise price:</i>	<i>(2,000 x 187 pence)</i>	<i>= £3,740</i>
<i>Therefore, you will potentially be subject to CGT on:</i>	<i>(£5,500 – £3,740)</i>	<i>= £1,760</i>

There may be reliefs and allowances which apply to reduce or even eliminate any CGT for which you become liable. For example, the CGT annual allowance for the 2016/17 tax year is £11,100 so **unless the aggregate gain you have made in the whole tax year (i.e. not just in relation to your Option(s)) exceeds £11,100 you will not have to pay any CGT**. If you exercise your Option(s) after 5 April 2017 (i.e. within the 2017/18 tax year) this allowance may be different. Any CGT payable by you will not be collected under PAYE by your employer – you will need to complete the appropriate schedule in your Self-Assessment return. If you do not normally complete one you should contact your local tax office to obtain one. Any tax due in the 2016/17 tax year must be paid no later than 31 January 2018 (assuming you submit your return online – the deadline is earlier for paper returns). It is likely that any tax due in the 2017/18 tax year will need to be paid no later than 31 January 2019 (again, assuming you submit your return online).

No CGT should arise in respect of the sale of e2v Shares which you have acquired on the exercise of an SAYE option granted in 2016, in respect of which you paid income tax on exercise.