

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION TO TRADING OF CARETECH SHARES ON AIM.

If you are in any doubt about the Offer or the contents of this document or 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 (as amended), if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you have sold or otherwise transferred all of your CareTech Shares, please send this document and the accompanying documents (other than documents or forms personalised to you) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted directly or indirectly (in whole or in part) in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of CareTech Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired CareTech Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact CareTech registrars, Link Group, on the telephone number set out on page 2 of this document to obtain personalised Forms of Proxy or Form of Election.

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 or regulations 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. To the fullest extent permitted by law, CareTech and Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.

Neither this document nor any of the accompanying documents is intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus, a prospectus-equivalent document or an exempted document, including for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.

Recommended Offer

for

CareTech Holdings PLC

by

Amalfi Bidco Limited

(a newly formed company indirectly owned by joint offerors Sheikh Holdings Group (Investments) Limited, Belgravia Investments Limited and Kensington Capital Limited, and funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. and advised by THCP Advisory Limited)

to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006

This document (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Forms of Proxy and Form of Election.

Your attention is drawn to the letter from the Chairman of the CareTech Independent Board in Part I (*Letter from the Chairman of the CareTech Independent Board, on behalf of the CareTech Independent Directors*) of this document, which contains the unanimous recommendation of the CareTech Independent Board that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Panmure Gordon (UK) Limited and Numis Securities Limited explaining the Scheme appears in Part II (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting, both of which will be held at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG on 8 September 2022, are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this document respectively. The Court Meeting will start at 10.00 a.m. and the General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

The action to be taken by CareTech Shareholders in relation to the Meetings is set out on page 9 below and in paragraph 19 of Part II (*Explanatory Statement*) of this document. It is very important that CareTech Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views. CareTech

Shareholders will receive a Blue Form of Proxy for use in connection with the Court Meeting and a White Form of Proxy for use in connection with the General Meeting.

If you have any questions about this document, the Court Meeting, the General Meeting or on the completion and return of the Forms of Proxy or Form of Election, please call the Shareholder Helpline between 9.00 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 664 0321 from the UK or +44 (0) 371 664 0321 from outside the UK. International rates apply to calls from outside the UK. Please note that calls may be monitored or recorded, and the Shareholder Helpline cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

Certain terms used in this document are defined in Part XI (*Definitions*) of this document.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the FCA and is acting as joint financial adviser and Rule 3 adviser to the CareTech Independent Board, and nominated adviser and joint broker to CareTech and for no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than the CareTech Independent Board for providing the protections afforded to its clients or for providing advice in relation to the Offer, the contents of this document or any other matters referred to in this document. Neither Panmure Gordon nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Panmure Gordon in connection with this document, any statement contained herein, the Offer or otherwise.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA and is acting as joint financial adviser to the CareTech Independent Board, and joint broker to CareTech and for no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than the CareTech Independent Board for providing the protections afforded to its clients or for providing advice in relation to the Offer, the contents of this document or any other matters referred to in this document. Neither Numis nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Numis in connection with this document, any statement contained herein, the Offer or otherwise.

Dean Street Advisers Limited ("**Dean Street**") is authorised and regulated by the FCA in the United Kingdom and is acting as joint financial adviser to Bidco and for no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients or for providing advice in relation to the Offer, the contents of this document or any other matters referred to in this document. Neither Dean Street nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Dean Street in connection with this document, any statement contained herein, the Offer or otherwise.

Citigroup Global Markets Limited ("**Citi**"), which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated in the UK by the FCA and the PRA, is acting joint financial adviser to Bidco and for no one else in connection with the Offer and other matters referred to in this document and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients or for providing advice in relation to the Offer, the contents of this document or any other matters referred to in this document. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this document, any statement contained herein, the Offer or otherwise.

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the PRA with deemed variation of permission. It is subject to regulation by the FCA and limited regulation by the PRA. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. Deutsche Bank AG, London Branch ("**Deutsche Bank**") is acting as financial adviser to Sheikh Holdings and no one else in connection with the matters described in this document and will not be responsible to anyone other than Sheikh Holdings for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the subject matter of this document or any other matter referred to in this document.

IMPORTANT NOTICES

This document and the accompanying documents are for information purposes only and are not intended to and do not constitute, or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of CareTech in any jurisdiction in contravention of applicable law. The Offer will be implemented solely pursuant to the terms of this document, which contains the full terms and conditions of the Offer, including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other decision or response in relation to the Offer should be made only on the basis of the information contained in this document.

This document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom. The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of CareTech except where otherwise expressly stated. Neither CareTech nor Bidco intends, or undertakes any obligation, to update information contained in this document, except as required by applicable law, the Takeover Code or other regulation.

This document does not constitute a prospectus, a prospectus equivalent document or an exempted document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by CareTech, the CareTech Independent Directors, Bidco, the Bidco Directors, or by Panmure Gordon, Numis, Dean Street, Citi or Deutsche Bank or any other person involved in the Offer. Neither the delivery of this document nor holding the Meetings, the Scheme Court Hearing, nor the filing of the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of CareTech or Bidco since the date of this document or that the information in, or incorporated into, this document is correct as at any time subsequent to its date.

If the Scheme is approved at the Meetings, an application will be made to the London Stock Exchange for the cancellation of the admission to trading of CareTech Shares on AIM to take effect on or shortly after the Effective Date.

Overseas jurisdictions

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to vote their CareTech Shares with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy appointing another to vote at the Meetings on their behalf, or to take up the Partial Alternative Offer may be affected by the laws of the relevant jurisdiction in which they are located. This document has been prepared for the purposes of complying with English law, the Takeover Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

The Scheme will be implemented in accordance with applicable English law and will be subject to the applicable requirements of the Takeover Code, the Disclosure Guidance and Transparency Rules of the FCA, the Panel and the rules of the London Stock Exchange (including the AIM Rules).

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available directly or indirectly, in or into, or by the use of (electronic) mail or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or facilities. Accordingly, copies of this document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. All persons receiving this document (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this document in, into or from any Restricted Jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Further details in relation to Overseas Shareholders are contained in paragraph 18 of Part II (*Explanatory Statement*) of this document.

CareTech Shareholders who are resident in a Restricted Jurisdiction are only eligible to receive the Cash Offer, and are not eligible to elect for the Partial Alternative Offer.

Additional information for CareTech Shareholders in the United States

The Offer relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Companies Act which is governed by English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or proxy solicitation rules under the US Exchange Act. Accordingly, the Offer is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the requirements of the US tender offer and proxy solicitation rules. If, in the future, Bidco exercises its right to implement the Offer by means of a Takeover Offer and determines to extend the Takeover Offer into the United States, such offer would be made in compliance with applicable US laws and regulations.

In accordance with normal United Kingdom practice, Bidco or its nominees or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of CareTech outside of the United States, other than pursuant to the Offer, until the date of the Offer and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchases shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

It may be difficult for US holders of CareTech Shares to enforce their rights and any claim arising out of the US federal laws, since CareTech, Bidco, Midco, Cleanco and Topco are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of CareTech Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The securities to be issued in connection with the Partial Alternative Offer pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. It is expected that any such securities would be issued in reliance upon the exemption

from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof, pursuant to another available exemption thereunder or in a transaction not subject to the registration requirements of the US Securities Act. Such securities will also not be registered under any US state securities laws and may only be issued to persons resident in a US state pursuant to an exemption from the registration requirements of the securities laws of such state.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The financial information included in this document has been prepared in accordance with IFRS and may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of consideration by a US holder for the transfer of CareTech Shares pursuant to the Scheme is expected to be a taxable transaction for US federal income tax purposes. Each CareTech Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable US federal, state and local as well as non-US and other tax laws.

Cautionary note regarding forward-looking statements

This document contains certain statements (including those incorporated by reference into this document) that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Bidco, the Consortium and/or CareTech. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts and are prospective in nature. Without limitation, forward-looking statements also often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, “projects” or other words or terms of similar meaning or the negative thereof. These statements are based on assumptions and assessments made by Bidco and/or CareTech (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Wider CareTech Group, the Wider Bidco Group, the Consortium’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation of the Wider CareTech Group, the Wider Bidco Group and the Consortium’s business. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither CareTech nor Bidco assume any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by the Panel, the Takeover Code or by applicable law.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this document. Neither Bidco nor CareTech undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except to the extent legally required.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates, and future business combinations or dispositions.

For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the CareTech Group, please refer to the annual report and accounts of the CareTech Group for its financial year ended 30 September 2021, which are incorporated into this document by reference.

No member of the Bidco Group or the CareTech Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

Except as expressly provided in this document, no forward-looking or other statements have been reviewed by the auditors of the Bidco Group or the CareTech Group. All subsequent oral or written forward-looking statements attributable to any member of the Bidco Group or the CareTech Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

No profit forecasts, quantified financial benefit statements or estimates

No statement in this document is intended, or is to be construed, as a profit forecast, profit estimate or quantified financial benefit statement for any period. No statement in this document should be interpreted to mean that earnings or earnings per CareTech Share or earnings or earnings per share for Bidco for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per CareTech Share or earnings or earnings per share for Bidco.

Dealing and Opening Position Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on websites and availability of hard copies

In accordance with Rule 26 of the Takeover Code, a copy of this document and the documents required to be published will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on the website used by Bidco at <http://www.sheikhholdings.co.uk/firm-offer-for-CareTech/> and on CareTech's website at <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited>.

Neither the content of any website referred to in this document nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this document.

A hard copy of this document will be sent to CareTech Shareholders (other than CareTech Shareholders who have elected to receive electronic communications). CareTech Shareholders may request a hard copy of this document by contacting Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales or by submitting a request in writing to the CareTech Registrars at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

In accordance with Rule 30.3 of the Takeover Code, CareTech Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form. If you have received this document in electronic form, copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by CareTech Shareholders, persons with information rights and other relevant persons for the receipt of communications from CareTech may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

General

If the Offer is effected by way of a Takeover Offer, and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining CareTech Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase CareTech Shares otherwise than under any Takeover Offer or the Scheme, including pursuant to privately negotiated purchases.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Date and time

This document is dated 25 July 2022. All times shown in this document are London times.

TABLE OF CONTENTS

	<i>Pages</i>
IMPORTANT NOTICES	3
ACTION TO BE TAKEN	9
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	14
PART I LETTER FROM THE CHAIRMAN OF THE CARETECH INDEPENDENT BOARD, ON BEHALF OF THE CARETECH INDEPENDENT DIRECTORS	16
PART II EXPLANATORY STATEMENT	28
PART III CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE OFFER AND THE SCHEME	51
PART IV THE SCHEME OF ARRANGEMENT	61
PART V FINANCIAL AND RATINGS INFORMATION	73
PART VI UK TAXATION	75
PART VII ADDITIONAL INFORMATION	79
PART VIII SUMMARY OF THE PARTIAL ALTERNATIVE OFFER, THE ROLLOVER SECURITIES AND THE TOPCO GROUP	104
PART IX HOW TO MAKE AN ELECTION FOR THE PARTIAL ALTERNATIVE OFFER	109
PART X RULE 24.11 ESTIMATE OF VALUE LETTER	114
PART XI DEFINITIONS	120
PART XII NOTICE OF COURT MEETING	132
PART XIII NOTICE OF GENERAL MEETING	135

ACTION TO BE TAKEN

For the reasons set out in this document, the CareTech Independent Directors unanimously recommend that Scheme Shareholders who are eligible to do so vote (or procure the vote) in favour of the Scheme at the Court Meeting, and the Special Resolution to be proposed at the General Meeting and further recommend that you take the action described below.

Scheme Shareholders may also elect for the Partial Alternative Offer and detailed instructions on the action to be taken by those Scheme Shareholders who wish to make an election under the Partial Alternative Offer are set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. The description in the paragraph titled "Elections for the Partial Alternative Offer" below is a summary of such instructions.

In deciding whether or not to elect for the Partial Alternative Offer, Scheme Shareholders are strongly encouraged to take their own independent advice and consider carefully the disadvantages and advantages of electing for the Partial Alternative Offer (including, but not limited to, those set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) in light of their own financial circumstances and investment objectives).

This page should be read in conjunction with the rest of this document and, in particular, the notices of the Court Meeting and the General Meeting at the end of this document.

Voting at the Court Meeting and the General Meeting

The Scheme requires approval at a meeting of Scheme Shareholders convened by order of the Court to be held at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG at 10.00 a.m. on 8 September 2022. Implementation of the Scheme also requires the approval of the Special Resolution necessary to implement the Scheme by CareTech Shareholders at the General Meeting to be held at the same place at 10.15 a.m. on 8 September 2022 (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Meetings are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this document.

Please check you have received with this document the following documents:

- a Blue Form of Proxy for use in respect of the Court Meeting on 8 September 2022;
- a White Form of Proxy for use in respect of the General Meeting on 8 September 2022;
- a Green Form of Election for use in respect of elections under the Partial Alternative Offer which relate to CareTech Shares held in certificated form only;
- for use in the UK only, one pre-paid envelope for the return of the Forms of Proxy in respect of the Court Meeting and the General Meeting; and
- for use in the UK only, one pre-paid envelope for the return of the Form of Election in respect of the Partial Alternative Offer.

If you have not received these documents, please contact the CareTech Registrars, Link Group, between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales) helpline on 0371 664 0321 if calling from the UK, or +44 (0) 371 664 0321 if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. Monday to Friday.

Whether or not you intend to attend the Meetings, PLEASE COMPLETE, SIGN AND RETURN:

- 1. THE BLUE FORM OF PROXY for use at the Court Meeting, or alternatively, if you hold your Scheme Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, Signal Shares or LinkVote+ so as to be received by not later than 10.00 a.m. on 6 September 2022 (see below for further details on making a proxy appointment through CREST, Signal Shares or LinkVote+); and**
- 2. THE WHITE FORM OF PROXY for use at the General Meeting, or alternatively, if you hold your CareTech Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, Signal Shares or LinkVote+, so as to be received by not later than 10.15 a.m. on 6 September 2022 (see below for further details on making a proxy appointment through CREST, Signal Shares or LinkVote+).**

This will enable your votes to be counted at the Meetings in the event of your absence.

If the Blue Form of Proxy for use at the Court Meeting is not lodged with the CareTech Registrars, Link Group, by 10.00 a.m. on 6 September 2022, it may be handed to the CareTech Registrars or the Chairman of the Court Meeting before the start of that Meeting. However, in the case of the General Meeting, the White Form of Proxy must be lodged with the CareTech Registrars by 10.15 a.m. on 6 September 2022 in order to be valid.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares and are also entitled to appoint more than one proxy to attend, speak at and vote instead of them at the Court Meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company.

CareTech Shareholders are entitled to appoint a proxy in respect of some or all of their CareTech Shares and are also entitled to appoint more than one proxy to attend, speak at and vote instead of them at the General Meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company.

A space has been included in the Forms of Proxy to allow shareholders to specify the number of Scheme Shares (on the Blue Form of Proxy) or the number of CareTech Shares (on the White Form of Proxy) in respect of which a proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all their Scheme Shares or CareTech Shares (as the case may be).

For those holders of CareTech Shares in certificated form, the voting record time for the General Meeting is the time of the vote or, if the meeting is adjourned, the time of the vote at such adjourned meeting.

If you wish to appoint multiple proxies in connection with the Court Meeting or the General Meeting you may:

- a) photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to the CareTech Registrar at the address above; or
- b) call the helpline on 0371 664 0321 (from within the UK) or +44 (0) 371 664 0321 (from outside the UK) between 9.00 a.m. and 5.30 p.m. during Monday to Friday (except public holidays in England and Wales) who will then arrange with the CareTech Registrar to issue you with the required multiple Forms of Proxy.

In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

To vote at the Meetings making a proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the CareTech Registrar (under participant ID RA10) not later than 10.00 a.m. on 6 September 2022 in the case of the Court Meeting and not later than 10.15 a.m. on 6 September 2022 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting (excluding any part of a day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the CareTech Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

If you wish, you will be able to vote electronically using the link www.signalshares.com. You will need to log into your Signal Shares account or register if you have not previously done so. To register you will need your Investor Code; this is detailed on your share certificate or available from our registrars, Link Group. Votes via Signal Shares should be received by not later than 10.00 a.m. on 6 September 2022 for the Court Meeting and by not later than 10.15 a.m. on 6 September 2022 for the General Meeting.

Link Group, the Company’s registrar, has launched a shareholder app: LinkVote+. It’s free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Votes via LinkVote+ should be received by not later than 10.00 a.m. on 6 September 2022 for the Court Meeting and by not later than 10.15 a.m. on 6 September 2022 for the General Meeting.

Apple App Store	GooglePlay
	

The completion and return of Forms of Proxy or the submission of a proxy via the CREST electronic proxy appointment service, Signal Shares or LinkVote+, will not prevent you from attending and voting at the Court Meeting and/or the General Meeting, or any adjournments thereof, in person should you wish to do so and are entitled to do so.

If the Scheme becomes Effective, it will be binding on CareTech and all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

If you have any questions about how to complete the Forms of Proxy or submitting your proxies electronically, please contact the helpline between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except public holidays in England and Wales) on 0371 664 0321 (from within the UK) or +44 (0) 371 664 0321 (from outside the UK) who will, if required, then refer to the CareTech Registrar. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline operators are prohibited from providing advice on the merits of the offer and cannot give any financial, legal or tax advice.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy electronically through CREST, Signal Shares or LinkVote+ (as appropriate) as soon as possible.

Elections for the Partial Alternative Offer

As an alternative to the Cash Offer, eligible CareTech Shareholders may elect to receive the Partial Alternative Offer, subject to the terms and conditions of the Partial Alternative Offer. Further details of the Rollover Securities are set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. An eligible CareTech Shareholder may elect to take up the Partial Alternative Offer in respect of all or part of their holding of CareTech Shares (subject to the terms and conditions of the Partial Alternative Offer set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) of this document). The Rollover Securities have been independently valued by Citi and Dean Street, in their capacity as financial advisers to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in a letter at Part X (*Rule 24.11 Estimate of Value Letter*) of this document.

If you hold CareTech Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder and you wish to make an election under the Partial Alternative Offer, please complete the Form of Election in accordance with the instructions printed on such form and return it by post to Link Group at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to reach Link Group by no later than the Election Return Time. A pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme. If you hold CareTech Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder and you wish to elect for the Partial Alternative Offer you should not complete a Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part IX (*How to make an election for the Partial Alternative Offer*) to transfer your CareTech Shares to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your CareTech Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your CareTech Shares.

If you hold CareTech Shares in both certificated and uncertificated form and you wish to make an election under the Partial Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted. However, any indirect Scheme Shareholder who holds Scheme Shares through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, and who wishes to elect for the Partial Alternative Offer may need first to arrange with such nominee for the

transfer of such Scheme Shares into, and then make an election for such Alternative Offer in, its own name.

CareTech Shareholders who elect for the Partial Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to adhere to the Rollover Securities Shareholders' Agreement relating to Topco as a condition of such election. The power of attorney will also provide for the signing on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the Rollover as conditions of such election. As part of completing a Form of Election, holders of CareTech Shares in certificated form will be asked to provide an email address for service of notices pursuant to the Rollover Securities Shareholders' Agreement. Bidco reserves the right to treat email addresses previously given to CareTech or by holders of CareTech Shares in uncertificated form who wish to elect for the Partial Alternative Offer as the addresses for notices under the terms of the Rollover Securities Shareholders' Agreement. Alternatively, such holders may notify CareTech or the CareTech Registrar's of their email addresses if they wish to receive such notices by email. Bidco will regard the addresses in the register of members of CareTech of holders of CareTech Shares who wish to elect for the Partial Alternative Offer as being the addresses for notices under the Rollover Securities Shareholders' Agreement. If you wish to receive cash for all the CareTech Shares that you hold at the Scheme Record Time and do not wish to make an election under the Partial Alternative Offer, you are not required to return the Form of Election or make a TTE Instruction electing for the Partial Alternative Offer.

Restricted Shareholders will, under the Offer, only be entitled to receive Cash Consideration for the CareTech Shares they hold and they will not have the option of taking Rollover Securities under the Partial Alternative Offer. Any purported election for the Partial Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

CareTech Share Plans

Participants in the CareTech Share Plans will be contacted separately on or around the date of this document regarding the effect of the Scheme on their rights under the CareTech Share Plans.

