

**Strictly Private and Confidential**

From:

CareTech Holdings plc  
5th Floor Metropolitan House  
3 Drakes Lane  
Potters Bar  
EN6 1AG

To:

Sheikh Holdings Group (Investments) Limited  
HMSL Services Limited as corporate directors of Kensington Capital Limited  
HMSL Services Limited as corporate directors of Belgravia Investments Limited  
THCP Advisory Limited  
THCS IV GP S.a.r.l  
c/o 1st Floor Metropolitan House  
3 Drakes Lane  
Potters Bar  
EN6 1AG

(together, the **Consortium** and, in each case, **You**)

 April 2022

Dear Sirs

**Offer for the entire issued share capital of CareTech Holdings plc (“we” or the “Company”)**

We, understand that You, via a to-be-established newly incorporated entity to be controlled by the Consortium (**Newco**), wish to investigate the business and assets of the Company and its subsidiaries in connection with an offer for its entire issued share capital (the **Offer**) which will be made by Newco.

We, and each member of our Group, wish to ensure that Confidential Information revealed to You and Your advisers in the course of the negotiations between us remains confidential and is not used by You or any member of your Group for any purpose other than the proposed Offer.

In consideration of being supplied with Confidential Information by us, You each agree and undertake to us on the terms of this letter.

You each agree and undertake to procure that Newco will adhere to the terms of this agreement as if it was party.

## 1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this agreement.

**Authorised Recipient:** means each of your Connected Persons who needs access to Confidential Information for the Permitted Purpose;

**Code:** the City Code on Takeovers and Mergers;

**Company's joint broker:** Numis Securities Limited;

**Company's Rule 3 adviser:** Panmure Gordon (UK) Limited;

**Company's solicitors:** Charles Russell Speechlys LLP;

**Confidential Information:** has the meaning given in clause 2.2;

**Copies:** copies of Confidential Information including any document, electronic file, note, extract, analysis, study, plan, compilation or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information;

**Connected Person:** means, in relation to any party:

- (a) each member of its Group and each of its affiliates and, in relation to each member of the Consortium, any affiliated funds and/or investors in funds managed or advised by it and its affiliates and any affiliates of such persons; and
- (b) its and each member of its Group's and/or affiliates' directors, officers, employees, advisers, consultants, agents and representatives (and any directors, officers, employees, advisers or partners or any such advisers, consultants, agents and representatives);

**Covenantors:** together, Newco and each member of the Consortium;

**Group:** in relation to a company, its group undertakings as such term is construed in accordance with section 1161(5) of the Companies Act 2006;

**Independent Committee:** the independent committee of the board of the Company consisting of Jamie Cumming, Adrian Stone and Dr Moira Livingston;

**Offer:** has the meaning given in the Code; and

**Permitted Purpose:** considering, evaluating, negotiating, advising upon and implementing any proposed Offer.

1.2 Clause and schedule headings do not affect the interpretation of this agreement.

1.3 A **person** includes a corporate or unincorporated body.

- 1.4 A reference to a law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.5 **Writing** or **written** includes faxes but not e-mail.
- 1.6 Words in the singular include the plural and in the plural include the singular.
- 1.7 Obligations undertaken by two or more persons together are undertaken severally save that obligations of HMSL Services Limited as corporate directors of Kensington Capital Limited and HMSL Services Limited as corporate directors of Belgravia Investments Limited and their respective Connected Parties shall be joint and several as between them.

## **2. COVENANTORS' OBLIGATIONS**

- 2.1 In return for the Company making Confidential Information available to the Covenantors, subject to clause 2.4 and clause 4, the Covenantors shall severally:
- 2.1.1 keep the Confidential Information secret;
  - 2.1.2 use the Confidential Information only for the Permitted Purpose;
  - 2.1.3 not directly or indirectly disclose the Confidential Information, in whole or in part, to any person or make Copies unless permitted by this agreement;
  - 2.1.4 use reasonable endeavours to ensure that no person gets access to Confidential Information from the Covenantor, its officers, employees or agents unless authorised; and
  - 2.1.5 inform the Company as soon as reasonably practicable on becoming aware, or suspecting, that an unauthorised person has become aware of Confidential Information.
- 2.2 **Confidential Information** means:
- 2.2.1 the existence and contents of this agreement; and
  - 2.2.2 all information in whatever form (including, without limitation, in written, oral, visual or electronic form, or on tape or disk) relating to the Company, or any company that is (or was at the date of this agreement) in the Company's Group, that is disclosed, whether before or after the date of this agreement in connection with the Permitted Purpose, to the Covenantors or any of their Connected Persons by any agent or employee of the Company's Group,
- but excludes the information in clause 2.3.
- 2.3 Information is not Confidential Information if:

- 2.3.1 the information is, or subsequently becomes, public knowledge other than as a result of the information being disclosed in breach of this agreement;
  - 2.3.2 the Covenantors can establish, to the reasonable satisfaction of the Company, that the Covenantors or their Connected Persons found out the information from a source not connected with the Company or its Group and that such source is not under any obligation of confidence in respect of that information;
  - 2.3.3 the Covenantors can establish, to the reasonable satisfaction of the Company, that the information was known to the Covenantors or their Connected Persons before the date on which it was disclosed by any agent or employee of the Company's Group and that it was not under any obligation of confidence in respect of that information;
  - 2.3.4 it has been independently developed by or for a Covenantor without reference to, aid form or reliance on any Confidential Information; or
  - 2.3.5 the parties agree in writing that it is not confidential.
- 2.4 Each Covenantor may disclose Confidential Information only:
- 2.4.1 to its Authorised Recipients;
  - 2.4.2 to potential equity and debt finance providers, bankers and potential investors and their professional advisers or consultants for the purpose of securing financing or other support in relation to the Permitted Purpose;
  - 2.4.3 to people whom the Company agrees in writing may receive the information; and
  - 2.4.4 to the extent permitted by clause 4.
- 2.5 Each Covenantor shall:
- 2.5.1 inform any person to whom it discloses the Confidential Information that the information is confidential; and
  - 2.5.2 procure that any person to whom it discloses the information (other than disclosures under clause 4) complies with this agreement as if they were such Covenantor.
- 2.6 Each Covenantor may make only such Copies as are reasonably necessary for the Permitted Purpose and shall:
- 2.6.1 ensure that all Copies supplied to it or made by it can be separately identified from its own information; and
  - 2.6.2 use all reasonable endeavours to ensure that all Copies within its control are protected against theft or unauthorised access.

- 2.7 If the Company so requests in writing at any time, each Covenantor shall (at its election) promptly upon the written request of the Company:
- 2.7.1 return to the Company all the Confidential Information received by such Covenantor that is in a form reasonably capable of delivery; and
  - 2.7.2 to the extent technically and reasonably practicable, destroy or permanently erase all Copies supplied to it or made by it, or by the persons who have received Confidential Information.
- 2.8 Nothing in clause 2.7 shall require a Covenantor to return or destroy Confidential Information or Copies that such Covenantor, or the persons to whom the Confidential Information or Copies have been disclosed, is/are (i) required to retain by applicable law or to satisfy the rules or regulations of a regulatory body or stock exchange to which such person is subject or to satisfy the Covenantor's internal compliance policies or (ii) storing electronically pursuant to an existing routine data back-up or archiving procedure provided that it is deleted from local hard drives and no attempt is made to recover it from such back-up sources.
- 2.9 Each Covenantor shall, promptly on the request of the Company, confirm in writing (such confirmation to be signed by a director of such Covenantor) that it has complied with its obligations under clause 2.7.

### 3. **AUTHORISED CONTACT**

- 3.1 All communications with the Company about the Permitted Purpose shall be addressed to Jamie Cumming or as he may direct in writing. The Covenantors may treat the consent or approval of such person to or of any matter as being given on behalf of the Company.
- 3.2 The Covenantors shall not contact or communicate with any officers, employees, consultants, advisers, landlords, bankers, customers or suppliers of the Company or the Company's Group (**Restricted Persons**) in connection with the Permitted Purpose, other than without the Company's written consent.
- 3.3 Notwithstanding the above, the Company hereby consents to the Covenantors, their officers, employees, advisers and consultants contacting or communicating in relation to the Permitted Purpose with:
- 3.3.1 the Independent Committee;
  - 3.3.2 the Company's Rule 3 adviser;
  - 3.3.3 the Company's joint broker; and
  - 3.3.4 the Company's solicitors.
- 3.4 Nothing in paragraph 3.2 shall prevent a Covenantor or its Connected Persons from: (i) contacting any Restricted Person in the ordinary course of its or their business for purposes unrelated to the Permitted Purpose; or (ii) conducting market diligence on an aggregated industry-wide basis, which may include contact with such Restricted Persons, to the extent that its or its Connected Persons do not disclose that the

Consortium is interested in acquiring the Company or any other Confidential Information.