Shareholder Helpline

If you have not received any of the documents listed or if you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or how to appoint a proxy through the CREST electronic proxy appointment service, Signal Shares or LinkVote+, or how to complete the Form of Election or if you have not received all of the relevant documents, please call the helpline on 0371 664 0321 or, if calling from outside the UK, on +44 (0) 371 664 0321 between 9.00 a.m. and 5.30 p.m. during Monday to Friday (excluding public holidays in England and Wales). Please note that helpline operators cannot provide commercial, financial, tax or legal advice and calls may be recorded and monitored for security and training purposes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London time unless otherwise stated. All dates and times are based on CareTech's and Bidco's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to CareTech Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on CareTech's website at <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited>

	<i>Time and/or date 2022⁽¹⁾</i>
Publication of this document	25 July
Latest time for lodging the Blue Form of Proxy for the Court Meeting	10.00 a.m. on 6 September ⁽²⁾
Latest time for lodging the White Form of Proxy for the General Meeting	10.15 a.m. on 6 September ⁽²⁾
Voting Record Time	6.30 p.m. on 6 September ⁽³⁾
Court Meeting	10.00 a.m. on 8 September
General Meeting	10.15 a.m. on 8 September ⁽⁴⁾
The following dates are indicative only and are subject to change:⁽⁵⁾	
Scheme Court Hearing	23 September
Election Return Time for the Green Form of Election	1.00 p.m. on 23 September
Last day of dealings in, and registrations of transfers of, and disablement of CareTech Shares in CREST	26 September ⁽⁵⁾
Scheme Record Time	6.00 p.m. on 26 September
Suspension of dealings in CareTech Shares	7.30 a.m. on 27 September
Effective Date of the Scheme ⁽⁶⁾	27 September
Cancellation of admission to trading of CareTech Shares on AIM	7.00 a.m. on 28 September
Issue of Rollover Securities to Scheme Shareholders who have elected for the Partial Alternative Offer	Within 14 days of the Effective Date
Despatch of cheques and crediting of CREST accounts for Cash Consideration due under the Scheme	Within 14 days of the Effective Date
The date by which the Scheme must become unconditional and effective, failing which it will lapse	31 December 2022 ⁽⁷⁾

(1) These times and dates are indicative only and will depend, among other things, on the dates upon which (i) the Conditions are satisfied or (where permitted) waived, (ii) the Court sanctions the Scheme and (iii) the Court Order is delivered to the Registrar of Companies. CareTech will announce any changes to these dates through a Regulatory Information Service.

Participants in the CareTech Share Plans will be contacted separately following the date of this document to inform them of the effect of the Scheme on their rights under the CareTech Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.

(2) It is requested that Blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (noting that, in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). Blue Forms of Proxy not so lodged may be handed to the CareTech Registrar or the Chairman of the Court Meeting before the start of the Court Meeting.

White Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting (noting that, in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day). White Forms of Proxy not returned so as to be received by the time mentioned above and in accordance with the instructions on the White Form of Proxy will be invalid unless the CareTech Independent Directors direct otherwise.

- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the day which is two Business Days prior to the time of the adjourned Meeting.
- (4) To commence on 8 September 2022 at 10.15 a.m. or as soon thereafter as the Court Meeting shall have concluded or adjourned.
- (5) CareTech Shares will be disabled in CREST from 6.00 p.m. on 26 September 2022.
- (6) The Scheme will become Effective pursuant to its terms upon the Court Order being delivered to the Registrar of Companies.
- (7) This is the latest date by which the Scheme may become effective unless CareTech and Bidco agree (and, if required, the Panel and the Court permit) a later date.

PART I

LETTER FROM THE CHAIRMAN OF THE CARETECH INDEPENDENT BOARD, ON BEHALF OF THE CARETECH INDEPENDENT DIRECTORS

(Incorporated and registered in England and Wales with registered number 04457287)

CareTech Independent Directors:

Jamie Cumming (*Non-Executive Chairman*)
Dr Moira Livingston (*Non-Executive Director*)
Adrian Stone (*Non-Executive Director*)

Registered office:

5th Floor, Metropolitan House
3 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AG

25 July 2022

To all CareTech Shareholders and, for information only, to participants in the CareTech Share Plans and persons with information rights

Dear Shareholder,

RECOMMENDED OFFER FOR CARETECH HOLDINGS PLC BY AMALFI BIDCO LIMITED

1. Introduction

On 27 June 2022 (the “**Announcement Date**”), the Bidco Directors and the independent committee of the board of CareTech Holdings PLC (“**CareTech**”), consisting of Jamie Cumming, Dr Moira Livingston and Adrian Stone (the “**CareTech Independent Directors**”) (the “**CareTech Independent Board**”) announced that they had reached agreement on the terms of a recommended offer by Bidco for the entire issued, and to be issued, ordinary share capital of CareTech (the “**Offer**”).

It is intended that the Offer will be implemented by way of a court-sanctioned scheme of arrangement between CareTech and Scheme Shareholders under Part 26 of the Companies Act (the “**Scheme**”). Scheme Shareholders will receive 750 pence in cash for each Scheme Share. Scheme Shareholders will also be able to elect under the Partial Alternative Offer, in respect of all or part of their Scheme Shares, to receive Rollover Securities in lieu of all or part of the Cash Consideration to which they are otherwise entitled.

I am writing to you today, on behalf of the CareTech Independent Directors, to set out the background to and terms of the Offer and explain why the CareTech Independent Directors consider the terms of the Cash Offer to be fair and reasonable and why they unanimously recommend that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution relating to the Offer at the General Meeting, as I (being the only member of the CareTech Independent Board who holds CareTech Shares) have irrevocably undertaken to do so in respect of my own beneficial holdings of 2,500 CareTech Shares, in aggregate, representing approximately 0.002 per cent. of CareTech’s issued ordinary share capital on the Latest Practicable Date.

In order to approve the terms of the Offer, the required majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and the required majority of CareTech Shareholders will need to vote in favour of the Special Resolution to be proposed at the General Meeting. The Court Meeting and the General Meeting are to be held on 8 September 2022. The Court Meeting will start at 10.00 a.m. and the General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded or adjourned) respectively. Details of the actions you are asked to take are set out in paragraph 19 of Part II (*Explanatory Statement*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. Details of the recommendation of the CareTech Independent Directors are set out in paragraph 18 below.

Scheme Shareholders and CareTech Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (electronically, online through CREST, Signal Shares, LinkVote+ or by post)

set out in this document. Scheme Shareholders and CareTech Shareholders are also strongly encouraged to appoint “the Chairman of the meeting” as their proxy.

2. Summary of the terms and structure of the Offer

Under the terms of the Offer, which is subject to the Conditions and additional further terms summarised below and in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document, Scheme Shareholders who are on the register of members of CareTech at the Scheme Record Time are entitled to receive:

for each Scheme Share 750 pence in cash (the “Cash Consideration”)

The Offer values the entire issued and to be issued ordinary share capital of CareTech at approximately £870.4 million on a fully diluted basis and implies an enterprise value to underlying EBITDA of 12.6x for the year ended 30 September 2021 (on a pre-IFRS 16 basis) and implied enterprise value to underlying EBITDA of 13.0x for the year ended 30 September 2021 (on a post-IFRS 16 basis).

The Cash Consideration represents a premium of approximately:

- 28.0 per cent. to the CareTech closing share price as at 4 March 2022 (being the last Business Day before the commencement of the Offer Period);
- 29.8 per cent. to the volume weighted average price for the one month ended on 4 March 2022 (being the last Business Day before the commencement of the Offer Period); and
- 31.7 per cent. to the volume weighted average price for the three months ended on 4 March 2022 (being the last Business Day before the commencement of the Offer Period).

The purpose of the Scheme is to provide for Bidco to become the owner of the entire issued and to be issued ordinary share capital of CareTech. This is to be achieved by the transfer by Scheme Shareholders of all of the Scheme Shares to Bidco, in consideration for which, Scheme Shareholders will receive the Cash Consideration and/or Rollover Securities pursuant to the Partial Alternative Offer.

Partial Alternative Offer

As an alternative to the Cash Offer, an eligible CareTech Shareholder may elect to receive D Ordinary Shares in the capital of Amalfi Topco Limited, the indirect parent of Bidco (“**Topco**”), having the rights of D Ordinary Shares set out in the articles of association of Topco and as set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) (the “**Rollover Securities**”) in exchange for their holding of Scheme Share(s) at the following ratio:

7.5 Rollover Securities for each Scheme Share

or such other ratio as may be determined, prior to the Scheme Court Hearing, by Bidco as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied and subject to the terms and conditions of the Partial Alternative Offer. Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible CareTech Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Scheme Court Hearing.

Eligible Scheme Shareholders will be able to elect for the Partial Alternative Offer in relation to all or part of their holding of Scheme Shares.

Further details of the Rollover Securities are set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. An eligible CareTech Shareholder may elect to take up the Partial Alternative Offer in respect of all or part of their holding of CareTech Shares. The Rollover Securities have been independently valued by Citi and Dean Street, in their capacity as financial advisers to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such

estimate of the value) is set out in a letter at Part X (*Rule 24.11 Estimate of Value Letter*) of this document.

Dividends

If, on or after the Announcement Date, any dividend, distribution or other return of capital or value is announced, declared, paid or made or payable by CareTech on the CareTech Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Partial Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Partial Alternative Offer for each CareTech Share is equal to the consideration payable under the terms of the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Cash Offer (or consideration due under the Partial Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Scheme Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

Conditions to the Scheme

The Offer is subject to the conditions set out in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document, including the approval of the Scheme at the Court Meeting, the passing of the Special Resolution at the General Meeting and the sanction of the Scheme by the Court.

3. Background to and reasons for the Offer

The CareTech business was founded by Farouq Sheikh and Haroon Sheikh (the “**Founders**”) in 1993 with its first facility being The Avenue in Watford, Hertfordshire. CareTech was admitted to trading on AIM (a market operated by the London Stock Exchange) in 2005 and has continued to grow in both scale and offerings to become one of the UK’s largest social care providers. CareTech operates facilities with high standards and quality ratings.

CareTech is a business with long-term investment requirements and Bidco believes that private ownership of CareTech would allow CareTech’s management to focus on operating the business for the long-term, both to grow CareTech organically and inorganically and to continue to deliver high standards of care in its facilities. Bidco believes that in taking CareTech private, it is making this cash offer at an attractive valuation to CareTech’s shareholders, namely at a significant premium to the prevailing share price and at a premium to the all-time high CareTech share price.

Pursuant to the Offer, the Sheikh Group will be the controlling shareholders of Topco and Farouq and Haroon Sheikh will remain fully involved in the management of CareTech, and expect to do so along with the existing senior management team. The Founders have been instrumental in delivering growth and high standards of care in a complex and operationally demanding sector and, as such, Bidco believes that it is important that CareTech continues to benefit from the extensive experience of the Founders.

Under Bidco’s ownership it is intended that CareTech will continue its support for the CareTech Charitable Foundation and its work supporting individuals with physical and learning disabilities, advancing skills development for the care sector, and supporting local communities.

The Bidco Board believes the Offer represents a compelling opportunity and would be beneficial to all stakeholders for a number of reasons, including:

- the opportunity to realise immediate value now in cash at a substantial premium or to choose to rollover all or partial holdings into the private company;
- a new long-term financing structure for CareTech;
- the continuity of CareTech’s highly experienced management team; and

- consistency of strategy and quality of service to deliver a high standard and duty of care to CareTech's service users.

4. Background to and reasons for the recommendation

Performance of CareTech

Since the initial public offer ("**IPO**") of CareTech in 2005, CareTech has grown revenue from £22.5 million in FY05 to £489.1 million in FY21 (21.2 per cent. CAGR) and reported underlying EBITDA (pre-IFRS 16) from £2.4 million in FY05 to £93.3 million in FY21 (25.7 per cent. CAGR). In the period from FY05 to the date of the Announcement, CareTech paid ordinary dividends to shareholders totalling £83.6 million. The CareTech share price has increased from an IPO price of 160 pence per share to 586 pence per share as at 4 March 2022 (being the last Business Day before the commencement of the Offer Period).

CareTech completed the transformative acquisition of Cambian Group plc ("**Cambian**") in 2018, which significantly increased CareTech's presence in the children's specialist care market. Following the acquisition, CareTech's management of Cambian has resulted in significant operational improvement, with Cambian's pre-IFRS 16 underlying EBITDA margins increasing from 9.5 per cent. in 2017 to 13.4 per cent. in 2019.

CareTech is one of the largest providers of social care services across the UK and has performed strongly through the COVID-19 pandemic, with operational disruption minimised and robust financial performance with pre-IFRS 16 underlying EBITDA growing annually between FY19 and FY21. CareTech has performed in-line with board expectations in the first six months of FY22, despite COVID-19 and pressures on staffing.

In recent years, CareTech has also invested in technology with the ambition to develop a sector first Digital Pathway of services blending care and technology to enhance the lives of service users and also has an emerging presence in international markets following several acquisitions in the UAE.

Bidco's Offer

CareTech has delivered significant growth, operational improvement, and significant value creation to its shareholders following its admission to trading on AIM. Following shareholder feedback, CareTech has significantly reduced its gearing from 4.9x underlying EBITDA (pre-IFRS 16 basis) as at 30 September 2015 to 2.8x as at 30 September 2021. However, the CareTech Independent Directors believe that CareTech's strong operational performance and deleveraging has not been fully reflected in its rating and equity valuation.

The CareTech Independent Directors believe that the Offer represents an opportunity for shareholders to crystallise the value of their holdings today and realise possible value creation in cash at a significant premium to the undisturbed share price. The Offer represents a premium of approximately:

- 28.0 per cent. to the CareTech closing share price of 4 March 2022 (being the last business day before the commencement of the Offer Period);
- 29.8 per cent. to the volume weighted average price for the one month ending on 4 March 2022 (being the last business day before the commencement of the Offer Period);
- 31.7 per cent. to the volume weighted average price for the three months ending on 4 March 2022 (being the last business day before the commencement of the Offer Period); and
- 7.3 per cent. to the undisturbed all-time high CareTech closing share price on 3 September 2021.

The CareTech Independent Directors note that the implied enterprise value to underlying EBITDA of 12.6x for the year ended 30 September 2021 (on a pre-IFRS 16 basis) and implied enterprise value to underlying EBITDA multiple of 13.0x for the year ended 30 September 2021 (on a post-IFRS 16 basis) is comparable to other relevant sector transactions.

The CareTech Independent Directors note the strong CareTech Shareholder support for the Offer, with CareTech Shareholders holding 24.7 per cent. of the issued ordinary share capital of CareTech providing irrevocable undertakings and CareTech Shareholders holding 12.3 per cent. of the issued ordinary share capital of CareTech providing non-binding letters of intent to support the scheme of

arrangement, as detailed in paragraph 6 of this Part I. When taken together with the direct and indirect holdings of the Sheikh Group, together with persons “acting in concert” (for the purposes of the Takeover Code), the irrevocable undertakings and non-binding letters of intent represent, in aggregate, approximately 49.2 per cent. of CareTech’s issued ordinary share capital.

The CareTech Independent Directors also recognise the limited liquidity of CareTech Shares which makes it challenging for CareTech Shareholders to monetise their holdings should they so wish. The Cash Offer provides the opportunity for CareTech Shareholders to realise their investment at a compelling valuation in cash, at a record share price, whilst the Partial Alternative Offer provides CareTech Shareholders with the opportunity to benefit in the potential future upside of the business. The disadvantages and advantages of the Partial Alternative Offer for individual CareTech Shareholders are as set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*).

The CareTech Independent Directors believe that the Offer has the potential to deliver a number of strategic opportunities to CareTech’s business through private ownership, including the ability to accelerate investment in organic and inorganic growth, in particular because, typically, listed company investors have a preference for lower levels of gearing when compared to similar private companies. In addition to continued growth opportunities in the UK the CareTech Independent Directors believe that diversification of CareTech beyond the UK speciality care market is important to the future growth of CareTech. As CareTech continues its international expansion into the Gulf Cooperation Council region and invests in the growth of its technology division, there will likely be an increasing number of opportunities to deploy organic or inorganic growth capital. The CareTech Independent Directors believe that the Offer will allow the existing care-focused culture of the business to continue and enable CareTech to continue to focus on delivering high standards of care to its service users.

However, the CareTech Independent Directors also believe that there remain potential risks to CareTech’s continued growth and medium-term outlook. Changes to NHS commissioned services, a more enhanced regulatory environment and limitations and/or caps on local authority payments may make it harder for CareTech Shareholders to continue to see growth. In addition, there is the risk that the current inflationary environment creates operational inflationary pressures and wage increases in the CareTech Group, which may not be offset by fee increases negotiated with local authorities. Staff retention and resourcing challenges may also continue to persist, which could limit CareTech’s ability to operate all sites at full capacity. Furthermore, the nature of the services provided by CareTech can also result in high levels of public scrutiny which can disproportionately impact the share price. The Cash Offer allows CareTech Shareholders the opportunity to crystallise value at an all-time share price high without taking these potential risks.

In addition to the financial terms of the Cash Offer, in its evaluation of Bidco as a suitable owner of CareTech from the perspective of all stakeholders, the CareTech Independent Directors have taken into account Bidco’s intentions for the business, management and employees and other stakeholders of CareTech. The CareTech Independent Directors note that Bidco is committed to supporting the existing business strategy and does not intend to make any change in headcount, except for in relation to the members of the CareTech Independent Board. The CareTech Independent Board believe that continuity of the management team, following completion of the Offer, will ensure any disruption to stakeholders of the business (including service users and their carers) related to the Offer will be minimised and will allow management to focus on operating the business for the long-term, both to grow and continue to deliver high standards of care across its facilities. The CareTech Independent Directors also note that Bidco has confirmed that the existing contractual and statutory employment rights, including those related to pensions, of all CareTech’s management and employees will be fully safeguarded in accordance with applicable law.

Accordingly, following careful consideration of the above factors, the CareTech Independent Directors unanimously recommend the Cash Offer to CareTech Shareholders and believe that the CareTech Shareholders should have the opportunity to approve the Offer.

5. CareTech Independent Board

Given their interests in the Offer, Farouq Sheikh, Haroon Sheikh, Christopher Dickinson and Mike Adams have not participated in the appraisal by the CareTech Independent Board of the Offer. The CareTech Board has constituted a committee comprised of the CareTech Independent Directors (being

Jamie Cumming, Dr Moira Livingston and Adrian Stone) for the purpose of evaluating and recommending the Offer to CareTech Shareholders. Although Dr Moira Livingston is a trustee and is on the board of the CareTech Charitable Foundation, which is deemed to be acting in concert with Bidco, this is not considered to impede her independence as her role with the CareTech Charitable Foundation is to act as an unpaid independent director representative of CareTech.

6. Irrevocable undertakings and letters of intent

Irrevocable Undertakings

Bidco has received irrevocable undertakings in respect of a total of 27,992,380 CareTech Shares, representing, in aggregate, approximately 24.7 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date. Further details of the irrevocable undertakings received are set out below.

In addition to the irrevocable undertaking from Jamie Cumming (being the only member of the CareTech Independent Board who holds CareTech Shares), mentioned in paragraph 18 below, Bidco has also received irrevocable undertakings from Lombard Odier Asset Management (Europe) Limited, Richard Griffiths, Stitching Value Partners Family Office, OVMK Asset Management Nv and Mike Adams, to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer).

The irrevocable undertakings from Lombard Odier Asset Management (Europe) Limited, Richard Griffiths, Stitching Value Partners Family Office and OVMK Asset Management Nv cease to be binding if: (i) the Effective Date has not occurred by the Long Stop Date; or (ii) Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Offer and no new, revised or replacement offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time; or (iii) the Scheme or Offer lapses or is withdrawn.

Richard Griffiths has also elected to receive the Partial Alternative Offer in respect of 5,233,870 CareTech Shares held by him and Lombard Odier Asset Management (Europe) Limited has also elected to receive the Partial Alternative Offer in respect of not less than 2,000,000 CareTech Shares held by it (each subject to scale back as set out in paragraph 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document).

In addition, the Sheikh Group, together with persons "acting in concert" (for the purposes of the Takeover Code) with Bidco and Sheikh Holdings (the "**Concert Party**"), is interested in, directly and indirectly, 14,878,686 shares in CareTech, representing 12.3 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date.

Letters of intent

In addition to the irrevocable undertakings referred to above, the Consortium and/or Bidco have received non-binding letters of intent to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event if the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of, in aggregate, 13,945,772 CareTech Shares, representing approximately 12.3 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date.

The Consortium and Bidco have, therefore, received irrevocable undertakings and non-binding letters of intent in respect of a total of 41,938,152 CareTech Shares representing, in aggregate, approximately 37.0 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date.

Further details of these irrevocable undertakings (including the circumstances in which they will fall away) and these non-binding letters of intent are set out in paragraph 7 of Part VII (*Additional Information*) of this document.

Copies of the irrevocable undertakings are available on CareTech's website at <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited> and will remain on display until the end of the Offer Period.

7. Information relating to CareTech

CareTech is one of the largest providers of specialist social care services, supporting adults and children with a wide range of complex needs in specialist services around the UK and with a growing international presence. Committed to the highest standards of care and care governance, CareTech's innovative care pathway covers four divisions, being Foster Care, Children's Services, Adult Services and Digital Technology. In addition, the International division is reported as a separate division in the unaudited interim results in the six months to 31 March 2022.

The CareTech business was founded in 1993 by Haroon Sheikh and Farouq Sheikh and began trading on the AIM market of the London Stock Exchange in October 2005. CareTech has grown significantly over the years, both through organic growth, bolt-on acquisitions and larger acquisitions to generate over £489 million of revenue in the year ended 30 September 2021. CareTech's unaudited interim accounts for the six months to 31 March 2022 showed over £249 million of revenue for the period.

CareTech's care provision and children's services offering was substantially enhanced with the transformative acquisition of Cambian, a provider of children's specialist education and behavioural health services, in October 2018. Since then, CareTech has made a number of additional acquisitions across its divisions, including in November 2020, when CareTech completed the transfer of seven specialist services previously operated by The Huntercombe Group and rebranded as Coveberry. This acquisition added facilities for the treatment of adults with complex learning disabilities, autism and mental health diagnoses to the CareTech Group's offerings.

CareTech currently supports around 5,000 adults and children in the UK with a wide range of complex needs in more than 550 services in the UK employing more than 11,050 staff. Its property portfolio comprises over 400 freehold and long leasehold properties.

In recent years CareTech has also invested in technology with the ambition to develop a sector first Digital Pathway of services blending care and technology to enhance the lives of service users. This strategy commenced initially through the acquisition of Smartbox in October 2020, a market-leading creator of software, hardware and content that helps individuals without speech to have a voice and live more independently. CareTech's ambition to develop a sector first Digital Pathway of services was further enhanced with the acquisition of Rehavista GmbH ("**REHAVISTA**") in November 2021 which CareTech believes provides a significant opportunity for Smartbox to expand the products and services available in Germany. REHAVISTA is Germany's largest provider of augmentative and alternative communication (AAC) products and services.

CareTech also has an emerging presence in international markets following several acquisitions in the UAE. CareTech first expanded into the UAE through the acquisition of a 51 per cent. interest in the UAE based AS Group in 2019 and grew further through the acquisitions of a 51 per cent. interest in the Wellness Group by CareTech and the acquisition of a 70 per cent. interest in Dmetco-Bayti Group by AS Group, both in 2022. Dmetco-Bayti is a well-established home healthcare provider managing the daily health and social care needs of its patients across the UAE and the Wellness Group, which provides integrated physical health consultations and surgical services. Both acquisitions will expand the care pathway in the UAE to encompass specialist health and social care services in home care environments and physical healthcare services in specialist clinic settings. CareTech's long-term goal in the Middle East and Gulf region is to create an integrated solutions provider of care and technology for the mental health, social care, special education and physical healthcare pathway, offering broad access to people with complex needs and disabilities in local communities.

The Technology division and International division of CareTech together accounted for 7.8 per cent. of CareTech's audited FY21 revenue and 12.3 per cent. of CareTech's unaudited revenue for the six months to 31 March 2022.

CareTech established the CareTech Charitable Foundation in 2017 and makes annual donations to the CareTech Charitable Foundation. The work of the CareTech Charitable Foundation focuses on three key objectives: (i) physical and learning disabilities and specialist services support; (ii) skills development for the care sector; and (iii) supporting communities and the CareTech family (the "**Objectives**").

The CareTech Charitable Foundation delivers the Objectives through three key approaches: (i) providing grants to significant partnerships; (ii) match-funding to amounts raised by individual CareTech

employees for charitable causes in line with the Objectives; and (iii) family and friends grants to support the family, friends and wider communities of CareTech staff facing significant challenges.

8. Management, employees, pensions, research and development and locations

Bidco's strategic plans for CareTech

As set out in paragraph 4 above, Bidco believes that the Offer has a compelling strategic and financial rationale.

Bidco highly values the current structure, strategy and management of the CareTech business and recognises that the management team and colleagues will be key to CareTech's success going forward. In particular, Bidco values the CareTech management team's operational expertise and experience. Bidco is therefore committed to supporting the existing CareTech management team in continuing to execute its existing strategy, which has served the business and its stakeholders well. Bidco is also committed to supporting CareTech to continue to receive high quality ratings from its regulators and to provide an excellent quality of service to its customers.

Following completion of the Offer, a limited number of third party PLC-related functions may be reduced in scope or become unnecessary. However, save as noted below in relation to the CareTech Independent Board, Bidco does not expect any change in headcount or the balance of skills and functions of employees and management of the CareTech Group to arise as a consequence of the Offer becoming Effective.

Under Bidco's ownership, CareTech intends to continue its support for the CareTech Charitable Foundation.

Employees and management

Bidco attaches great importance to the skills and experience of CareTech's management and employees and acknowledges that they are fundamental to the future success of the CareTech business. Bidco confirms that, upon and following the Offer becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all CareTech's management and employees will be fully safeguarded in accordance with applicable law. CareTech does not operate or contribute to any defined benefit pension schemes in respect of its employees.

It is intended that, upon completion of the Offer, each of the members of the CareTech Independent Board shall resign from his or her office as a director of CareTech.

Management incentivisation arrangements

Options under the CareTech Long Term Incentive Plan ("LTIP") and the other CareTech Share Plans will be treated in accordance with the rules of the relevant plan as a consequence of the Offer.

As an alternative to the ability to exercise such vested LTIP options, all option holders under the LTIP, including members of CareTech management, are being given the opportunity to release their options in advance of, and conditional upon, sanction of the Scheme by Court, in exchange for the grant of a cash-based bonus, calculated by reference to 1.3 times the return LTIP participants would have received in respect of their LTIP options had they been exercised in connection with the Scheme, subject to a revised performance metric and payable at the end of a performance period ending at the financial year ended 30 September 2025 ("**Replacement Awards**").

Further details of the proposals made to option holders are set out in paragraph 14 of Part II (*Explanatory Statement*) of this document and in separate letters to be sent to participants in the CareTech Share Plans on or around the date of this document.

Locations, headquarters, R&D and fixed assets

Following the Offer becoming Effective, Bidco intends for CareTech to continue to operate as a standalone business, led by the CareTech management team. Bidco has no intention to make any material restructurings or changes in the locations of CareTech's places of business and intends to retain CareTech's head office and head office functions in Potters Bar. Following the Offer becoming Effective, Bidco intends that certain of the CareTech Group's properties will form part of a sale package, subject to long-term lease agreements under which the CareTech Group would continue to occupy the

properties. Bidco does not intend for there to be any change in headcount of CareTech's employees or changes to the services that it provides as a result of such sales.

Save as set out above, no changes are envisaged with respect to the redeployment of CareTech's fixed asset base and Bidco does not intend to make any changes to the CareTech Group's research and development functions.

Trading facilities

The CareTech Shares are currently admitted to trading on the London Stock Exchange's AIM market, and, as set out in paragraph 8 of Part II (*Explanatory Statement*) of this document, subject to the Scheme becoming Effective, an application will be made to the London Stock Exchange to cancel the admission of CareTech Shares to trading on AIM.

Other items

In accordance with Rule 2.11 of the Takeover Code, CareTech will make available to its employees a copy of this document and will inform its employees of the rights of employee representatives (if any) under Rule 25.9 of the Takeover Code to require that a separate opinion of any employee representatives on the effects of the Scheme on employment to be appended to this document.

No statements in this paragraph 8 constitute "post-offer undertakings" for the purpose of Rule 19.5 of the Takeover Code.

9. CareTech Share Plans

Participants in the CareTech Share Plans will be contacted regarding the effect of the Offer on their rights thereunder. Bidco and CareTech have agreed that Bidco will make appropriate proposals to the holders of options under the CareTech Share Plans in accordance with Rule 15 of the Takeover Code. Details of the arrangements proposed to be implemented in relation to the CareTech Share Plans in connection with the Offer are set out in paragraph 14 of Part II (*Explanatory Statement*) of this document and in separate letters to be sent to participants in the CareTech Share Plans on or around the date of this document.

10. CareTech Current Trading and Prospects

For the financial year ended 30 September 2021, CareTech reported revenue of £489.1m (September 2020: £430.0m), which was an increase of 13.8 per cent. versus the previous year. Underlying EBITDA for the same year was reported at £100.5m (2020: £90.9m) and therefore was an increase of 10.5 per cent. versus the previous year. Such increases were largely attributed to the acquisition of Smartbox in October 2020, the assets transferred from The Huntercombe Group and organic growth achieved in the core business. Underlying basic earnings per share (EPS) for the financial year ended 30 September 2021 was 47.87p (2020: 42.26p). Net debt for the same period had reduced to £258.7m (2020: £268.9m).

On 16 June 2022, CareTech announced its results for the six months ended 31 March 2022 in which it reported that revenues increased by 2.6 per cent. to £249.2m (March 2021: £243.0m) driven by increases in the Adults, International and Digital divisions offset by a decline in targeted occupancy in the Children's and Fostering division largely due to sector wide staffing challenges. Underlying EBITDA was reported at £49.1m (2021: £49.4m) with underlying EPS growth of 1.8 per cent. to 22.73p (2021: 22.33p). Performance was reported to be broadly in-line with the CareTech Board's expectations in light of the challenges presented by COVID-19, sector wide staffing shortages and ongoing economic pressures.

CareTech reported a strong balance sheet with net debt following acquisitions of £278.3m at 31 March 2022 (£258.7m at 30 September 2021), and a gearing of 2.8x net debt to underlying LTM EBITDA. Net cash flow before non-underlying operating activities was reported at £49.9m (2021: £49.2m) with an operating cash flow conversion of 101.6 per cent.

CareTech also reported it had strengthened the Group's Technology division through the acquisition of REHAVISTA providing the opportunity for Smartbox to expand its market share in Germany. CareTech has also expanded its Care Pathway in the United Arab Emirates through the acquisitions of Dmetco-Bayti and Wellness Center leading to the creation of the Group's International Division.

CareTech has seen significant growth in the Digital Technology and International divisions and the CareTech Independent Board believe CareTech is well positioned to continue to meet a critical social care need in the UK. CareTech remains in a strong financial position, underpinned by a significant property portfolio and consistent strong cash generation.

Part V (*Financial and Ratings Information*) of this document sets out certain financial information in respect of CareTech which is incorporated by reference into, and forms part of, this document.

11. Partial Alternative Offer and Rollover Securities

As an alternative to the Cash Offer, an eligible Scheme Shareholder may elect in respect of all or part of their Scheme Shares to receive Rollover Securities in the capital of Topco in exchange for each Scheme Share, subject to the terms and conditions of the Partial Alternative Offer. It should be noted that the Partial Alternative Offer will be limited to a maximum of 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech. There will be scale back on a pro-rata basis if applications representing in excess of 26.4 per cent. of the issued ordinary share capital of Topco are received and, in such circumstances, eligible Scheme Shareholders whose applications are scaled back will receive the Cash Consideration in respect of their Scheme Shares which are not exchanged for Rollover Securities. The CareTech Independent Directors' views on the Partial Alternative Offer are set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*).

Eligible Scheme Shareholders should review the information on the Partial Alternative Offer and Rollover Securities set out at Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) as well as the information on Bidco in Part VII (*Additional Information*) of this document.

12. Deferred Shares

CareTech has in issue 53,402 Deferred Shares. The Deferred Shares are not listed on any exchange and have limited rights. The Deferred Shares have no right to participate in any dividends declared, made or paid by CareTech but have the right to participate on a return of assets in a winding up of CareTech by a repayment of the capital paid up on such Deferred Share after the rights of all holders of CareTech Shares have been discharged in full and a sum of £1 million has been paid in respect of each CareTech Share. Holders of Deferred Shares have no other rights to participate in the assets of CareTech.

The Deferred Shares do not confer on their holders any right to receive notice of, attend, or vote at general meetings of CareTech (unless a resolution to vary or abrogate the rights attaching to the Deferred Shares is being proposed thereat).

The Deferred Shares will not form part of the Offer and the Scheme and no Rule 14 offer will be made for the Deferred Shares. Bidco and CareTech intend for the Deferred Shares to be cancelled on or shortly following the Effective Date.

13. Settlement

Details relating to the settlement of consideration offered by Bidco is included in paragraph 12 of Part II (*Explanatory Statement*) of this document.

14. Action to be taken by CareTech Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by CareTech Shareholders in respect of the Offer and the Scheme are set out in paragraph 19 of Part II (*Explanatory Statement*) of this document.

15. Overseas Shareholders

CareTech Shareholders who are Overseas Shareholders should refer to paragraph 18 of Part II (*Explanatory Statement*) of this document, which contains important information relevant to such holders.

16. Taxation

Your attention is drawn to Part VI (*UK Taxation*) of this document for information on the tax position in the UK in relation to the Scheme and the Rollover Securities. That summary does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme or the Rollover Securities.

If you are in any doubt about your own tax position, or you are or may be subject to taxation law in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately as to the tax consequences of the Scheme under applicable tax laws in such jurisdiction.

17. Further information

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to and certain further terms of the Offer and the Scheme*), Part IV (*The Scheme of Arrangement*), Part VII (*Additional Information*) and Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) of this document which provide further details concerning the Scheme, the Offer and the Partial Alternative Offer.

You should read the whole of this document and the accompanying Forms of Proxy and Form of Election and not rely solely on the information contained in this letter or the Explanatory Statement.

Copies of this document (and all information incorporated into this document by reference to another source) and the Forms of Proxy and Form of Election are and will be available, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, for inspection on CareTech's website at <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited>.

18. Recommendation

The CareTech Independent Board, which has been so advised by Panmure Gordon and Numis as to the financial terms of the Cash Offer, considers the Cash Offer to be fair and reasonable. In providing advice to the CareTech Independent Board, Panmure Gordon and Numis have taken into account the commercial assessments of the CareTech Independent Board. Panmure Gordon is providing independent financial advice to the CareTech Independent Board for the purposes of Rule 3 of the Takeover Code.

Accordingly, the CareTech Independent Board unanimously recommends that Scheme Shareholders vote in favour of the resolutions relating to the Scheme at the Meetings (or if the Offer is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer). I, Jamie Cumming (being the only member of the CareTech Independent Board who holds CareTech Shares) have irrevocably undertaken to do so in respect of my own beneficial holdings of 2,500 CareTech Shares in aggregate, representing approximately 0.002 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date. Further details of this irrevocable undertaking are set out in paragraph 6.

In considering the terms of the Partial Alternative Offer, the CareTech Independent Directors, Panmure Gordon and Numis have considered the details of the Partial Alternative Offer and the Rollover Securities set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document.

Panmure Gordon and Numis are unable to advise the CareTech Independent Directors as to whether or not the terms of the Partial Alternative Offer are fair and reasonable. This is because of the significant and variable impact of the disadvantages and advantages of the Partial Alternative Offer for individual CareTech Shareholders as set out in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document.

Accordingly, the CareTech Independent Directors cannot form an opinion as to whether or not the terms of the Partial Alternative Offer are fair and reasonable and are not making any

recommendation to Scheme Shareholders as to whether or not they should elect for the Partial Alternative Offer.

Scheme Shareholders should also ascertain whether acquiring or holding Rollover Securities is affected by the laws of the relevant jurisdiction in which they are resident and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Partial Alternative Offer. Any decision to elect for the Partial Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this document, in particular Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*).

Yours faithfully,

Jamie Cumming

Non-Executive Chairman of the CareTech Independent Board

For and on behalf of

The CareTech Independent Directors

PART II

EXPLANATORY STATEMENT

(in compliance with section 896 of the Companies Act)

Panmure Gordon

Numis

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

25 July 2022

To all CareTech Shareholders and, for information only, to participants in the CareTech Share Plans and persons with information rights

Dear Shareholder,

RECOMMENDED OFFER FOR CARETECH HOLDINGS PLC BY AMALFI BIDCO LIMITED

1. Introduction

On 27 June 2022 (the “**Announcement Date**”), the Bidco Directors and the independent committee of the board of CareTech Holdings PLC (“**CareTech**”), consisting of Jamie Cumming, Dr Moira Livingston and Adrian Stone (the “CareTech Independent Directors”) (the “**CareTech Independent Board**”) announced that they had reached agreement on the terms of a recommended offer by Bidco for the entire issued, and to be issued, ordinary share capital of CareTech (the “**Offer**”). It is intended that the Offer will be implemented by way of a court-sanctioned scheme of arrangement between CareTech and Scheme Shareholders under Part 26 of the Companies Act (the “**Scheme**”).

Your attention is drawn to Part I (*Letter from the Chairman of the CareTech Independent Board, on behalf of the CareTech Independent Directors*) of this document, which contains, among other things, the unanimous recommendation by the CareTech Independent Directors to Scheme Shareholders to vote in favour of the resolution relating to the Scheme at the Court Meeting and to CareTech Shareholders to vote in favour of the Special Resolution relating to the implementation of the Scheme at the General Meeting.

The CareTech Independent Directors, who have been so advised by Panmure Gordon and Numis, consider the terms of the Cash Offer to be fair and reasonable. In providing its advice to the CareTech Independent Directors, Panmure Gordon and Numis have taken into account the commercial assessments of the CareTech Independent Directors. Panmure Gordon is providing independent financial advice to the CareTech Independent Directors for the purposes of Rule 3 of the Takeover Code.

In addition, the CareTech Independent Directors consider the terms of the Cash Offer to be in the best interests of the CareTech Shareholders as a whole.

In considering the terms of the Partial Alternative Offer, the CareTech Independent Directors, Panmure Gordon and Numis have considered the details of the Partial Alternative Offer and the Rollover Securities in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document.

Panmure Gordon and Numis are unable to advise the CareTech Independent Directors as to whether or not the terms of the Partial Alternative Offer are fair and reasonable. This is because of the significant and variable impact of the disadvantages and advantages of the Partial Alternative Offer for individual CareTech Shareholders as set out paragraphs 9 to 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. **Accordingly the CareTech Independent Directors cannot form an opinion as to whether or not the terms of the Partial Alternative Offer are fair and reasonable and are not making any recommendation to Scheme Shareholders as to whether or not they should elect for the Partial Alternative Offer.**

Scheme Shareholders are encouraged to take into account the disadvantages and advantages highlighted in this document, as well as their individual circumstances and the risk factors and other investment considerations relating to the Rollover Securities set out in this Part II (*Explanatory Statement*), Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) of this document, when deciding whether or not to elect for the Partial Alternative Offer in respect of all or part of their holding of Scheme Shares.

We have been authorised by the CareTech Independent Directors to write to you to explain the terms of the Offer and the Scheme and to provide you with other relevant information.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part I (*Letter from the Chairman of the CareTech Independent Board, on behalf of the CareTech Independent Directors*) the Conditions and certain further terms set out in Part III (*Conditions to and certain further terms of the Offer and the Scheme*), Part V (*Financial and Ratings Information*) and the additional information set out in Part VII (*Additional Information*) of this document.

2. The terms and structure of the Offer

The Offer

Under the terms of the Offer, which is subject to the Conditions and additional further terms summarised below and in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document, Scheme Shareholders who are on the register of members of CareTech at the Scheme Record Time are entitled to receive:

for each Scheme Share 750 pence in cash (the “Cash Consideration”)

The Offer values the entire issued and to be issued ordinary share capital of CareTech at approximately £870.4 million on a fully diluted basis and implies an enterprise value to underlying EBITDA of 12.6x for the year ended 30 September 2021 (on a pre-IFRS 16 basis) and implied enterprise value to underlying EBITDA of 13.0x for the year ended 30 September 2021 (on a post-IFRS 16 basis).