#### **4. FORCED DISCLOSURE**

4.1 Subject to clause 4.2, each Covenantor may disclose Confidential Information as required by:

4.1.1 any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory body or authority (including, without limitation, the UK Takeover Panel);

4.1.2 the rules of the Code or any listing authority or stock exchange on which the shares of any company in such Covenantor's Group are listed or traded; or

4.1.3 the laws or regulations of any country with jurisdiction over the affairs of any company within the Covenantor's Group.

4.2 Before a Covenantor discloses any information under this clause 4, such Covenantor shall (to the extent permitted by law or applicable regulation) use reasonable endeavours to:

4.2.1 inform the Company of the circumstances of the disclosure and the information that will be disclosed;

4.2.2 consult with the Company as to possible steps to avoid or limit disclosure and take account of the Company's reasonable requests; and

4.2.3 where the disclosure is by way of public announcement, to the extent practicable, consult with the Company to seek to agree the wording in advance.

Notwithstanding the foregoing, no Covenantor nor its Connected Persons will be required to give notice to the Company or any third party of any disclosure made to or requested by any banking, financial, securities or similar supervisory or regulatory or governmental authority exercising its supervisory, examination or audit functions over a Covenantor or its Connected Persons where such disclosure or request is not targeted at the Company or any Confidential Information specifically.

4.3 If a Covenantor is unable to inform the Company before Confidential Information is disclosed, such Covenantor shall (to the extent permitted by law or applicable regulation) inform the Company as soon as practicable after the disclosure of the circumstances of the disclosure and the information that has been disclosed.

#### **5. TIME**

Unless expressly time limited, the obligations contained in this agreement shall end on the earlier of (i) completion of the Offer or (ii) 18 months from the date of this agreement. Termination of the obligations in this agreement will not affect the liability of any party for breach of this agreement before then.

## 6. STANDSTILL AND RESTRICTIONS

6.1 For a period of 12 months from the date of this Agreement each Covenantor will not (and will procure that no member of any member of its Group will) either alone or with other persons, directly or indirectly:

6.1.1 acquire, procure or induce any other person to acquire any interest in securities of the Company (**Relevant Securities**);

6.1.2 enter into any agreement, arrangement or understanding (whether legally binding or not) or do or omit to do any act as a result of which it or any other person may acquire an interest in the Relevant Securities;

6.1.3 make, procure or induce any other person to make any Offer for all or any of the Relevant Securities;

6.1.4 enter into any agreement, arrangement or understanding (whether legally binding or not), or do or omit to do any act as a result of which such Covenantor or any other person may become obliged to make an Offer for all or any of the Relevant Securities;

6.1.5 announce, procure or induce any other person to announce any Offer for all or any of the Relevant Securities;

6.1.6 enter into any agreement, arrangement or understanding (whether legally binding or not), or do or omit to do any act as a result of which it or any other person may become obliged to announce an Offer for all or any of the Relevant Securities;

6.1.7 enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any of the Relevant Securities;  
or

6.1.8 contact or communicate with any shareholder of the Company in connection with the Permitted Purpose other than in accordance with the Code.

In the event that there is any contact or communication with shareholders of the Company in accordance with clause 6.1.8, the relevant Covenantor(s) will, at regular intervals, notify the Independent Committee and the Company's Rule 3 adviser and the Company's joint broker, that shareholders have been contacted for such purpose.