The Cash Consideration represents a premium of approximately:

- 28.0 per cent. to the CareTech closing share price as at 4 March 2022 (being the last Business Day before the commencement of the Offer Period);
- 29.8 per cent. to the volume weighted average price for the one month ended on 4 March 2022 (being the last Business Day before the commencement of the Offer Period); and
- 31.7 per cent. to the volume weighted average price for the three months ended on 4 March 2022 (being the last Business Day before the commencement of the Offer Period).

The purpose of the Scheme is to provide for Bidco to become the owner of the entire issued and to be issued ordinary share capital of CareTech. This is to be achieved by the transfer by Scheme Shareholders of all of the Scheme Shares to Bidco, in consideration for which, Scheme Shareholders will receive the Cash Consideration and/or Rollover Securities pursuant to the Partial Alternative Offer.

Partial Alternative Offer

As an alternative to the Cash Offer, an eligible Scheme Shareholder may elect to receive D Ordinary Shares in the capital of Amalfi Topco Limited, the indirect parent of Bidco (“**Topco**”), having the rights of D Ordinary Shares set out in the articles of association of Topco and as set out in paragraphs 9 to 11 of this Part II (*Explanatory Statement*) and Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) (the “**Rollover Securities**”) in exchange for their holding of Scheme Share(s) at the following ratio:

7.5 Rollover Securities for each Scheme Share

or such other ratio as may be determined, prior to the Scheme Court Hearing, by Bidco as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied and subject to the terms and conditions of the Partial Alternative Offer. Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible CareTech Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Scheme Court Hearing.

Further details of the Rollover Securities are set out in paragraphs 9 to 11 of this Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document. An eligible Scheme Shareholder may elect to take up the Partial Alternative Offer in respect of all or part of their holding of Scheme Shares. The Rollover Securities have been independently valued by Citi and Dean Street, in their capacity as financial advisers to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in a letter at Part X (*Rule 24.11 Estimate of Value Letter*) of this document.

Conditions to the Scheme

Implementation of the Scheme is subject to, amongst other things, the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders, passing of the Special Resolution necessary to implement the Scheme at the General Meeting and the sanction of the Scheme by the Court. The Scheme can only become Effective in accordance with its terms if all the Conditions have been satisfied or, where relevant, waived. It is expected that the Scheme will become Effective on 27 September 2022, subject to the Conditions and certain further terms set out in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document. This date is indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme.

The Court Meeting and the General Meeting will be held at 10.00 a.m. and 10.15 a.m. respectively on 8 September 2022 at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG.

The Scheme must also be sanctioned by the Court at the Scheme Court Hearing. All Scheme Shareholders are entitled to attend the Scheme Court Hearing in person or by proxy.

Once the Scheme becomes Effective, it will be binding on all Scheme Shareholders, whether or not they voted in favour of the Scheme at the Court Meeting.

Under the terms of the Scheme, the CareTech Shares being acquired will be fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except for any arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.

If, on or after the Announcement Date, any dividend, distribution or other return of capital or value is announced, declared, paid or made or payable by CareTech on the CareTech Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Partial Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Partial Alternative Offer for each CareTech Share is equal to the consideration payable under the terms of the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Cash Offer (or consideration due under the Partial Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Scheme Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

3. Information relating to Bidco and the Consortium

Bidco is a newly incorporated company, formed on behalf of the members of the Consortium, and is ultimately owned by Topco. As well as providing the Senior Facilities, it is intended that certain credit funds managed by Ares Management Limited will take a minority, non-voting interest in the equity share capital of Topco. It is intended that Topco will be owned in the following proportions immediately after the Effective Date:

- (a) Sheikh Group and Founders: 44.8 per cent.;
- (b) THCP: 26.3 per cent.;
- (c) Rollover Securities: 26.4 per cent.; and
- (d) Ares: 2.5 per cent.

The voting share capital of Topco will be owned in the following proportions immediately after the Effective Date:

- (a) Sheikh Group and Founders: 69.9 per cent.;
- (b) THCP: 30.1 per cent.;
- (c) Rollover Securities: 0.0 per cent.; and
- (d) Ares: 0.0 per cent.

The Sheikh Group and THCP are joint offerors with respect to the Offer.

Sheikh Holdings

Sheikh Ventures is a wholly owned direct subsidiary of Sheikh Holdings. Sheikh Holdings is a UK-based private family office, founded by Haroon Sheikh and Farouq Sheikh, the founders of CareTech. As noted above, Haroon and Farouq Sheikh co-founded CareTech in 1993 and have been the architects of CareTech's growth having been involved in its vision and strategy from the outset. As the CEO and Chairman respectively, Haroon and Farouq have been instrumental in securing funding for the CareTech Group as well as leading the management team in winning long-term contracts from local and health authorities. Having led the business for almost 30 years, Haroon and Farouq have cultivated CareTech's reputation for high-quality services, as evidenced by its CQC and Ofsted ratings. With significant industry experience, Haroon and Farouq recognise the importance of CareTech's duty of care to its service users and responsibility to all its stakeholders.

Sheikh Holdings has a diverse and global investment portfolio across a range of sectors and strategically invests within a broad mix of assets, specifically within healthcare, real estate and private equity. Sheikh Holdings and the Sheikh family are committed to generating long-term value in business, whilst at the same time playing an instrumental role within local and global communities.

Sheikh Holdings has been successfully investing in real estate for over 30 years and has investments in the UK, Middle East and Africa – its current portfolio consists of large residential development schemes and commercial assets.

Sheikh Holdings is engaged with humanitarian causes and has set up its own charity, the COSARAF Charitable Foundation. COSARAF's mission is to promote strong and cohesive communities, enable young people to realise their potential and empower women and girls.

Belgravia and Kensington

Belgravia is a company owned by The Belgravia Trust, which is a discretionary trust. Kensington is a company owned by the Kensington Trust, which is a discretionary trust. The trustees of both the trusts are Hansard Trust Company Limited ("**Hansard**"), which is a regulated company based in Guernsey. As trustees, Hansard have a duty under Guernsey Law to ensure that trust assets are under their control and to preserve and enhance, so far as is reasonable, the value of such property for the benefit of the beneficiaries. The beneficiaries of the discretionary trusts include Farouq Sheikh and Haroon Sheikh and their respective families.

THCP

THCP is an investment house with more than US\$2 billion of assets under management and provides flexible structured capital solutions to entrepreneurs and management teams in the European mid-market. THCP prides itself on partnering with ambitious teams looking to grow their businesses with discipline, integrity, and positive social impact – and seeks to back them in their growth journeys with minority capital and ongoing support. THCP has completed more than 20 investments since its founding in 2013, and several blue-chip institutional investors routinely co-invest alongside THCP.

THCP benefits from a diverse team of more than 50 professionals located across three offices – London, Milan, and Luxembourg – with more than 60 years' combined experience in the structured capital markets. THCP is further supported by a highly connected and diverse investor base, consisting of family offices, private investors, and leading institutional investors globally.

4. Financing of the Cash Offer

The Cash Consideration payable to CareTech Shareholders by Bidco under the terms of the Offer will be financed by Bidco through a combination of:

- (a) equity investment into Topco to be invested by funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. as advised by THCP Advisory Limited ("**THCP**");
- (b) £258 million to be provided by way of debt to Midco by THCP and certain Ares credit funds;
- (c) new credit facilities with Ares Management Limited as mandated lead arranger and certain Ares credit funds as original lenders (the "**Offer Debt**"); and
- (d) in connection with the provision of the Offer Debt (as defined above), minority non-voting equity investment into Topco to be invested by Ares.

In addition, equity capital is to be rolled over from the CareTech Shares held by the Sheikh Group. The Founders will contribute further equity by either: (i) rolling (to the extent that a replacement scheme is implemented post completion on terms to be agreed) their vested entitlements under the CareTech Long Term Incentive Plan and a portion of their vested options under the CareTech ExSOP; or (ii) cashing out these entitlements and reinvesting certain of the proceeds into D Ordinary Shares in Topco (or a combination of the two).

The Offer Debt provides committed financing by way of a £210 million senior term loan of 5.5 years, a £350 million loan maturing in 5.5 years, and a £200 million super senior term loan of 5 years. A £30 million revolving credit facility will also be available.

Further details on these financing agreements are set out in paragraph 13 of Part VII (*Additional Information*) of this document.

5. Description of the Scheme and Meetings

The Scheme

It is intended that the Offer will be implemented by means of a court-sanctioned scheme of arrangement between CareTech and Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Bidco to become the owner of the entire issued and to be issued ordinary share capital of CareTech. This is to be achieved by the transfer by Scheme Shareholders of all of the Scheme Shares to Bidco, in consideration for which, Scheme Shareholders will receive the Cash Consideration and/or the Rollover Securities on the basis of the ratio of 7.5 Rollover Securities for each Scheme Share. The transfer of the Scheme Shares to Bidco will result in CareTech becoming a wholly-owned subsidiary of Bidco.

Under the terms of the Scheme the CareTech Shares being acquired will be fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except for any arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.

The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this document. The Scheme is governed by English law.

The procedure for implementing the Scheme involves an application by CareTech to the Court to call the Court Meeting to approve the Scheme and upon the receipt of the requisite approval, an application to the Court to sanction the Scheme and thereby transfer all of the Scheme Shares to Bidco, in consideration for which Scheme Shareholders who are on the register of members of CareTech at the Scheme Record Time will receive the Cash Consideration and/or Rollover Securities pursuant to the Partial Alternative Offer in accordance with the settlement arrangements described below. The Scheme is currently expected to become Effective on or around 27 September 2022 and, in any event not later than 31 December 2022 (or such later date as CareTech and Bidco may, with the consent of the Panel, agree and (if required) the Court may allow).

The Meetings

The Scheme requires the approval of the Scheme by the Scheme Shareholders at the Court Meeting and the passing by the CareTech Shareholders of the Special Resolution necessary to implement the Scheme at the General Meeting, both of which will be held on 8 September 2022. The Court Meeting will start at 10.00 a.m. on that date and the General Meeting will start at 10.15 a.m. on that date, or as soon thereafter as the Court Meeting is concluded or adjourned.

Notices of both the Court Meeting and the General Meeting are set out at the end of this document.

Entitlement to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to the register of members of CareTech at the Voting Record Time (expected to be 6.30 p.m. on 6 September 2022) or, if any such Meeting is adjourned, on the register of members at 6.30 p.m. on the date which is two Business Days before the date set for such adjourned Meeting. In the event that any member or members of the Bidco Group become beneficially interested in any CareTech Shares before the Voting Record Time, such CareTech Shares shall become Excluded Shares and as a result, such members of the Bidco Group shall not be entitled to vote at the Court Meeting in respect of any CareTech Shares acquired by them. Such members of the Bidco Group shall however be able to exercise the voting rights attaching to any such CareTech Shares at the General Meeting.

If the Scheme becomes Effective, it will be binding on CareTech and all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Court Meeting

At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person (including by corporate representative) or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. In order for the Scheme to be approved at the Court Meeting, those Scheme Shareholders voting to approve the Scheme must represent a majority in number representing not less than 75 per cent. in value of the voting rights of the holders of Scheme Shares (or the relevant class or classes thereof, if applicable) present and voting (and entitled to vote) in person or by proxy.

At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Blue Form of Proxy or appoint a proxy electronically as soon as possible.

You will find the Notice of the Court Meeting in Part XII (*Notice of Court Meeting*) of this document.

General Meeting

The General Meeting has been convened for the same date as the Court Meeting and CareTech Shareholders will be asked to consider and, if thought fit, pass a special resolution to approve:

- (a) the authorisation of the CareTech Independent Directors to take all actions as they may consider necessary or appropriate to give effect to the Scheme;
- (b) certain amendments to CareTech's Articles as described below; and
- (c) the re-registration of CareTech as a private limited company.

The Special Resolution will require votes in favour representing at least 75 per cent. of the votes cast at the General Meeting in person (including by corporate representative) or by proxy. The vote of CareTech Shareholders at the General Meeting will be held by way of a poll. Each holder of CareTech Shares who was entered on the register of members of CareTech at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each CareTech Share so held.

You will find the Notice of the General Meeting in Part XIII (*Notice of General Meeting*) of this document.

Modifications to the Scheme

The Scheme contains a provision for Bidco and CareTech jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to the Scheme which might be material to the interests of Scheme Shareholders, unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

In accordance with the Takeover Code, modifications or revisions to the Scheme may only be made: (i) more than 14 days prior to the date of the Meetings (or, in the case of adjournments(s), not later than 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting(s)); or (ii) at a later date, with the consent of the Panel. The implementation of the Offer by way of a Takeover Offer as an alternative to the Scheme is not a modification or revision for the purposes of this paragraph.

Conditions to the Scheme

The Offer is subject to the Conditions and additional further terms set out in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document.

The Offer is conditional on, among other things:

- the approval of a majority in number of Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders;
- the passing by the CareTech Shareholders of the Special Resolution necessary to implement the Scheme at the General Meeting; and
- the sanction of the Scheme by the Court.

The Scheme can only become Effective in accordance with its terms if all the Conditions set out in Part III (*Conditions to and certain further terms of the Offer and the Scheme*) of this document have been satisfied or, where relevant, waived. The Scheme is conditional upon it becoming unconditional and Effective, subject to the provisions of the Takeover Code, by not later than the Longstop Date.

Lapse of the Scheme

The Scheme will lapse if:

- the Scheme is not duly approved by Scheme Shareholders at the Court Meeting or at any adjournment of the Court Meeting on or before 30 September 2022, being the 22nd day after the

expected date of the Court Meeting (or such later date as may be agreed by Bidco and CareTech and which the Court may allow);

- the Special Resolution necessary to implement the Scheme has not been duly passed at the General Meeting or at any adjournment of that meeting on or before 30 September 2022, being the 22nd day after the expected date of the General Meeting (or such later date as may be agreed by Bidco and CareTech and which the Court may allow);
- the Scheme has not been sanctioned by the Court with or without modification (subject to any modification being on terms acceptable to CareTech and Bidco) on or before 30 September 2022, being the 22nd day after the expected date of the Scheme Court Hearing (or such later date as may be agreed by Bidco and CareTech and which the Court may allow); or
- the Scheme does not become Effective by the Longstop Date.

6. Alternative means of implementing the Offer

Bidco reserves the right, subject to the prior consent of the Panel, to elect to implement the Offer by way of a Takeover Offer. In such event, such offer will be implemented on the same terms and conditions subject to appropriate amendments to reflect the change in method of effecting the Offer, which will include an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Bidco may decide) of the voting rights then exercisable at a general meeting of CareTech, including, for this purpose, any such voting rights attaching to CareTech Shares that are unconditionally allotted or issued by CareTech, before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

7. The CareTech Directors and the effect of the Scheme on their interests

Details of the CareTech Directors and their interests in the share capital of CareTech are set out in paragraphs 2 and 5 of Part VII (*Additional Information*) of this document. Certain CareTech Directors are participants in the CareTech Share Plans and paragraph 14 of this Part II will apply to their interests in such schemes in the same manner as in the case of other participants in the CareTech Share Plans.

Particulars of the service contracts of the executive CareTech Directors and the letters of appointment of the non-executive CareTech Directors are set out in paragraph 8 of Part VII (*Additional Information*) of this document. No amendments to such service contracts and letters of appointment have been agreed in connection with the Offer.

On completion of the Scheme, each of the CareTech Independent Directors will resign as directors of CareTech.

Save as described above in respect of the Replacement Awards for those executive CareTech Directors who elect to receive any such Replacement Awards, the total emoluments received by the CareTech Directors will not be varied as a consequence of the Offer.

Save as disclosed, the effect of the Scheme on such interests of the CareTech Directors (whether as directors, members, creditors or otherwise) does not differ from its effect on the like interests of any other person.

8. Cancellation of admission to trading on AIM and re-registration

On completion of the Offer, the Company will become a wholly owned subsidiary of Bidco. Prior to the Scheme becoming Effective, CareTech will make an application to the London Stock Exchange for admission of the CareTech Shares to trading on AIM to be cancelled from or shortly after the Effective Date. The last day of dealings in, and registration of transfers of, the CareTech Shares (other than the registration of the transfer of the Scheme Shares to Bidco pursuant to the Scheme) on AIM is expected to be the Business Day in London immediately prior to the Effective Date. It is intended that dealings in CareTech Shares will be suspended at 7.30 a.m. on the Effective Date.

On the Effective Date, share certificates in respect of CareTech Shares will cease to be valid and entitlements to CareTech held within the CREST system will be cancelled or transferred. It is also intended that shortly after the Effective Date, CareTech will be re-registered as a private limited company under the relevant provisions of the Companies Act with the name CareTech Holdings Limited.

An indicative timetable of principal events setting out, among other things, the expected date of the last day of trading of, and suspension of dealings in, CareTech on AIM is on page 14 of this document.

9. Partial Alternative Offer

Under the Partial Alternative Offer, eligible Scheme Shareholders may elect in respect of all or part of their Scheme Shares to receive Rollover Securities in lieu of the Cash Consideration to which they are otherwise entitled.

As an alternative to the Cash Consideration, an eligible CareTech Shareholder may elect to receive D Ordinary Shares in the capital of Amalfi Topco Limited, the indirect parent of Bidco ("**Topco**") having the rights of "Rollover Securities" set out in the articles of association of Topco (as amended from time to time) (the "**Rollover Securities**") in exchange for their holding of Scheme Share(s) at the following ratio:

7.5 Rollover Securities for each Scheme Share

or such other ratio as may be determined, prior to the Scheme Court Hearing, by Bidco as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied and subject to the terms and conditions of the Partial Alternative Offer. Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible CareTech Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Scheme Court Hearing.

The total number of Rollover Securities to be delivered pursuant to the Partial Alternative Offer (see "*Partial Alternative Offer Maximum*" below) and the maximum aggregate amount of cash to be paid under the Offer will not be varied as a result of elections made. To the extent that any Partial Alternative Offer Elections cannot be satisfied in full, they will be scaled down on a pro-rata basis. As a result, Scheme Shareholders who make an election under the Partial Alternative Offer will not necessarily know the exact number of Rollover Securities they will receive until the settlement of the consideration due to them under the Offer.

The eligibility criteria for Scheme Shareholders to be able to elect for the Partial Alternative Offer is set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document.

The Partial Alternative Offer allows Scheme Shareholders to invest indirectly in the recapitalised CareTech, providing continued economic exposure to a privately owned enterprise and to participate in any future value creation, which may ultimately deliver greater value than the Cash Consideration (although this cannot be guaranteed).

Partial Alternative Offer Maximum

The maximum aggregate number of Rollover Securities available to eligible Scheme Shareholders under the Partial Alternative Offer will be limited to 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the "**Partial Alternative Offer Maximum**").

If elections are validly received from eligible Scheme Shareholders in respect of a number of Scheme Shares that would require the issue of Rollover Securities exceeding the Partial Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances, the number of Scheme Shares each Scheme Shareholder is entitled to exchange for Rollover Securities will be reduced on a pro-rata basis, and the balance of the consideration for each Scheme Share will be paid in cash in accordance with the terms of the Cash Offer. For the avoidance of doubt, in such a scenario, the ratio at which each Scheme Share is exchanged for Rollover Securities will remain unchanged.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Partial Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Partial Alternative Offer will only be valid if all regulatory approvals (if any) required by a Scheme Shareholder to acquire the Rollover Securities have been obtained.

The Rollover Securities have been independently valued by Citi and Dean Street, in their capacity as financial advisers to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in a letter at Part X (*Rule 24.11 Estimate of Value Letter*) of this document. If the Scheme becomes Effective, Scheme Shareholders who do not validly elect to receive all or part of their consideration by means of the Partial Alternative Offer will automatically receive the full amount of the Cash Consideration for their entire holding of Scheme Shares.

If the Scheme becomes Effective, eligible Scheme Shareholders that validly elect to receive consideration by means of the Partial Alternative Offer will receive their Rollover Securities pursuant to a roll-over mechanism in the Scheme whereby on or shortly following the Effective Date:

- **First Exchange** – firstly, such elected number of Scheme Shares of the relevant electing Scheme Shareholders may be exchanged for loan notes to be issued by Bidco (the “**Bidco Rollover Securities**”);
- **Second Exchange** – secondly, and immediately following the first exchange, the Bidco Rollover Securities may be exchanged for loan notes to be issued by Cleanco (the “**Cleanco Rollover Securities**”);
- **Third Exchange** – thirdly, and immediately following the second exchange, the Cleanco Rollover Securities may be exchanged for loan notes to be issued by Midco (the “**Midco Rollover Securities**”); and
- **Fourth Exchange** – fourthly, and immediately following the third exchange, the Midco Rollover Securities may be exchanged for the relevant number of Rollover Securities to which eligible Scheme Shareholders are entitled in accordance with the Partial Alternative Offer.

Certain further information relating to Topco and the Rollover Securities is contained at Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) below.

The Independent Directors, Panmure Gordon and Numis have considered the disadvantages and advantages outlined below in relation to the Partial Alternative Offer. Panmure Gordon and Numis are unable to advise the Independent Directors whether or not the financial terms of the Partial Alternative Offer are fair and reasonable due to the significant impact of the disadvantages and advantages set out in paragraph 11 including, *inter alia*, that the Rollover Securities are illiquid, do not carry any voting rights in Topco, rank behind the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, Senior Facilities and Original Notes Facility in relation to rights to returns and liquidation preference, will be held in a company with a higher level of leverage, may be diluted over time, will not be guaranteed or secured and will not be afforded the same level of protections or disclosure that they currently benefit from.

Accordingly, the Independent Directors cannot form an opinion as to whether or not the terms of the Partial Alternative Offer are fair and reasonable and are not making any recommendation to Scheme Shareholders as to whether or not they should elect for the Partial Alternative Offer.

Scheme Shareholders should ascertain whether acquiring or holding Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Partial Alternative Offer. Any decision to elect for the Partial Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this Document, including, but not limited to, the information set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*).

10. Summary of the Rollover Securities

A summary of the key rights and restrictions attaching to the Rollover Securities is set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*). As an overview, the Rollover Securities will be subject to the following terms and conditions:

- the Rollover Securities will not carry any rights to attend or vote at general meetings of Topco;

- the Rollover Securities will be unlisted and there is no current intention for the Rollover Securities to be subject to any application for listing on any stock exchange or regulated market;
- eligible Scheme Shareholders who validly elect to receive all or part of their consideration by means of the Partial Alternative Offer will, pursuant to a power of attorney to be included in the Scheme, deliver a fully executed deed of adherence pursuant to which they will be bound by the Rollover Securities Shareholders' Agreement;
- there is no right of transfer of the Rollover Securities except: (i) between other holders of Rollover Securities (or their beneficial owners); (ii) with the consent of THCP, Kensington and Belgravia; (iii) in accordance with customary permitted transfer provisions or by operation of the drag and tag rights described below; (iv) in a reorganisation transaction in accordance with the Topco Articles; or (v) to certain specified permitted transferees;
- the Sheikh Group will have customary "drag along" rights over (i.e. can force the sale to a *bona fide* third party) all Rollover Securities held by Topco Shareholders in Topco during the Lock-up Period. THCP will also have drag along rights over all Rollover Securities held by Topco Shareholders after the Lock-up Period;
- the holders of Rollover Securities will have customary "tag-along" rights in respect of their Rollover Securities where there is a sale of shares in Topco to a third party purchaser; and
- the Sheikh Group will have a call option over all other Topco Shareholders' securities, which may be served at any time during the Lock-up Period at an agreed fair market value or higher.

11. Risk factors and other investment considerations to the Partial Alternative Offer

The attention of eligible Scheme Shareholders who may consider electing to receive some or all of their consideration by means of the Partial Alternative Offer is drawn to certain risk factors, disadvantages and advantages and other investment considerations relevant to the Rollover Securities. In considering the terms of the Partial Alternative Offer, the CareTech Independent Directors, Panmure Gordon and Numis have considered these certain disadvantages and advantages of electing for the Partial Alternative Offer outlined below: These include, *inter alia*, the following:

Disadvantages of electing for the partial Alternative Offer:

- upon the Scheme becoming Effective and following completion of the Partial Alternative Offer, Topco will be controlled by the Consortium and the Rollover Securities will not carry any general voting rights at general meetings of Topco, and will therefore have no influence over decisions made by Topco in relation to its investment in CareTech or in any other business or in relation to CareTech's strategy;
- the Rollover Securities will comprise securities in a Jersey private limited company, and there is no current expectation that the Rollover Securities will be listed or admitted to trading on any exchange or market for the trading of securities, and they will therefore be illiquid. Any assessment of the value of the Rollover Securities should therefore take into account an individual shareholder's assessment of an appropriate liquidity discount, given that it may not be possible to make a disposal of Rollover Securities;
- the value of the Rollover Securities will at all times be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated by Citi and Dean Street in this document;
- the Rollover Securities will rank behind the Senior Facilities and Original Notes Facility (each as detailed in the section entitled "Financing of the Cash Offer" above) in relation to rights to returns and liquidation preference and are delivered a smaller percentage return when compared to the A Ordinary and the C Ordinary Shares as a result of the ratchet structure. Further detail on the economic rights of the Rollover Securities are set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*);
- on the Effective Date, Bidco is expected to carry senior net debt of £760 million (or £410 million net of the potential proceeds arising from the sale of certain properties, the majority of which are expected to be subject to long-term lease agreements under which the CareTech Group would

continue to occupy the properties). The gross senior net debt is at a higher level than the current senior net debt outstanding of CareTech but still within sustainable leverage ratios. It may therefore be subject to additional risks associated with higher levels of debt;

- holders of Rollover Securities may be diluted over time should they elect not to participate in further issues of additional shares, loan notes or other securities of Topco. Further detail on the pre-emption rights attaching to the Rollover Securities are set out in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*);
- payments in respect of Rollover Securities will not be guaranteed or secured and, for so long as Bidco has any secured debt outstanding, it is not anticipated that Bidco will declare or pay any dividends on any of the Rollover Securities;
- the Rollover Securities will have very limited transfer rights. They will not be transferable other than: (i) between other holders of Rollover Securities (or their beneficial owners), (ii) with the consent of THCP, Kensington and Belgravia; (iii) in accordance with customary permitted transfer provisions; (iv) in a reorganisation transaction in accordance with the Topco Articles; or (v) by operation of the drag and tag rights;
- the holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law;
- Topco Shareholders may be required in the future to sell their Rollover Securities under the terms of a “drag along” provision in the Topco Shareholders’ Agreement or in the Topco Articles;
- the Sheikh Group will have a call option over all other shareholders’ securities which may be served at any time during the Lock-up Period at an agreed fair market value or higher. The call option could be exercised at a value that is less than Topco Shareholders may receive for a sale at another time;
- Topco Shareholders will not be afforded the same level of protections or disclosure of information that they currently benefit from as shareholders in CareTech as a traded company and will only have limited information rights; and
- in the event that a number of CareTech Shareholders above the Partial Alternative Offer Maximum elect for the Partial Alternative Offer, CareTech Shareholders cannot be certain as to the amount of Rollover Securities they will receive because:
 - the maximum aggregate number of Rollover Securities available to CareTech Shareholders under the Partial Alternative Offer will be limited to 26.4 per cent. of the issued ordinary share capital of Topco (excluding the Sheikh Group rollover);
 - to the extent that elections for the Partial Alternative Offer cannot be satisfied in full, the number of Rollover Securities to be issued in respect of each CareTech Share will be reduced on a pro-rata basis, and the balance of the consideration for each CareTech Share will be paid in cash in accordance with the terms of the Cash Offer;
 - there can be no certainty or guarantee as to the performance of the CareTech Group following the Effective Date, and past performance cannot be relied up as an indication of any future performance or growth;
 - following the effective date, CareTech will remain subject to risks associated with the industry in which it operates. Accordingly, those CareTech Shareholders who become Topco Shareholders will continue to be exposed to such risks; and
 - the CareTech Group holds interests in certain subsidiaries, including non-UK subsidiaries, which are not wholly owned. The management and financial performance of those subsidiaries is therefore outside of the full direct control of Topco.

Advantages of electing for the Partial Alternative Offer:

- the Partial Alternative Offer provides continued economic exposure to CareTech under private ownership; and

- the Partial Alternative Offer provides the opportunity to participate in possible future value creation and may ultimately deliver greater value than the Cash Offer (although this cannot be guaranteed).

12. Settlement

Subject to the Scheme becoming Effective (and except as provided in paragraph 18 of this Part II (*Explanatory Statement*) of this document in relation to certain Overseas Shareholders), settlement of the consideration to which any CareTech Shareholder on the register of members of CareTech on the Scheme Record Time is entitled under the Scheme will be effected not later than 14 days after the Effective Date in the following manner.

12.1 Settlement of Cash Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds CareTech Shares in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Bidco instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated CareTech Shares in respect of the Cash Consideration due to him.

As from 6.00 p.m. on the Business Day following the Scheme Court Hearing, each holding of CareTech Shares credited to any stock account in CREST will be disabled and all CareTech Shares will be removed from CREST in due course.

Bidco reserves the right to pay all, or any part of, the Cash Consideration referred to above to all or any Scheme Shareholder(s) who hold CareTech Shares in uncertificated form in the manner referred to in sub-paragraph 12.2 below if, for any reason, it wishes to do so.

Each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

12.2 Settlement of Cash Consideration where Scheme Shares are held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds CareTech Shares in certificated form, settlement of the Cash Consideration due under the Scheme, following it becoming Effective, in respect of the Scheme Shares will be despatched:

- by first class post, by cheque drawn on a branch of a UK clearing bank; or
- by such other method as may be approved by the Panel.

All such cash payments will be made in pounds sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under the Scheme to pay the monies represented thereby. Cheques will be despatched not later than the 14th day following the Effective Date to the person entitled to them at the address as appearing in the register of members of CareTech at the Scheme Record Time. None of CareTech, Bidco, any nominee(s) of Bidco or any of their respective agents will be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques will be sent at the risk of the person entitled to them.

Each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

12.3 Settlement of consideration under the Partial Alternative Offer

Where Rollover Securities are issued to Scheme Shareholders pursuant to the Partial Alternative Offer, certificates for the Rollover Securities will be despatched by first class post (or by international post or airmail, if overseas) within 14 days of the Effective Date to relevant Scheme Shareholders at the address appearing in the CareTech register of members at the Scheme Record Time.

Fractions of Rollover Securities shall not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Each such Scheme Shareholder's aggregate entitlement to Rollover Securities under the Partial Alternative Offer will be rounded down to the nearest whole number of Rollover Securities respectively.

The maximum aggregate number of Rollover Securities available to eligible Scheme Shareholders under the Partial Alternative Offer will be limited to a maximum of 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the "**Partial Alternative Offer Maximum**").

If elections are validly received from eligible Scheme Shareholders in respect of a number of Scheme Shares that would require the issue of Rollover Securities exceeding the Partial Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Rollover Securities to be issued in respect of each Scheme Share will be reduced on a *pro rata* basis, and the balance of the consideration for each Scheme Share will be paid in cash in accordance with the terms of the Cash Offer.

Shareholders should read Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part IX (*How to make an election for the Partial Alternative Offer*) of this document which contains further details of the Partial Alternative Offer and how to make an election under it.

12.4 **Right to withdraw or amend a Partial Alternative Offer Election**

A Scheme Shareholder who has returned a Form of Election and subsequently wishes to withdraw such election must notify Link Group in writing by no later than the Election Return Time. Such notice must contain an original signature and clearly specify whether the election is to be withdrawn. Any notices of this nature should be sent to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. If the election was made through a TTE Instruction, Link Group should be contacted as soon as possible to seek to arrange electronic withdrawal or amendment in sufficient time to permit the withdrawal to be completed by the Election Return Time.

General

All documents and remittances sent to, by, from or on behalf of Scheme Shareholders in accordance with this section will be sent entirely at the risk of the person entitled thereto.

On the Effective Date, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of CareTech, delivered up to CareTech, or to any person appointed by CareTech to receive the same. On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required by the Scheme, CareTech shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco might otherwise be, or claim to be, entitled against such Scheme Shareholder.

All mandates and other instructions given to CareTech by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

13. **Offer related arrangements**

Confidentiality Agreement

On 5 April 2022, the Consortium and CareTech entered into a confidentiality agreement in relation to the Offer (the "**Confidentiality Agreement**"), pursuant to which, amongst other things, the Consortium gave certain undertakings to: (i) subject to certain exceptions, keep information relating to CareTech

and the Offer confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Offer. These confidentiality obligations will remain in force until the earlier of (i) completion of the Offer or (ii) 18 months from the date of the Confidentiality Agreement.

Co-Operation Agreement

On 27 June 2022, Bidco and CareTech entered into a co-operation agreement (the “**Co-Operation Agreement**”) to record the steps that each has agreed to take in relation to the implementation of the Offer.

Under the terms of the Co-Operation Agreement, Bidco and CareTech have, amongst other things, agreed to cooperate in relation to obtaining any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Offer.

In addition, Bidco has agreed to provide CareTech with certain information for the purposes of the Scheme and to otherwise provide assistance which may be reasonably required with the preparation of this document.

The Co-Operation Agreement also includes provisions relating to the right of Bidco to implement the acquisition by way of an Offer and provisions that will apply in respect of the CareTech Share Plans and CareTech’s bonus scheme.

Bidco has the right to terminate the Co-Operation Agreement in certain circumstances including: (i) by agreement in writing by the parties prior to the Effective Date; (ii) if the Offer lapses or is withdrawn; (iii) if implemented by way of a Takeover Offer, the Takeover Offer lapses or is withdrawn; or (iv) if the Scheme has not become Effective by the Long Stop Date.

Bid Conduct Agreement

On 27 June 2022, the Consortium members each entered into a bid conduct agreement (the “**Bid Conduct Agreement**”), pursuant to which they agreed certain principles in accordance with which they intend to co-operate on evaluating and implementing the Offer, and the basis on which they intend to hold their interests in Topco.

Pursuant to the terms of the Bid Conduct Agreement, the Consortium agrees:

- to co-operate and work together in good faith in considering the Offer;
- not to do anything which may be prejudicial to the completion of the Offer (or reasonably be expected to have the effect of delaying, disrupting or otherwise frustrating the Offer);
- to make all decisions with respect to the Offer unanimously in writing; and
- customary standstill undertakings in relation to themselves and their concert parties.

The Bid Conduct Agreement will expire and terminate upon the earlier of: (i) the unanimous decision of the Consortium in writing; (ii) the Offer lapsing or being withdrawn; (iii) a competitive offer becoming effective or unconditional in all respects; and (iv) certain circumstances in the event that an increased offer is to be made by the Consortium in respect of CareTech.

14. CareTech Share Plans

CareTech operates the CareTech Share Plans to reward and retain its employees.

Participants in the CareTech Share Plans will be contacted separately, in accordance with Rule 15 of the Takeover Code, regarding the effect of the Scheme on their rights under the CareTech Share Plans and with the details of the arrangements applicable to them.

A summary of the effect of the Scheme on outstanding options and awards is set out below. In the event of any conflict between the summary set out below and the rules of the relevant CareTech Share Plan and/or the communications to participants in the CareTech Share Plans regarding the effect of the Scheme on their rights under the CareTech Share Plans and the details of the arrangements applicable

to them (the “**Share Plan Notices**”), the rules of the relevant CareTech Share Plan or the terms of the Share Plan Notices (as the case may be) will prevail.

CareTech Shares issued, allotted or transferred under the CareTech Share Plans prior to the Voting Record Time will be subject to the Scheme. CareTech Shares issued, allotted or transferred under the CareTech Share Plans after that time will, provided that the CareTech Shareholders approve the relevant amendments to the CareTech Articles to be proposed at the General Meeting, either be bound by the Scheme or be transferred, allotted or issued to Bidco on the same terms as under the Scheme and for the same consideration per CareTech Share had such shares been Scheme Shares.

Further information in respect of the proposed amendments to CareTech’s Articles is contained in paragraph 16 below and Part XIII (*Notice of General Meeting*) of this document.

CareTech LTIP

Options under the CareTech LTIP become exercisable in consequence of the Offer. The CareTech Remuneration Committee has determined that performance conditions are met such that 100 per cent. of all currently unvested options granted under the LTIP in 2020 and 2021 will vest and become exercisable in connection with the Offer. The CareTech Remuneration Committee has further determined that all outstanding LTIP options which vest and become exercisable in connection with the Offer will not be pro-rated for time.

In addition, as an alternative proposal to the exercise of LTIP options, participants will be given the opportunity to participate in a revised LTIP. Bidco has agreed to allow holders of options over CareTech Shares under the rules of the LTIP to cancel these in exchange for **Replacement Awards** under a new Amalfi LTIP (“**Amalfi LTIP**”). The Replacement Awards give participants the right to a cash bonus (which is subject to applicable taxes), equal in value to 1.3 times the “**LTIP Value**”. “**LTIP Value**” is defined as the gross amount LTIP participants could have received had they exercised their existing LTIP options in connection with the Scheme. For the avoidance of doubt, this includes dividend equivalents which would have paid out on the original LTIP option.

The Replacement Awards will be governed by the rules of the LTIP under which they were originally granted, amended so as to relate to Topco rather than CareTech. Further, additional amendments will be necessary to reflect the commercial deal, which is to pay out a cash bonus rather than deliver shares under an option.

The Replacement Awards will have a performance condition related to the audited EBITDA growth for the CareTech Group. The performance period over which CareTech Group EBITDA will be measured for the Replacement Awards will be three years from the financial year ending 30 September 2022 up until the financial year ending 30 September 2025, following which performance condition will be tested by the board of Topco and the cash bonus will, if the performance condition is met, become payable.

Further details will be sent to LTIP participants in letters to be sent on or around the date of this document.

CareTech ExSOP

Participants in the ExSOP who have met certain conditions under the terms of the ExSOP may direct the trustee of the CareTech Employee Benefit Trust (the “**EBT**”) to vote in relation to CareTech Shares which have vested under their awards at the Court Meeting and the General Meeting in accordance with their instructions and in accordance with the terms of the ExSOP.

The CareTech Remuneration Committee has determined that it will request the trustee of the EBT to allow all awards which have not already vested to vest in full in connection with the Offer. Participants have a right to request the trustee of the EBT to sell the CareTech Shares the subject of an award and also the right to procure the transfer to and from the trustee of an interest in such numbers of CareTech Shares as gives the participant the value under their award in whole numbers of CareTech Shares, in both cases subject to the terms of the ExSOP and any individual award thereunder. ExSOP participants can then either elect to accept the Cash Consideration or accept the Partial Alternative Offer (or a combination of the two).

Further details will be sent to ExSOP participants in letters to be sent on or around the date of this document.

CareTech CSOP

The extent to which options outstanding under the CSOP vest and become exercisable in consequence of the Offer shall occur in accordance with the rules of the CSOP and related opinion certificates. Subject to the terms of such options, outstanding options under the CSOP which are not already exercisable will become exercisable in connection with the Offer.

The outstanding CSOP options which either vest before, or become vested on, the Court Sanction Date may be exercised on a cashless exercise basis if the exercise price and, to the extent applicable, any charge to income tax and employee National Insurance contributions, can be deducted from cash consideration payable under the Scheme in respect of such CareTech Shares, acquired as a result of the exercise of CSOP options.

No offer to rollover CSOP options into options over Topco shares will be made by Bidco.

Further details will be sent to CSOP participants in letters to be sent on or around the date of this document.

CareTech Sharesave

Options granted under the CareTech Sharesave which would not otherwise become exercisable before the Court Sanction Date will (in consequence of the Offer and in accordance with participants' contractual rights under the CareTech Sharesave) become exercisable on the Court Sanction Date and remain exercisable until 20 days following the Effective Date.

Participants may only exercise their Sharesave options using the savings made under the related savings contract at the time of exercise, and so these options may be exercisable over a reduced number of CareTech Shares. Subject to and conditional on the Effective Date occurring, participants in the Sharesave who exercise their options following the Scheme being sanctioned but before the Scheme Record Time (the "**Relevant Sharesave Participants**") and who are either:

- (a) employees or directors of the CareTech Group (and have not given or received notice) as at the first practicable payroll date after the Effective Date; or
- (b) were employees or directors of the CareTech Group on the Effective Date and have since that date ceased employment or given or been given notice in circumstances that would qualify for "good leaver" treatment under the CareTech Sharesave,

will be paid an ex-gratia sum. This sum shall be equal to the after-tax amount equal to the after-tax amount of additional profit that such Relevant Sharesave Participants would have received had they been able to exercise their options at the end of the earlier of: (i) six months following the Court Sanction Date (assuming that six (or any many as could be made in accordance with the savings contract, if fewer) further savings contributions were made in accordance with the savings contract); or (ii) the maturity of the relevant savings contract (the "**Sharesave Payment**"). Whilst income tax and national insurance contributions will be due in respect of the Sharesave Payment, Bidco has agreed to gross-up the payment to account for the tax due.