6.2 The restrictions in clause 6.1 will not apply:

6.2.1 if the Company (via the Independent Committee) has provided its prior written consent to the actions taken by a Covenantor;

- 6.2.2 so as to prevent any of the Covenantors' advisers from taking any action in the normal course of that person's investment or advisory business, provided such action is not taken on the instructions of, or otherwise in conjunction with or on behalf of, any of the Covenantors or anyone else in receipt of Confidential Information;
  - 6.2.3 to the acquisition of any Relevant Securities by any connected fund manager or principal trader (as defined in the Code);
  - 6.2.4 from the time of any announcement of a firm intention to make an offer for the Company under Rule 2.7 of the Code by Newco and/or any of the Covenantors that, at the time of the announcement, is to be recommended by the Independent Committee;
  - 6.2.5 from the time a third party (other than any of the Covenantors or their related and Connected Parties) makes an announcement of a firm intention to make an offer for the Company under Rule 2.7 of the Code (whether such offer is recommended or not);
  - 6.2.6 from the time that a third party (other than any of the Covenantors or their related and Connected Parties) announces a possible offer under Rule 2.4 of the Code;
  - 6.2.7 if any third party (other than any of the Covenantors or their related and Connected Parties) (together with its concert parties) becomes interested in shares carrying 30% or more of the voting rights of the Company;
  - 6.2.8 if a bona fide potential offeror makes, or announces a binding agreement to make an acquisition of all or substantially all of the undertakings, assets or business of the Company;
  - 6.2.9 if the Company or any of its Group enters into, or announces that it is proposing to enter into, a reverse takeover or "whitewash" proposal (each as referred to in the Code); or
  - 6.2.10 so as to prevent any of the Covenantors or any member of its Group or any of its advisers or agents, from acquiring any company which holds, or is interested in, any Relevant Securities, except where the principal reason for the purchase is to acquire an interest in Relevant Securities.
- 6.3 The restrictions set out in clause 6.1 shall not operate to prevent a Covenantor from:
- 6.3.1 making an announcement required by the Code but such an announcement will, if made in contravention of clause 6.1, constitute a breach of this agreement;
  - 6.3.2 making any proposal to the Independent Committee; or
  - 6.3.3 entering into any agreement, arrangement or understanding (whether or not legally binding) with any of its Connected Persons in connection with the Offer to be made by Newco.



- 6.4 The Covenantors shall not, and shall procure that no company in each Covenantor's Group shall, for a period of 6 months after the date of this agreement, without the prior written agreement of the Company:
- 6.4.1 employ or offer to employ, or enter into a contract for the services of, or engage, any individual who was, at any time during the negotiations relating to the proposed Offer, an officer or employee (not being a director of the Company or member of the Group) having any management or executive responsibility of the Company or any member of the Group (**Key Company Employee**) (other than Christopher Dickinson) or entice, solicit or procure any such person to leave the employment of the Company or member of the Company's Group (or attempt to do so) whether or not that person would commit any breach of contract in leaving such employment; or
- 6.4.2 procure or facilitate the making of any such offer or attempt by any other person.
- 6.5 The placing of an advertisement of a post available to a member of the public generally, the recruitment of a person through an employment agency or the employment of Key Company Employee following an approach on an unsolicited basis (whether such approach is direct or indirect) shall not constitute a breach of clause 6.4, provided that no member of the Covenantor's Group, or any of their respective officers and employees, encourages or advises such agency to approach any officer or Key Company Employee.
- 6.6 The Covenantors shall not, on the basis of any Confidential Information, for a period of 6 months after the discussions over the Offer have ended, deal with or seek the custom of any person who they know to be a client or customer of the Company or the Company's Group at any time during the negotiations relating to the Offer. Nothing in this clause 6.6 will in any way restrict or prevent a Covenantor from dealing with its customers or suppliers (or potential customers or suppliers) in the ordinary course of business, as long as it does not refer in any way to any Confidential Information or to the Offer.
- 6.7 The undertakings in this clause 6 apply to actions carried out by the Covenantors in any capacity and whether directly or indirectly, on their own behalf, on behalf of any other person or jointly with any other person.
- 6.8 Each of the covenants in this clause 6 are considered fair and reasonable by the parties.

## **7. REMEDIES**

Without prejudice to any other rights or remedies that the Company may have, each Covenantor acknowledges and agrees that damages alone may not be an adequate remedy for any breach of the terms of this agreement. Accordingly, the Company 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 the terms of this agreement.