The Sharesave Payment will be paid to Relevant Sharesave Participants on the first practicable payroll date after the Effective Date (the "**Sharesave Payment Date**").

No offer to rollover Sharesave options into options over Topco shares will be made by Bidco.

Further details will be sent to CSOP participants in letters to be sent on or around the date of this document.

15. Financial effects of the Offer on Bidco

Bidco has no material assets or liabilities other than those described in this Document in connection with its incorporation and the Offer. With effect from the Effective Date, the earnings, assets and liabilities in the consolidated Bidco accounts will comprise the consolidated earnings, assets and liabilities of the Company.

16. Amendments to CareTech's Articles

At the General Meeting, it is proposed to amend the Articles to ensure that any CareTech Shares issued under the CareTech Share Plans or otherwise after the Voting Record Time and on or prior to the Scheme Record Time will be subject to the Scheme. It is also proposed to amend CareTech's Articles so that any CareTech Shares issued to any person other than Bidco or its nominee(s) at or after the Scheme Record Time (which will not be subject to the Scheme) will be automatically acquired by Bidco or its nominee(s) on the same terms as under the Scheme. Consequently, participants in the CareTech Share Plans who receive CareTech Shares on the exercise of share options after the Scheme Record Time will be able to receive the same consideration as CareTech Shareholders. This amendment will avoid any person (other than a member of the Bidco Group) holding any CareTech Shares after completion of the Offer. Limb 2 of the Special Resolution, as set out in Part XIII (*Notice of General Meeting*) of this document proposes such amendments.

Copies of CareTech's existing Articles and copies of the articles of association as proposed to be amended by the Special Resolution are available for further inspection at the registered office of CareTech during normal business hours on a weekday (Saturdays, Sundays and public holidays excepted) until the close of the General Meeting and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to, and during, the General Meeting.

17. Taxation

Your attention is drawn to Part VI (*UK Taxation*) of this document for information on the tax position in the UK. That summary does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

If you are in any doubt about your own tax position, or you are or may be subject to taxation laws in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately as to the tax consequences of the Scheme under applicable tax laws in such jurisdiction.

18. Overseas Shareholders

General

This document has been prepared for the purposes of complying with English law, the AIM Rules and the Takeover Code, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Offer including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies in such jurisdiction.

Persons receiving this document and all documents relating to the Offer (including custodians, nominees and trustees) must not post or otherwise distribute or send them in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas holders of CareTech Shares should also refer to the section of this document entitled "**IMPORTANT NOTICES**" on page 3 of this document.

Without limitation to the statements above, CareTech Shareholders who are Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

US CareTech Shareholders

The Offer relates to the shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under Part 26 of the Companies Act which is governed by English law. A transaction effected by means of a scheme of arrangement is not subject to the tender

offer rules or proxy solicitation rules under the US Exchange Act. Accordingly, the Offer is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the requirements of the US tender offer and proxy solicitation rules. If, in the future, Bidco exercises its right to implement the Offer by means of a Takeover Offer and determines to extend the Takeover Offer into the United States, such offer would be made in compliance with applicable US laws and regulations.

In accordance with normal United Kingdom practice, Bidco or its nominees or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of CareTech outside of the United States, other than pursuant to the Offer, until the date of the Offer and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

It may be difficult for US holders of CareTech Shares to enforce their rights and any claim arising out of the US federal laws, since CareTech, Bidco, Midco, Cleanco and Topco are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of CareTech Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The securities to be issued in connection with the Partial Alternative Offer pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act and such other laws. It is expected that any such securities would be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof, pursuant to another available exemption thereunder or in a transaction not subject to the registration requirements of the US Securities Act. The sanctioning of the Scheme by the Court will be relied on by Bidco, Midco, Cleanco and Topco as an approval of the Scheme following a hearing on its fairness to CareTech Shareholders for the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Scheme. Such securities will also not be registered under any US state securities laws and may only be issued to persons resident in a US state pursuant to an exemption from the registration requirements of the securities laws of such state.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The financial information included in this document has been prepared in accordance with IFRS and may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of consideration by a US holder for the transfer of CareTech Shares pursuant to the Scheme is expected to be a taxable transaction for US federal income tax purposes. Each CareTech Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable US federal, state and local as well as non-US and other tax laws.

19. Action to be taken

Forms of Proxy

The Scheme requires approval at a meeting of Scheme Shareholders convened by order of the Court to be held at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG at

10.00 a.m. on 8 September 2022. Implementation of the Scheme also requires the approval of CareTech Shareholders at the General Meeting to be held at the same place at 10.15 a.m. on 8 September 2022 (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Meetings are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this document.

Please check you have received with this document the following forms:

- a Blue Form of Proxy for use in respect of the Court Meeting on 8 September 2022;
- a White Form of Proxy for use in respect of the General Meeting on 8 September 2022; and
- a Green Form of Election.

If you have not received these documents, please contact the helpline.

Whether or not you intend to attend the Meetings, PLEASE COMPLETE, SIGN AND RETURN:

- the Blue Form of Proxy for use at the Court Meeting, or alternatively, if you hold your Scheme Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, Signal Shares or LinkVote+ so as to be received by not later than 10.00 a.m. on 6 September 2022 (further details on making a proxy appointment through CREST, Signal Shares, or LinkVote+ are described below); and
- the White Form of Proxy for use at the General Meeting, or alternatively, if you hold your CareTech Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, Signal Shares, or LinkVote+ so as to be received by not later than 10.15 a.m. on 6 September 2022 (further details on making a proxy appointment through CREST, Signal Shares, or LinkVote+ are described below).

This will enable your votes to be counted at the Meetings in the event of your absence.

If the Blue Form of Proxy for use at the Court Meeting is not lodged with the CareTech Registrar by the relevant time, it may be handed to the CareTech Registrar or the Chairman of the Court Meeting at the start of that Meeting and it will still be valid. However, in the case of the General Meeting, the White Form of Proxy must be lodged with the CareTech Registrar by 10.15 a.m. on 6 September 2022 in order to be valid.

CareTech Shareholders are entitled to appoint a proxy in respect of some or all of their CareTech Shares and are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow shareholders to specify the number of CareTech Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all of their CareTech Shares.

If you wish to appoint multiple proxies in connection with the Court Meeting or the General Meeting you may:

- photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to the CareTech Registrar at the address above; or
- call the helpline on 0371 664 0321 (from within the UK) or +44 (0) 371 664 0321 (from outside the UK) between 9.00 a.m. and 5.30 p.m. during Monday to Friday (except public holidays in England and Wales) who will then arrange with the CareTech Registrar to issue you with the required multiple Forms of Proxy.

In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the CareTech Registrar (under participant ID RA10) not later than 10.00 a.m. on 6 September 2022 in the case of the Court Meeting and not later than 10.15 a.m. on 6 September 2022 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting (noting that in taking account of this 48 hour period, no account shall be taken of any part of a day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the CareTech Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The completion and return of Forms of Proxy or the submission of a proxy via the CREST electronic proxy appointment service will not prevent you from attending and voting at the Court Meeting and/or the General Meeting, or any adjournments thereof, in person should you wish to do so and are entitled to do so.

If you wish, you will be able to vote electronically using the link www.signalshares.com. You will need to log into your Signal Shares account or register if you have not previously done so. To register you will need your Investor Code; this is detailed on your share certificate or available from our registrars, Link Group. Votes via Signal Shares should be received by not later than 10.00 a.m. on 6 September 2022 for the Court Meeting and by not later than 10.15 a.m. on 6 September 2022 for the General Meeting.

Link Group, the company’s registrar, has launched a shareholder app: LinkVote+. It’s free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Votes via LinkVote+ should be received by not later than 10.00 a.m. on 6 September 2022 for the Court Meeting and by not later than 10.15 a.m. on 6 September 2022 for the General Meeting.

Apple App Store	GooglePlay
	

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders’

opinion. You are therefore strongly urged to complete, sign and return your Blue Form of Proxy or appoint a proxy electronically (as appropriate) as soon as possible.

If you have any questions about how to complete the Forms of Proxy or submitting your proxies electronically, please contact the helpline between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except public holidays in England and Wales) on 0371 664 0321 (from within the UK) or +44 (0) 371 664 0321 (from outside the UK) who will, if required, then refer to the CareTech Registrar. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline operators are prohibited from providing advice on the merits of the offer and cannot give any financial, legal or tax advice.

Forms of Election

If you hold Scheme Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder, and you wish to make an election under the Partial Alternative Offer, please complete and return the Form of Election by post to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to reach Link by no later than the Election Return Time. A pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you hold Scheme Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder, and you wish to elect for the Partial Alternative Offer, you should not complete a Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part IX (*How to make an election for the Partial Alternative Offer*) to transfer your Scheme Shares to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares.

If you hold Scheme Shares in both certificated and uncertificated form and you wish to make an election under the Partial Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

Any indirect holder of Scheme Shares held through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, who wishes to elect for the Partial Alternative Offer may need first to arrange with such nominee for the transfer of such Scheme Shares into, and then make an election for the Partial Alternative Offer in, its own name.

Scheme Shareholders who elect for the Partial Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to adhere to the Rollover Securities Shareholders' Agreement relating to Topco as a condition of such election. The power of attorney will also provide for the signing on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the Rollover as conditions of such election. As part of completing a Form of Election, holders of Scheme Shares in certificated form will be asked to provide an email address for service of notices pursuant to the Rollover Securities Shareholders' Agreement. Topco reserves the right to treat email addresses previously given to CareTech or Link by holders of Scheme Shares in uncertificated form who wish to elect for the Partial Alternative Offer as the addresses for notices under the terms of the Rollover Securities Shareholders' Agreement.

Alternatively, such holders may notify CareTech or Link of their email addresses if they wish to receive such notices by email. Bidco will regard addresses in the register of members of CareTech of holders of CareTech Shares who wish to elect for the Partial Alternative Offer as being the addresses for notices under the Rollover Securities Shareholders' Agreement.

If you wish to receive the Cash Consideration for all the Scheme Shares that you hold at the Scheme Record Time, and do not wish to make an election under the Partial Alternative Offer, you are not required to return the Form of Election or make a TTE Instruction electing for the Partial Alternative Offer.

Restricted Shareholders will, under the Offer, only be entitled to receive the Cash Consideration for the Scheme Shares they hold and they will not have the option of taking Rollover Securities under the Partial Alternative Offer. Any purported election for the Partial Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

Shareholder Helpline

If you have not received all of the relevant documents or have any questions relating to this document, please call the helpline on 0371 664 0321 or, if calling from outside the UK, on +44 (0) 371 664 0321 between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). Please note that helpline operators are prohibited from providing financial or legal advice.

20. Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained (or incorporated by reference) in this document which forms part of this Explanatory Statement and, in particular, Part V (*Financial and Ratings Information*) and Part VII (*Additional Information*) of this document. Documents published and available for inspection are listed in paragraph 16 of Part VII (*Additional Information*) of this document).

Please note that the information contained in the Explanatory Statement is in summary form only and reading the Explanatory Statement is not a substitute for reading the remainder of this document.

Yours faithfully,

Emma Earl

Managing Director

for and on behalf of **Panmure Gordon (UK) Limited**

Jonathan Wilcox

Managing Director

for and on behalf of **Numis Securities Limited**

PART III

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE OFFER AND THE SCHEME

The Offer will comply with the Takeover Code, will be governed by English law and will be subject to the exclusive jurisdiction of the English courts. In addition, it will be subject to the terms and conditions set out in this document and related Forms of Proxy and Form of Election.

Part A: Conditions to the Scheme and the Offer

Scheme approval

1. The Scheme shall be subject to the following Conditions:
 - (a) (i) its approval by a majority in number, who represent at least 75 per cent. in value, of the Scheme Shareholders who are on the register of members of CareTech at the Voting Record Time, who are present and voting (and who are entitled to vote (whether in person or by proxy)) at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meetings), and (ii) such Court Meeting and any such separate class meeting being held on or before the 22nd day after the expected date of the Court Meeting (as set out in this document) (or such later date, if any, as may be agreed by CareTech and Bidco in writing and the Court may allow);
 - (b) the Special Resolution required to approve and implement the Scheme as set out in the Notice of the General Meeting being duly passed by the requisite number of CareTech Shareholders at the General Meeting or at any adjournment thereof, such General Meeting being held on or before the 22nd day after the expected date of the General Meeting as set out in this document in due course (or such later date, if any, as may be agreed by CareTech and Bidco in writing and the Court may allow);
 - (c) the sanction of the Scheme by the Court (with or without modification but subject to any such modification being on terms acceptable to CareTech and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies, such Scheme Court Hearing being held on or before the 22nd day after the expected date of such hearing as set out in this document (or such later date as may be agreed by CareTech and Bidco in writing and the Court may allow); and
 - (d) the Scheme becoming unconditional and Effective, subject to the Takeover Code, by not later than the Long Stop Date.
2. In addition, subject as stated in Part B below and to the requirements of the Panel, the Offer shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied (where capable of satisfaction) or, where relevant, waived:

Notifications, waiting periods and Authorisations

- (a) all material notifications, filings or applications which are deemed by CareTech necessary having been made in connection with the Offer;
- (b) all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate);
- (c) all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer;
- (d) all Authorisations deemed reasonably necessary by Bidco in any jurisdiction for or in respect of the Offer and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, CareTech or any other member of the Wider CareTech Group by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco (acting reasonably) from all appropriate Relevant Authorities or (without

prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider CareTech Group or the Wider Bidco Group has entered into contractual arrangements;

- (e) all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the CareTech Group in any jurisdiction having been obtained;
- (f) all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise Effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case in any way that would be materially adverse to the Wider CareTech Group taken as a whole or material in the context of the Offer; and
- (g) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order issued and being in effect by a court or other Third Party which has the effect of making the Offer or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider CareTech Group by any member of the Wider Bidco Group void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Offer or the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider CareTech Group by any member of the Wider Bidco Group;

General antitrust and regulatory

- (h) the CMA confirming in terms satisfactory to Bidco (acting reasonably) that it does not intend to refer the Offer or any matters arising therefrom for a Phase 2 CMA Reference;
- (i) other than in relation to the matters referred to in Conditions 2(a) – 2(g), no antitrust regulator or other Third Party having given notice of a decision to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider CareTech Group of all or any material part of their respective businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
 - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider CareTech Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider CareTech Group or any asset owned by any third party (other than in the implementation of the Offer);
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in CareTech or on the ability of any member of the Wider CareTech Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider CareTech Group;
 - (iv) otherwise adversely affect any or all of the business, assets or profits, financial or trading position of any member of the Wider CareTech Group or any member of the Wider Bidco Group;

- (v) make the Scheme or the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, CareTech by any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, CareTech by any member of the Wider Bidco Group;
- (vi) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider CareTech Group or any member of the Wider Bidco Group;
- (vii) impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider CareTech Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider CareTech Group; or
- (viii) and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulatory or other Third Party could decide to take, institute, or implement any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any CareTech Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- (j) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider CareTech Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares other securities in CareTech or because of a change in the control or management of any member of the Wider CareTech Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider CareTech Group taken as a whole or material in the context of the Offer:
 - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider CareTech Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) save in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider CareTech Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
 - (iii) any asset or interest of any member of the Wider CareTech Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider CareTech Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider CareTech Group otherwise than in the ordinary course of business;
 - (iv) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider CareTech Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

- (v) any liability of any member of the Wider CareTech Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (vi) the rights, liabilities, obligations, interests or business of any member of the Wider CareTech Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider CareTech Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- (vii) the value of, or the financial or trading position of, any member of the Wider CareTech Group being prejudiced or adversely affected;
- (viii) the creation or acceleration of any liability (actual or contingent) of any member of the Wider CareTech Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Offer; or
- (ix) except as Disclosed, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider CareTech Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would result in any of the events or circumstances as are referred to in Conditions 2(a) – 2(g), in each case to the extent material in the context of the Wider CareTech Group taken as a whole or material in the context of the Offer;

Certain events occurring since 31 December 2021

- (k) except as Disclosed, no member of the Wider CareTech Group having since 31 December 2021:
 - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of CareTech Shares out of treasury (except, where relevant, as between CareTech and wholly owned subsidiaries of CareTech or between the wholly owned subsidiaries of CareTech and except for the issue or transfer out of treasury of CareTech Shares on the exercise of employee share options or vesting of employee share awards under the CareTech Share Plans);
 - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or distributions or other return of value whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of CareTech to CareTech or any of its wholly owned subsidiaries;
 - (iii) other than pursuant to the Offer (and except for transactions between CareTech and its wholly owned subsidiaries or between the wholly owned subsidiaries of CareTech and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings;
 - (iv) (except for transactions between CareTech and its wholly owned subsidiaries or between the wholly-owned subsidiaries of CareTech and except for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;

- (v) (except for transactions between CareTech and its wholly owned subsidiaries or between the wholly owned subsidiaries of CareTech and except for transactions in the ordinary course of business) issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any material indebtedness;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider CareTech Group;
- (viii) made any alteration to its Articles (in each case, other than in connection with the Scheme) which is adverse to the interests of Bidco in the context of the Offer;
- (ix) proposed, agreed to provide or modified any material terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider CareTech Group;
- (x) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph 2(k)(i) above, made any other change to any part of its share capital;
- (xi) (except in the ordinary course of business) waived, compromised or settled any material claim by or against any member of the Wider CareTech Group;
- (xii) (except in the ordinary course of business) terminated or varied the terms of any material agreement or arrangement between any member of the Wider CareTech Group and any other person;
- (xiii) (except in relation to changes made or agreed as a result of, or arising from, changes to legislation) made or agreed or consented to any significant change to:
 - (A) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider CareTech Group for its directors, employees or their dependants;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) carry out any act:
 - (A) which would or could reasonably be expected to lead to the commencement of the winding up of any pension scheme(s) established by any member of the Wider CareTech Group for its directors, former directors, employees, former employees or their dependants;
 - (B) which would or might create a debt owed by an employer of any such plan; or
 - (C) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any such plan;

- (xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened in writing to stop or suspend) payment of its debts generally or ceased or threatened in writing to cease carrying on all or a substantial part of its business;
- (xvi) (other than in respect of a member of the Wider CareTech Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvii) (except for transactions between CareTech and its wholly owned subsidiaries or between the wholly owned subsidiaries of CareTech) made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xviii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which would be restrictive on the business of any member of the Wider CareTech Group;
- (xix) taken (or agreed to take) any action which requires or would require the consent of the Panel or the approval of the CareTech Shareholders at a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
- (xx) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 2(h),

which, in any such case, is material in the context of the Wider CareTech Group taken as a whole or material in the context of the Offer;

No adverse change, litigation or similar

- (I) except as Disclosed, since 31 December 2021 there having been, in each case to an extent which is material in the context of the Wider CareTech Group taken as a whole or material in the context of the Offer:
 - (i) no adverse change or deterioration and no circumstance having arisen which would or might be expected to result in any adverse change in, the business, assets, financial or trading position or profits or operational performance of any member of the Wider CareTech Group;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider CareTech Group or to which any member of the Wider CareTech Group is a party (whether as claimant, defendant or otherwise) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider CareTech Group;
 - (iii) no enquiry, review or investigation by, or complaint or reference to any Third Party against or in respect of any member of the Wider CareTech Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider CareTech Group;
 - (iv) no contingent or other liability having arisen or become apparent to Bidco or increased other than in the ordinary course of business which would affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider CareTech Group;

- (v) no member of the Wider CareTech Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider CareTech Group taken as a whole; and
- (vi) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider CareTech Group which is necessary for the proper carrying on of its business;

No discovery of certain matters regarding information, liabilities and environmental issues

- (m) except as Disclosed, Bidco not having discovered, and, in each case to an extent which is material in the context of the Wider CareTech Group taken as a whole, that:
 - (i) any financial, business or other information concerning the Wider CareTech Group publicly announced prior to the date of this document or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider CareTech Group prior to the date of this document is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading;
 - (ii) any past or present member of the Wider CareTech Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider CareTech Group;
 - (iii) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider CareTech Group (or on its behalf), or in which any such member has or previously has had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto;
 - (iv) circumstances exist (whether as a result of making the Offer or otherwise) which would reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider CareTech Group would be likely to be required to institute), an environment audit or take any steps which would in any such case result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider CareTech Group (or on its behalf) or by any person for which a member of the Wider CareTech Group is or has been responsible, or in which any such member has or previously has had or be deemed to have had an interest;
 - (v) that any member of the Wider CareTech Group or partnership, company or other entity in which any member of the Wider CareTech Group has a significant economic interest and which is not a subsidiary undertaking of CareTech, is subject to any liability (contingent or otherwise), in each case, to the extent which is material in the context of the Wider CareTech Group taken as a whole; or
 - (vi) any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider CareTech Group and which is material in the context of the Wider CareTech Group taken as a whole;

Anti-corruption

- (n) except as Disclosed, Bidco not having discovered, and, in each case to an extent which is material in the context of the Wider CareTech Group taken as a whole, that:
- (i) any member of the Wider CareTech Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation; or
 - (ii) any person that performs or has performed services for or on behalf of the Wider CareTech Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
 - (iii) any member of the Wider CareTech Group is ineligible to be awarded any contract or business under section 23 of the UK Public Contracts Regulations 2006 or section 26 of the UK Utilities Contracts Regulations (2006) (each as amended); or
 - (iv) any past or present member, director, officer or employee of the Wider CareTech Group, or any other person for whom a member of the Wider CareTech Group may be liable or responsible, is or has engaged in any conduct in connection with their activities for the Wider CareTech Group which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (A) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or Her Majesty's Revenue and Customs; or
 - (B) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; or
 - (v) any past or present member (other than any CareTech Shareholders), director, officer or employee of the Wider CareTech Group, or any other person for whom a member of the Wider CareTech Group may be liable or responsible:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act; or
 - (B) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State; or
 - (C) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or

- (E) a member of the Wider CareTech Group has engaged in any activity, practice or conduct which would cause the Wider Bidco Group to be in breach of any law or regulation on completion of the Offer, including the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation; and

No criminal property

- (o) except as Disclosed, Bidco not having discovered, and, in each case to an extent which is material in the context of the Wider CareTech Group taken as a whole, that, any asset of any member of the Wider CareTech Group constitutes criminal property as defined by section 340(3) of the UK Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Further terms of the Offer

1. Subject to the requirements of the Panel, Bidco reserves the right to waive:
 - (a) the deadlines set out in Conditions 1(a) to 1(c) (inclusive) of Part A of this Part III (*Conditions to and certain further terms of the Offer and the Scheme*) for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing. If any such deadline is not met, Bidco shall make an announcement through a Regulatory Information Service by 7.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with CareTech to extend in relation to the relevant Condition; and
 - (b) in whole or in part, all or any of Conditions 2(a) to 2(o) (inclusive) of Part A of this Part III.
2. If Bidco is required by the Panel to make an offer for CareTech Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.
3. The Offer shall lapse if the Offer or any matter arising from or relating to it or the Scheme becomes subject to a CMA Phase 2 Reference before the date of the Court Meeting.
4. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to 2(o) (inclusive) of Part A of this Part III by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. The CareTech Shares acquired under the Offer shall be acquired with full title guarantee and fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this document.
6. If, on or after the Announcement Date, any dividend, distribution or other return of capital or value is announced, declared, paid or made or payable by CareTech on the CareTech Shares, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 2(k)(ii) of Part A of this Part III) (*Conditions to and certain further terms of the Offer and the Scheme*) to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Partial Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Partial Alternative Offer for each CareTech Share is equal to the consideration payable under the terms of the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital. In such circumstances, Scheme Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

If and to the extent that any such dividend, distribution or other return of value is paid or made on or prior to the Effective Date and Bidco exercises its rights under this paragraph 6 to reduce the Cash Consideration (and, as the case may be, the number of Rollover Securities due under the terms of the Partial Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Partial Alternative Offer for each CareTech Share is equal to the Cash Consideration payable under the terms of the Offer), any reference in this document to the Cash Consideration and Partial Alternative Offer shall be deemed to be a reference to the Cash Consideration and Partial Alternative Offer as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be (i) transferred pursuant to the Offer on a basis which entitles Bidco to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer shall not be subject to change in accordance with this paragraph 6.

Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

7. Bidco reserves the right to elect (with the consent of the Panel) to implement the Offer by way of a Takeover Offer for the CareTech Shares as an alternative to the Scheme. In such event, the Offer shall be implemented on substantially the same terms, so far as applicable, as those which would apply to a Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition at a level permitted by the Panel.
8. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
9. The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
10. The Offer is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Part III and as set out in this document. The Offer shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Registrar of Companies and the AIM Rules.
11. Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Offer. Bidco may only invoke a Condition which is subject to Rule 13.5(a) of the Takeover Code with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco. Condition 1 and/or any Takeover Offer acceptance condition adopted on the basis specified in paragraph 7 of this Part B of this Part III (*Conditions to and certain further terms of the Offer and the Scheme*) are not subject to this provision of the Takeover Code.
12. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART IV

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2022-001635

IN THE MATTER OF CARETECH HOLDINGS PLC

– AND –

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

CARETECH HOLDINGS PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“ Bidco ”	Amalfi Bidco Limited, incorporated in England and Wales with registered number 14186033 and registered office at 25a Soho Square, London, W1D 3QR;
“ Bidco Group ”	Bidco and its holding companies, its subsidiaries and subsidiary undertakings and direct and indirect parent undertakings and “ member of the Bidco Group ” shall be construed accordingly;
“ Bidco Loan Note Instrument ”	a loan note instrument constituting the Bidco Loan Notes dated 27 June 2022 (as supplemented pursuant to a supplementary instrument to be entered into on the Effective Date);
“ Bidco Loan Notes ”	£1 loan notes due 2032 issued by Bidco pursuant to the Partial Alternative Offer and to be constituted by the Bidco Loan Note Instrument;
“ Business Day ”	a day (other than Saturdays, Sundays and public holidays in England and Wales) on which banks are open for general commercial business;
“ CareTech ”	CareTech Holdings PLC, incorporated in England and Wales with registered number 04457287 and registered office at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG;

“CareTech Registrars”	Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL;
“CareTech Share Plans”	each of the CareTech Long Term Incentive Plan, the CareTech Tax-Advantaged Share Option Plan 2015, the CareTech Executive Share Ownership Plan 2012 and the CareTech Sharesave Scheme;
“CareTech Shareholder(s)”	the registered holders of CareTech Shares from time to time;
“CareTech Shares”	the existing unconditionally and allotted or issued and fully paid ordinary shares with a nominal value of 0.5 pence each in the capital of CareTech and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;
“Cash Consideration”	the consideration due under the Cash Offer;
“Cash Offer”	750 pence in cash for each CareTech Share;
“certificated form” or “in certificated form”	the description of a share or other security which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
“Cleanco”	Amalfi Cleanco Limited, a wholly-owned subsidiary of Midco and a private limited company incorporated in England and Wales with registered number 14185950 and registered office at 25a Soho Square, London, W1D 3QR;
“Cleanco Loan Note Instrument”	a loan note instrument constituting the Cleanco Loan Notes to be entered into on the Effective Date;
“Cleanco Loan Notes”	£1 loan notes due 2032 issued by Cleanco pursuant to the Rollover and to be constituted by the Cleanco Loan Note Instrument;
“Companies Act”	the Companies Act 2006 as amended from time to time;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment of it) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act (notice of which is set out in Part XII (<i>Notice of Court Meeting</i>) of the Scheme Document) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“CREST”	the computerised settlement system (as defined in the Uncertificated Securities Regulations 2001 (SI2001/3755)) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Manual”	the CREST manual published by Euroclear, as amended from time to time;
“D Ordinary Shares”	D ordinary shares of £0.01 each in the capital of Topco having the rights set out in the articles of association of Topco, and being the Rollover Securities;
“Effective”	in the context of the Offer, this Scheme having become effective pursuant to its terms;

“Effective Date”	the date on which the Scheme becomes Effective;
“Election Return Time”	1.00 p.m. on the date of the Scheme Court Hearing or such later date and time (if any) to which the right to make an election may be extended;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	any CareTech Share which is: (a) beneficially owned, in each case, immediately prior to the Scheme Record Time by (i) the Sheikh Group or Gareth Dufton or (ii) Bidco, any Bidco Director or any subsidiary undertaking of Topco; or (b) held in treasury;
“Form of Election”	the green form of election for use in respect of the Partial Alternative Offer by Scheme Shareholders (other than Restricted Shareholders) who hold CareTech Shares in certificated form;
“holder”	a registered holder and includes any person entitled by transmission;
“Latest Practicable Date”	close of business on 22 July 2022 (being the last practicable date prior to publication of the Scheme Document);
“Longstop Date”	11.59 p.m. on 31 December 2022 or such later date (if any) as Bidco and CareTech may agree and (if required) the Court and the Panel may allow;
“Midco”	Amalfi Midco Limited, a wholly-owned subsidiary of Topco and a private limited company incorporated in England and Wales with registered number 14185820 and registered office at 25a Soho Square, London, W1D 3QR;
“Midco Loan Note Instrument”	a loan note instrument constituting the Midco Loan Notes to be entered into on the Effective Date;
“Midco Loan Notes”	£1 loan notes due 2032 issued by Midco pursuant to the Rollover and to be constituted by the Midco Loan Note Instrument;
“Offer”	the recommended offer being made by Bidco to acquire the entire issued and to be issued ordinary share capital of CareTech to be implemented by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Panel”	the Panel on Takeovers and Mergers in the UK;
“Partial Alternative Offer”	the alternative to the Cash Offer pursuant to which eligible Scheme Shareholders may elect, subject to certain limitations and exceptions including the Partial Alternative Offer Maximum, to receive 7.5 Bidco Loan Notes for each Scheme Share in lieu of their entitlement to Cash Consideration (such Bidco Loan Notes being exchanged for Rollover Securities pursuant to the Rollover);
“Partial Alternative Offer Election”	an election whereby Scheme Shareholders (other than Restricted Shareholders) may elect to accept the Partial Alternative Offer pursuant to a Form of Election or a TTE Instruction;

“Partial Alternative Offer Maximum”	the maximum number of Rollover Securities available to Scheme Shareholders under the Partial Alternative Offer, representing 26.4 per cent. of the issued share capital of Topco at completion of the Offer;
“Put and Call Deeds”	the put and call deeds in respect of the Rollover to be entered into between, <i>inter alios</i> , Bidco, Cleanco, Midco and Topco;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Restricted Shareholder”	a person (including, without limitation, an individual partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Bidco reasonably believes to be in any jurisdiction whom Bidco is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco regards as unduly onerous;
“Rollover”	<p>the rollover pursuant to which Scheme Shareholders (other than Restricted Shareholders) who have validly elected for the Partial Share Alternative will, pursuant to the Put and Call Deeds:</p> <ol style="list-style-type: none"> a) in exchange for each Scheme Share receive 7.5 Bidco Loan Notes, which may be exchanged for: b) 7.5 Cleanco Loan Notes, which may be exchanged for; c) 7.5 Midco Loan Notes, which may be exchanged for; d) 7.5 Rollover Securities (or such other number of Rollover Securities as Bidco may determine as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied prior to the date of the Scheme Court Hearing);
“Rollover Securities”	the D Ordinary Shares issued to certain eligible CareTech Shareholders as a full or partial alternative to the Cash Consideration;
“Rollover Securities Shareholders’ Agreement”	the shareholders’ agreement relating to Topco to be entered into by (amongst others) Topco and the holders of Rollover Securities;
“Scheme”	the scheme of arrangement under Part 26 of the Companies Act in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Bidco and CareTech;
“Scheme Court Hearing”	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;
“Scheme Document”	the circular to the CareTech Shareholders published by CareTech on 25 July 2022 in connection with this Scheme;

“Scheme Record Time”	6.00 p.m. on the Business Day immediately after the date of the Scheme Court Hearing;
“Scheme Shareholders”	the holders of the Scheme Shares at any relevant date or time;
“Scheme Shares”	<p>the CareTech Shares:</p> <ul style="list-style-type: none"> a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; b) if any, issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and c) if any, issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing, to be bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time, <p>in each case, other than any Excluded Shares;</p>
“Sheikh Group”	together, Sheikh Ventures Limited, Belgravia Investments Limited and Kensington Capital Limited;
“Takeover Code”	the City Takeover Code on Takeovers and Mergers in the UK;
“Topco”	Amalfi Topco Limited, incorporated in Jersey with registered number 143752 and registered office at 47 Esplanade, St. Helier, JE1 0BD, Jersey;
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual);
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“Voting Record Time”	means 6.30 p.m. on 6 September 2022 being the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting.

References to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.

- (B) The issued share capital of CareTech as at the Latest Practicable Date was 113,336,434 ordinary shares of 0.5 pence each, none of which were held in treasury and 53,402 deferred shares of 0.5 pence each.
- (C) As at the Latest Practicable Date, assuming that the Scheme becomes Effective on the expected Effective Date of 27 September 2022, 2,844,449 CareTech Shares may be issued on or after the date of the Scheme Document in order to satisfy the exercise of options or vesting of awards pursuant to the CareTech Share Plans (less 128,254 CareTech Shares held by Computershare Trustees (Jersey) Limited as trustee of the CareTech Employee Benefit Trust which can be used in part to satisfy these awards).

- (D) As at the Latest Practicable Date, the Sheikh Group, together with persons “acting in concert” (for the purposes of the Takeover Code) with Bidco and Sheikh Holdings (together, the “**Concert Party**”), is interested in, directly and indirectly, 14,878,686 shares in CareTech.
- (E) Bidco was incorporated on 21 June 2022 under the laws of England and Wales as a private company limited by shares with registered number 14186033 for the purpose of carrying out the Offer.
- (F) Bidco has agreed to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
- (G) Bidco, Cleanco, Midco and Topco will rely upon the Court’s sanctioning of this Scheme as an approval of the Scheme following a hearing on its fairness to CareTech Shareholders for the purpose of qualifying for the exemption from the registration requirements of the US Securities Act of 1933, as amended, afforded by section 3(a)(10) thereof with respect to the securities to be issued in the United States pursuant to this Scheme.
- (H) References to times are to London time.
- (I) References to £ and pence are to the lawful currency of the United Kingdom.
- (J) References to clauses are to clauses of this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- (a) Upon and with effect from the Effective Date, Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after the Effective Date.
- (b) For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (and/or its nominee(s)) and such transfer shall be effected by means of a form (or forms) of transfer or other instrument or instruction of transfer, or by means of CREST and to give effect to such transfer any person may be appointed by Bidco as attorney and/or agent and is hereby authorised as such attorney and/or agent or otherwise on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor such form (or forms) of transfer or other instrument or instruction of transfer or procure the transfer by means of CREST of such Scheme Shares and every form, instrument of transfer (whether as a deed or otherwise) or instruction of transfer so executed or given shall be effective as if it had been executed or instructed by the holder or holders of the Scheme Shares thereby transferred.
- (c) Pending the transfer of the Scheme Shares on the Effective Date and the registration of Bidco (and/or its nominee(s)) as the holder of the Scheme Shares pursuant to clauses 1(a) and 1(b) of this Scheme, each Scheme Shareholder irrevocably:
- (i) appoints Bidco (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of CareTech or of any class of its shareholders) attaching to its Scheme Shares;
 - (ii) appoints Bidco (or its nominee(s)) as its attorney to sign any consent to short notice of any general meeting of CareTech and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Bidco to attend general meetings of CareTech;
 - (iii) appoints Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of CareTech as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of CareTech (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf), provided that the foregoing shall not apply to any resolution pursuant to section 102 of the Companies Act to re-register CareTech as an unlimited company;
 - (iv) authorises CareTech and/or its agents to send to Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of CareTech in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form), such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares; and

- (v) undertakes (i) not to exercise any votes or any other rights attaching to the relevant Scheme Shares without the consent of Bidco and (ii) not to appoint a proxy or representative for and to attend any general meeting or separate class meeting of CareTech.
- (d) With effect from the Effective Date, each Scheme Shareholder who has validly elected for the Partial Alternative Offer irrevocably appoints Bidco and/or any one or more of its respective directors as its agent and/or attorney:
 - (i) to sign on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, instrument of transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the steps set out in clause 3 of this Scheme; and
 - (ii) to execute and deliver as a deed on behalf of such Scheme Shareholder (in such form as Bidco may require), a deed of adherence by such Scheme Shareholder to the Rollover Securities Shareholders' Agreement.

2. Consideration for the transfer of the Scheme Shares

- (a) In consideration for the transfer of the Scheme Shares to Bidco as contemplated in clause 1 of this Scheme, Bidco shall, subject as hereinafter provided, pay or procure that there will be paid to or for the account of each Scheme Shareholder as appearing on the register of members of CareTech at the Scheme Record Time:

for each Scheme Share held by such person 750 pence in cash

- (b) If, prior to the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, paid or made or payable by CareTech on the CareTech Shares, Bidco reserves the right to reduce the Cash Consideration (and, as the case may be, the number of Rollover Securities due under the terms of the Partial Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Partial Alternative Offer for each CareTech Share is equal to the consideration payable under the terms of the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Scheme to the Cash Consideration payable under the terms of the Cash Offer (or consideration due under the Partial Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this clause 2(b), shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Scheme Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.
- (c) To the extent that such a dividend, distribution or other return of capital is or has been declared, paid, made or is payable and will be: (i) transferred pursuant to the Offer on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the Cash Consideration will not be subject to any such change.

3. The Partial Alternative Offer

- (a) Conditional on and subject to the remainder of this clause 3, to the extent that any Scheme Shareholder (other than a Restricted Shareholder) validly elects for the Partial Alternative Offer in part or in full in respect of their Scheme Shares, Bidco shall, in consideration for the transfer of the Scheme Shares to Bidco and/or its nominee(s) referred to in sub-clauses 1(a) and 1(b) of this Scheme, subject as hereinafter provided, allot and issue to such Scheme Shareholder (as appearing in the register of members of CareTech at the Scheme Record Time), 7.5 Bidco Loan Notes for each Scheme Share held by the Scheme Shareholder at the Scheme Record Time.
- (b) Immediately following the transfer of Scheme Shares pursuant to clauses 1(a) and 1(b) of this Scheme and the allotment and issue by Bidco of the Bidco Loan Notes and conditional thereon, each relevant Scheme Shareholder may transfer its holding of Bidco Loan Notes to Cleanco in exchange for the same number of Cleanco Loan Notes with the same nominal value as the Bidco Loan Notes transferred to Cleanco by such Scheme Shareholder.

- (c) Immediately following the transfer of Scheme Shares pursuant to clauses 1(a) and 1(b) of this Scheme and the exchange of loan notes pursuant to clause 3(b) and conditional thereon, each relevant Scheme Shareholder may transfer its holding of Cleanco Loan Notes to Midco in exchange for the same number of Midco Loan Notes with the same nominal value as the Cleanco Loan Notes transferred to Midco by such Scheme Shareholder.
- (d) Immediately following the transfer of Scheme Shares pursuant to clauses 1(a) and 1(b) of this Scheme and the exchange of loan notes pursuant to clause 3(c) and conditional thereon, each relevant Scheme Shareholder may transfer its holding of Midco Loan Notes to Topco in exchange for the relevant number of Rollover Securities which such Scheme Shareholder has validly elected to receive under the Partial Alternative Offer. The Midco Loan Notes will be acquired on the basis that 7.5 Rollover Securities (or such other number of Rollover Securities as may be determined, prior to the Scheme Court Hearing, by Bidco as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied) will be issued for every Midco Loan Note with a nominal value of £1.00.
- (e) The maximum number of Rollover Securities available to eligible Scheme Shareholders under the Partial Alternative Offer will be limited to a number which represents 26.4 per cent. of the issued ordinary share capital of Topco at completion of the Offer which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the “**Partial Alternative Offer Maximum**”). If valid Partial Alternative Offer Elections are received which, in aggregate, exceed the Partial Alternative Offer Maximum:
- (i) the number of Scheme Shares in respect of which each Scheme Shareholder has made a valid Partial Alternative Offer Election shall be scaled down to the proportion of such Scheme Shares that the Partial Alternative Offer Maximum bears to the total number of Scheme Shares in respect of which Partial Alternative Offer Elections have been made (rounding such number of Scheme Shares down to the nearest whole number of Scheme Shares); and
 - (ii) the balance of the Scheme Shares the subject of such Partial Alternative Offer Election shall be deemed to be Scheme Shares in respect of which no Partial Alternative Offer Election has been made and the balance of the consideration shall be settled in cash pursuant to the terms of the Cash Offer.
- (f) A Scheme Shareholder may make a Partial Alternative Offer Election in respect of all or part of their holding of Scheme Shares.
- (g) The fractional entitlements of each eligible Scheme Shareholder to Rollover Securities under the Partial Alternative Offer will be rounded down to the nearest whole number of Rollover Securities per eligible Scheme Shareholder. Fractional entitlements to Rollover Securities will not be allotted or issued to such eligible Scheme Shareholder but will be disregarded. For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder’s holding which is recorded in the register of members of CareTech by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- (h) The Rollover Securities issued pursuant to this clause 3 shall be issued credited as fully paid and together with all rights attaching to them including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made by Topco in relation to such Rollover Securities (as applicable) by reference to a record date falling on or after the Effective Date.
- (i) In the case of Scheme Shareholders who hold Scheme Shares in certificated form, an election under the Partial Alternative Offer shall be made by completion of a Form of Election which shall be signed by the Scheme Shareholder or his/her/its duly authorised attorney (or, in the case of a body corporate, executed by an authorised representative), and in the case of joint holders by or on behalf of all such holders. To be effective, the Form of Election must be completed and returned, in accordance with the instructions printed thereon so as to arrive by no later than the Election Return Time, to the CareTech Registrars. In the case of Scheme Shareholders who hold Scheme Shares in uncertificated form, a Partial Alternative Offer Election shall be made by

delivery of a TTE Instruction validly electing for the Partial Alternative Offer by no later than the Election Return Time.