## **8. INSIDE INFORMATION**

- 8.1 Each Covenantor acknowledges that some or all of the Confidential Information may in whole or in part constitute inside information for the purposes of the Market Abuse Regulation (as in force in the United Kingdom) (**MAR**) and/or Part V of the Criminal Justice Act 1993 (**CJA**) and that any officers, employees, advisers or agents of such Covenantor who are in, or acquire, possession of Confidential Information may have inside information for the purposes of MAR and information as an insider for the purposes of the CJA.
- 8.2 Each Covenantor confirms to the Company that it is aware of its obligations under all applicable law and regulations relating to unpublished, price-sensitive information and the prohibition on insider dealing contained in MAR.

## **9. WHOLE AGREEMENT AND CONDUCT OF NEGOTIATIONS**

- 9.1 This agreement constitutes the whole agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.
- 9.2 This agreement and the supply of Confidential Information does not constitute an offer by the Company to any of the Covenantors and does not impose an obligation on any party to continue discussions or negotiations in connection with any proposed Offer.
- 9.3 The Confidential Information may not be accurate or complete and the Company makes no representation or warranty as to the accuracy, completeness or reasonableness of the Confidential Information and no such representation or warranty shall be implied. The Company is not liable to the Covenantors or to any person to whom the Covenantors disclose the Confidential Information if it is relied on.

## **10. COSTS**

Unless otherwise specified, all costs in connection with the negotiation, preparation, execution and performance of this agreement (and any documents referred to in it) and the consideration or evaluation of the Confidential Information shall be borne by the party that incurred the costs.

## **11. ASSIGNMENT**

- 11.1 Except as provided otherwise in clause 11.2, no person may assign any of its rights under this agreement or any document referred to in it.
- 11.2 The Company may assign its rights to any company in its Group or to a successful buyer of the Company and those persons shall be entitled to enforce this agreement as if they were the Company.

## **12. ACTING AS PRINCIPAL**

- 12.1 The Covenantors are each acting as principal and not as a broker or agent.

12.2 So far as the Covenantors are aware, no Covenantor nor any other person connected with a Covenantor has an interest in the Company (whether all or part) that has not disclosed to the Company.

### **13. THIRD PARTY RIGHTS AND INTELLECTUAL PROPERTY**

13.1 Except as provided in this clause 13, this agreement is made for the benefit of the parties to it and their successors and permitted assigns and is not intended to benefit, or be enforceable by, anyone else.

13.2 This agreement is made for the benefit of the Company and all companies currently in the Company's Group, and they may enforce this agreement as if they were the Company and a party to this agreement.

13.3 The parties may terminate, rescind or vary this agreement without the consent of any person who is not a party to this agreement.

13.4 None of the Confidential Information is the property of the Covenantors. The disclosure to the Covenantors of any Confidential Information shall not give the Covenantors any licence or other rights whatsoever in respect of any part of such Confidential Information beyond the rights contained in this agreement.

### **14. SEVERANCE**

14.1 If any court or administrative body of competent jurisdiction finds any provision of this agreement to be invalid, unenforceable or illegal, the other provisions of this agreement shall remain in force.

14.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to make it valid, enforceable and legal.

### **15. VARIATION AND WAIVER**

15.1 A variation of this agreement shall be in writing and signed by or on behalf of all parties.

15.2 A waiver of any right under this agreement is only effective if it is in writing and it applies only to the person to whom the waiver is addressed and the circumstances for which it is given.

15.3 A person that waives a right in relation to one person, or who takes or fails to take any action against that person, does not affect its rights against any other person.

15.4 No failure to exercise or delay in exercising any right or remedy provided under this agreement or by law constitutes a waiver of such right or remedy or will prevent any future exercise in whole or in part thereof.

15.5 No single or partial exercise of any right or remedy under this agreement shall preclude or restrict the further exercise of any such right or remedy.

15.6 Rights arising under this agreement are cumulative and do not exclude rights provided by law.

**16. GOVERNING LAW AND JURISDICTION**

16.1 This agreement and any disputes or claims arising out of, or in connection with, its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the law of England.

16.2 The parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its formation (including non-contractual disputes or claims).

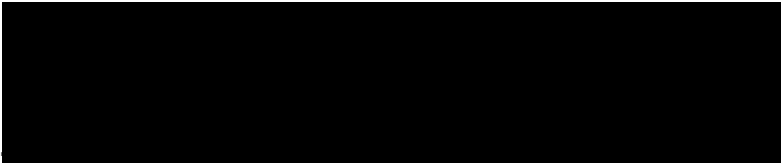
**17. GENERAL**

17.1 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. Delivery of a counterpart of this agreement by email attachment shall be an effective mode of delivery.

17.2 Nothing in this agreement shall prevent the Company from making an announcement relating to a possible offer, or publicly identifying the Consortium or a Covenantor as a potential offeror (as such term is construed in accordance with the Code), at any time that the Independent Committee considers appropriate.

**EXECUTED** under hand and delivered as a deed on the day and year first before written

Signed by



for and on behalf of **Caretech Holdings Director PLC**

In the presence of:

Witness signature:

Witness names (printed)

Witness occupation (printed)

Witness address (printed)



Signed by

for and on behalf of **Sheikh Holdings Group (Investments) Limited**

.....

**Director**

In the presence of:

Witness signature:

.....

Witness names (printed)

.....

Witness occupation (printed)

.....

Witness address (printed)

.....

.....

Signed by **HMSL Services Limited** as corporate directors

for and on behalf of

**Belgravia Investments Limited**

.....

**Director**

Signed by .....

for and on behalf of **CareTech Director Holdings PLC**

In the presence of:

Witness signature: .....

Witness names (printed) .....

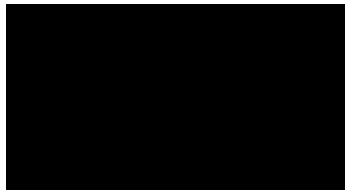
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Witness address (printed) .....

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Signed by

for and on behalf of **Sheikh Holdings Group (Investments) Limited**



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**Director**

In the presence of:

Witness signature: 

Witness names (printed) 

Witness occupation (printed)

Witness address (printed)

Signed by **HMSL Services Limited**  
corporate directors

for and on behalf of

**Belgravia Investments Limited**

Director

In the presence of:

Witness signature:

Witness names (printed)

Witness occupation (printed)

Witness address (printed)

Signed by **HMSL Services Limited**  
corporate directors

for and on behalf of

**Kensington Capital Limited**

Director

In the presence of:

Witness signature:

Witness names (printed)

Witness occupation (printed)

Witness address (printed)

Signed by

for and on behalf of

**THCP Advisory Limited**



.....

**Director**

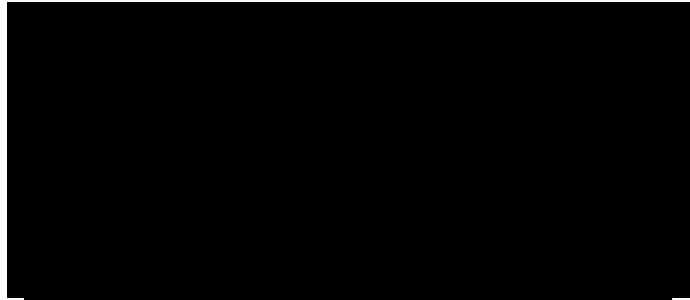
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Witness signature:

Witness names (printed)

Witness occupation (printed)

Witness address (printed)

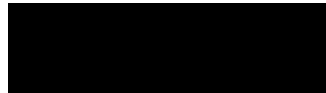


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Signed by

for and on behalf of

**THCS IV GP S.a.r.l**



.....

**General Partner**

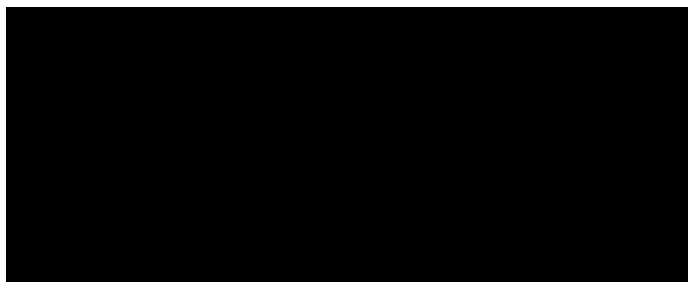
In the presence of:

Witness signature:

Witness names (printed)

Witness occupation (printed)

Witness address (printed)



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