- (j) If a Form of Election or TTE Instruction electing for the Partial Alternative Offer is received after the Election Return Time, or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless CareTech and Bidco, in their absolute discretion, elect to treat as valid in whole or in part any such election.
- (k) Upon execution and delivery by a Scheme Shareholder of a valid Form of Election or TTE Instruction electing for the Partial Alternative Offer, such Scheme Shareholder shall be bound by the terms and provisions contained in the Form of Election or the TTE Instruction (as the case may be) and by the terms and provisions contained in the Scheme Document.
- (l) A Form of Election duly completed and delivered or TTE Instruction electing for the Partial Alternative Offer made in accordance with this clause 3 may be withdrawn by notice to the CareTech Registrars in writing (in the case of a Form of Election) or through CREST (in the case of a TTE Instruction) so as to be received, in either case, by no later than the Election Return Time.
- (m) If a Scheme Shareholder delivers more than one Form of Election electing for the Partial Alternative Offer (in each case electing for Partial Alternative Offer) in respect of their Scheme Shares, in the case of an inconsistency between such Forms of Election or TTE Instructions, the last Form of Election or TTE Instruction which is delivered by the Election Return Time shall prevail over any earlier Form of Election or TTE Instruction. The delivery time for a Form of Election or TTE Instruction shall be determined on the basis of which Form of Election or TTE Instruction is last sent or, if the CareTech Registrars are unable to determine which is last sent, is last received. Forms of Election which are sent in the same envelope shall be treated for these purposes as having been sent and received at the same time and, in the case of an inconsistency between such Forms of Election, none of them shall be treated as valid (unless CareTech and Bidco otherwise determine in their absolute discretion).
- (n) Any election under the Partial Alternative Offer made by Scheme Shareholders for the Partial Alternative Offer shall not affect the entitlements of Scheme Shareholders who do not make any such election. If a Scheme Shareholder has elected for the Partial Alternative Offer, then: (i) the validity of the such election shall not be affected by any alteration in the number of Scheme Shares held by such holder at any time prior to the Scheme Record Time; and (ii) accordingly, such election shall apply, subject to clause 3(d) above, in respect of all of the Scheme Shares held by such holder at the Scheme Record Time.
- (o) Minor adjustments to the entitlements of Scheme Shareholders pursuant to any Partial Alternative Offer Election made under this Scheme may be made by the CareTech Registrars with the prior consent of CareTech and Bidco on a basis that CareTech and Bidco consider to be fair and reasonable. Such adjustments shall be final and binding on Scheme Shareholders. Neither Bidco nor CareTech shall be liable to any Scheme Shareholder in respect of any adjustment, decision or determination made pursuant to this clause 3.

4. Share certificates and cancellation of CREST entitlements

With effect from and including the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound, at the request of CareTech, to deliver up the same to CareTech, or, as it may direct, to destroy the same;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form;
- (c) following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, the CareTech Registrars shall be authorised to materialise entitlements to such Scheme Shares; and

- (d) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme, appropriate entries shall be made in the register of members of CareTech on the Effective Date to reflect the transfer pursuant to clause 1 of this Scheme.

5. Settlement

Cash Consideration

- (a) No later than 14 days after the Effective Date (or such other period as may be approved by the Panel), Bidco shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable, to the persons entitled thereto in accordance with clause 2 of this Scheme; and
 - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that the CareTech Registrars are instructed to create, through Euroclear, an assured payment obligation in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Bidco reserves the right to make payment of the consideration by cheque as described in sub-clause 5(a)(i) if, for any reason, it wishes to do so,

provided that, in each case, each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

The instruction of Euroclear shall be a complete discharge of Bidco's obligation under this Scheme with reference to the payments made through CREST.

- (b) All deliveries of notices, certificates and/or cheques required to be made under this Scheme shall be made by sending the same by first class post (or by such other method as may be approved by the Panel) addressed to the person entitled thereto, to the address appearing in the register of members of CareTech or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time.
- (c) All cheques shall be in Sterling and made payable to the person or persons to whom, in accordance with the foregoing provisions of this clause 5, the envelope containing the same is addressed and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented thereby.
- (d) None of CareTech, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this clause 5, which shall be sent at the risk of the person or persons entitled thereto.
- (e) The preceding paragraphs of this clause 5 shall take effect subject to any prohibition or condition imposed by law.

Partial Alternative Offer

- (f) Settlement of the consideration to be satisfied by the issue of Rollover Securities shall be effected by the issue of Rollover Securities to which the relevant Scheme Shareholder is entitled (regardless of whether the Scheme Shares are held in certificated or uncertificated form) in certificated form only.
- (g) Definitive share certificates for Rollover Securities will be despatched to each relevant Scheme Shareholder (or such other person as they may direct) within 14 days of the Effective Date.

6. Overseas Shareholders

- (a) The provisions of clauses 2, 3 and 5 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder, Bidco is advised that the law of a country or territory outside the United Kingdom precludes the allotment, issue or delivery to it of Rollover Securities under clause 3 of

this Scheme except after compliance by CareTech or Bidco (as the case may be) with any governmental or other consent or any registration, filing or other formality with which CareTech or Bidco (as the case may be) is unable to comply or compliance with which Bidco regards as unduly onerous, then:

- (i) Bidco may, in its sole discretion, determine that the Rollover Securities shall not be allotted and issued to a Scheme Shareholder to whom Clause 5 applies; and
 - (ii) Bidco shall be entitled in its sole discretion to treat such Scheme Shareholder as a Restricted Shareholder.
- (b) Any purported Partial Alternative Offer Election by a Restricted Shareholder shall be void and Rollover Securities will not be issued to such Restricted Shareholder who will instead receive Cash Consideration in accordance with the terms of the Cash Offer. The omission to send a Form of Election to any such Scheme Shareholder shall not constitute a breach by CareTech or Bidco (as the case may be) of any of their respective obligations under this Scheme.
- (c) Neither CareTech nor Bidco shall be liable to any Scheme Shareholder in respect of any determination made pursuant to this clause 6.

7. Mandates

All mandates and other instructions given to CareTech by Scheme Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid.

8. Effective Time

- (a) This Scheme shall become effective as soon as a copy of the order of the Court under Part 26 of the Companies Act sanctioning the Scheme shall have been delivered to the Registrar of Companies for registration.
- (b) Unless this Scheme has become Effective on or before the Longstop Date (or such later date, if any, as may be agreed in writing between Bidco and CareTech (with the Panel's consent and as the Court may approve (if such consent and/or approval are required))), this Scheme shall never become Effective.

9. Modification

CareTech and Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition may require the consent of the Panel.

10. Governing law

This Scheme is governed by English law, specifically, Part 26 of the Companies Act, and is subject to the exclusive jurisdiction of the courts of England and Wales. The rules of the Takeover Code apply to this Scheme.

PART V

FINANCIAL AND RATINGS INFORMATION

Part A: CareTech financial information

The following table sets out financial information in respect of CareTech as required by Rule 24.3 of the Takeover Code. The documents referred to below (or parts thereof) are incorporated by reference into, and form part of, this document in accordance with Rule 24.15 of the Takeover Code:

- the audited accounts of the CareTech Group for the financial year ended 30 September 2021 are set out on pages 102 to 174 (both inclusive) in CareTech's annual report for the financial year ended 30 September 2021 available from CareTech's website at <https://www.caretech-uk.com/sites/caretech-corp/files/caretech/investors/reports-and-presentations/financial-reports/CareTech%20Annual%20Report%202021.pdf>;
- the audited accounts of the CareTech Group for the financial year ended 30 September 2020 are set out on pages 79 to 131 (both inclusive) in CareTech's annual report for the financial year ended 30 September 2020 available from CareTech's website at <https://www.caretech-uk.com/sites/caretech-corp/files/caretech/investors/reports-and-presentations/financial-reports/2020-annual-report.pdf>; and
- the unaudited interim results of the CareTech Group for the sixth month period ended 31 March 2022 available from CareTech's website at <https://www.caretech-uk.com/sites/caretech-corp/files/caretech/investors/reports-and-presentations/financial-presentations/Interim%20Report%202022.pdf>.

All documents referred to above are available in "read only" format for printing, reviewing and downloading free of charge on CareTech's website at www.CareTech.com.

CareTech will provide without charge to each person to whom a copy of this document has been delivered (upon the written or oral request of such person) a hard copy of any document relating to it which is incorporated by reference into this document. You may request a hard copy of any such documents by contacting the CareTech Registrars on 0371 664 0321 or outside the UK +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Copies of any document or information incorporated by reference into this document will not be provided unless such a request is made.

Part B: CareTech ratings agencies

There are no current ratings or outlooks that have been publicly accorded to CareTech by ratings agencies.

Part C: Bidco financial information

As Bidco was incorporated on 21 June 2022 for the purpose of carrying out the Offer, no financial information is available or has been published in respect of it. Bidco has not traded since its date of incorporation, has paid no dividends and has not entered into any obligations, other than in connection with the Offer and the financing of the Offer.

Bidco has no material assets or liabilities other than those described in this document in connection with the Offer and the financing of the Offer.

Part D: Effect of the Scheme becoming Effective on Bidco

Following the Scheme becoming Effective, the earnings, assets, and liabilities of the CareTech Group will be fully consolidated into the Bidco Group.

Part E: Bidco ratings agencies

As Bidco was incorporated on 21 June 2022 for the purpose of carrying out the Offer, there are no current ratings or outlooks publicly accorded to Bidco by ratings agencies.

Part F: Incorporation of website information

Save as expressly referred to in this document, neither the content of the CareTech website nor the website used by Bidco, nor the content of any website accessible from hyperlinks on the CareTech website or the website used by Bidco, is incorporated into, or forms part of, this document.

PART VI

UK TAXATION

The comments set out below summarise certain limited aspects of the UK taxation treatment of certain CareTech Shareholders under the Scheme and the holding and disposing of Rollover Securities. They do not purport to be a complete analysis of all tax considerations relating to the Scheme and the holding and disposing of Rollover Securities. They are based on current UK tax legislation and what is understood to be current HMRC practice (which may not be binding on HMRC), in each case as at 22 July 2022 (being the last Business Day prior to the date of the publication of this document), both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of CareTech Shareholder or holders of Rollover Securities (“**Rollover Shareholders**”) such as charities, trustees, market makers, brokers, dealers in securities, persons who have or could be treated for tax purposes as having acquired their CareTech Shares or Rollover Securities by reason of an office or employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

The comments do not deal with the treatment of individuals considered non-UK domiciled for UK tax purposes and who may therefore be entitled to elect for taxation on a remittance basis. References below to “**UK Holders**” are to CareTech Shareholders and Rollover Shareholders, as appropriate, who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the UK (and to whom split-year treatment does not apply), who hold their CareTech Shares and Rollover Securities respectively as a capital investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their CareTech Shares and their Rollover Securities respectively. Overseas holders of CareTech Shares or Rollover Securities are referred to paragraph 18 of Part II (*Explanatory Statement*) of this document, as this Part refers only certain UK tax consequences of the Scheme and of holding and disposing of Rollover Securities for such holders.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

1. UK taxation of chargeable gains – Cash Offer

The transfer of CareTech Shares under the Scheme in return for Cash Consideration should be treated as a disposal of the relevant UK Holder’s CareTech Shares for the purposes of UK capital gains tax (“**CGT**”) or corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK Holder’s particular circumstances (including the UK Holder’s base cost in their CareTech Shares, and the availability of any exemptions, reliefs and/or allowable losses), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains.

Individual CareTech Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of CareTech Shares by an individual UK Holder should be subject to CGT at the rate of 10 per cent. or 20 per cent. depending on the individual’s personal circumstances, including their other taxable income and chargeable gains in the relevant tax year. The CGT annual exemption (which is £12,300 for individuals in the 2022/23 tax year) will be available to exempt any chargeable gain, to the extent it has not already been utilised by the individual UK Holder.

Corporate CareTech Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of CareTech Shares by a UK Holder within the charge to UK corporation tax should be subject to UK corporation tax at the rate of 19 per cent. For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption discussed below in respect of their CareTech Shares), indexation allowance may be available where the CareTech Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the CareTech Shares up to and including 31

December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their CareTech Shares under the Scheme in return for Cash Consideration. The substantial shareholding exemption may apply to exempt from UK corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate UK Holder (together with certain associated companies) has held not less than 10 per cent. of the issued ordinary share capital of CareTech for a continuous period of at least one year beginning not more than six years prior to the date of disposal.

2. UK taxation of chargeable gains – Partial Alternative Offer

Subject to the following paragraph, to the extent that a UK Holder receives Rollover Securities under the terms of the Scheme, they are not expected to be treated as having made a disposal of their CareTech Shares for CGT purposes. Instead, the Rollover Securities so received should be treated as the same asset, acquired at the same time and for the same consideration, as CareTech Shares.

Under section 137 of the Taxation of Chargeable Gains Act 1992, the aforementioned “rollover” treatment shall be denied to UK Holders who, alone or together with persons connected with them, hold more than 5 per cent. of, or of any class of, CareTech Shares or debentures of CareTech unless the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to capital gains tax or corporation tax.

UK Holders are advised that no application for clearance has been made or will be made under section 138 of the Taxation of Chargeable Gains Act 1992 for confirmation that HMRC is satisfied that the Scheme will be effected for *bona fide* commercial reasons and will not form part of any such scheme or arrangements. If a UK Holder receives Rollover Securities as well as Cash Consideration and the amount of cash received is “small” in comparison with the value of their CareTech Shares, the UK Holder will be treated as not having disposed of the CareTech Shares in respect of which the cash was received. Instead, the cash should be treated as a deduction from the base cost of their CareTech Shares rather than as a part disposal thereof (unless the cash received exceeds such base cost, in which case this treatment would only be available upon election by the CareTech Shareholder and only to the extent it reduces the base cost to £0, with the balance being Cash Consideration for a taxable disposal, taxed as detailed in paragraph 1 above).

Under current HMRC practice, any cash payment of £3,000 or less or which is 5 per cent. or less of the market value of a UK Holder’s holding of CareTech Shares should generally be treated as “small” for these purposes.

3. UK stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT should generally be payable by UK Holders on the transfer of their CareTech Shares under the Scheme. No UK stamp duty or SDRT will be payable on the allotment and issue of the Rollover Securities under the Scheme.

4. UK taxation consequences of holding Rollover Securities

Future disposals of Rollover Securities

Individual Rollover Shareholders

A disposal or deemed disposal of Rollover Securities by a UK Holder who is an individual may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax. Subject to available reliefs or allowances, chargeable gains arising on a disposal of Rollover Securities by an individual UK Holder should be subject to CGT at the rate of 10 per cent. or 20 per cent. depending on the individual’s personal circumstances, including their other taxable income and chargeable gains in the relevant tax year. The CGT annual exemption (which is £12,300 for individuals in the 2022/23 tax year) will be available to exempt any chargeable gain, to the extent it has not already been utilised by the individual UK Holder.

Subject to the paragraph below, an individual CareTech Shareholder who is not resident in the UK for tax purposes at the time of the disposal of their Rollover Securities and who realises a gain on such a disposal will not normally be liable to UK capital gains tax. However, such a CareTech Shareholder may be liable to UK tax on chargeable gains if, at the relevant time, that CareTech Shareholder carries on a

trade, profession or vocation in the UK through a branch or agency and the Rollover Securities are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch or agency. For the purposes of this paragraph, it is assumed that the Rollover Securities do not derive more than 74.99 per cent. of their value from UK land as defined in Schedule 1A of the Taxation of Chargeable Gains Act 1992.

An individual CareTech Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double tax treaty for a period of five years or less and who disposes of all or part of their Rollover Securities during that period may be liable to UK capital gains tax on their return to the UK, subject to any available exemptions or reliefs.

Corporate Rollover Shareholders

A disposal or deemed disposal of Rollover Securities may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax (the current rate of which is 19 per cent.), depending on the circumstances and subject to any available exemption or relief. A corporate CareTech Shareholder which is not resident in the UK for tax purposes and which realises a gain will not normally be liable to UK corporation tax on chargeable gains on a disposal of their Rollover Securities. However, a corporate CareTech Shareholder which is not a UK resident but carries on a trade in the UK through a permanent establishment may be liable to UK corporation tax on chargeable gains if it disposes of Rollover Securities which are, at or before the time the gain accrues, used in or for the purposes of that trade or for the purposes of the permanent establishment. For the purposes of this paragraph, we have assumed that the Rollover Securities do not derive more than 74.99 per cent. of their value from UK land, as defined in Schedule 1A of the Taxation of Chargeable Gains Act 1992.

UK stamp duty and SDRT

No requirement to pay UK stamp duty should arise in respect of a document relating to any transfer of the Rollover Securities in any case where the document is executed outside, and does not relate to anything to be done within, the UK. No stamp duty reserve tax will be payable in respect of any agreement to transfer Rollover Securities on the basis that the Rollover Securities are not “chargeable securities” as defined in section 99(3) and 99(4) of the Finance Act 1986 as they will be issued by a body corporate incorporated outside the UK and will not be registered in a register kept in the UK by or on behalf of the body corporate by which they will be issued and they will not be paired with shares issued by a body corporate incorporated in the UK.

Dividends

There will be no UK withholding tax on dividends paid on Rollover Securities.

Individual Rollover Shareholders within the charge to UK income tax

The general tax treatment of dividends paid by Topco to UK Holders who are individuals is as follows:

- All dividends received by an individual UK Holder from Topco (or from other sources) will form part of the UK Holder’s total income for income tax purposes and will represent the highest part of that income.
- For the tax year 2022/23, a nil rate of income tax applies to the first £2,000 of taxable dividend income received by an individual UK Holder in a tax year (the “**Nil Rate Amount**”), regardless of what tax rate would otherwise apply to that dividend income.
- Any taxable dividend income received by an individual UK Holder in a tax year in excess of the Nil Rate Amount is taxed at a special rate, as set out below. Where an individual UK Holder’s taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the “**Relevant Dividend Income**”) will be subject to income tax:
 - at the rate of 8.75 per cent. (for the tax year 2022/23), to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;

- at the rate of 33.75 per cent. (for the tax year 2022/23), to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and
- at the rate of 39.35 per cent. (for the tax year 2022/23), to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the UK Holder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the UK Holder's total income for income tax purposes. Corporate Additional Securities Shareholders within the charge to UK corporation tax UK Holders within the charge to corporation tax which are "small companies" (for the purposes of the UK taxation of dividends) will not generally be subject to tax on dividends from Topco.

Other UK Holders within the charge to corporation tax will not be subject to tax on dividends from Topco so long as the dividends fall within an exempt class and certain conditions are met. Dividends paid on nonredeemable shares that do not carry any present or future preferential rights to dividends or to the relevant company's assets on its winding up is an example of dividends that should fall within an exempt class.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The CareTech Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion), other than the information for which responsibility is taken by others pursuant to paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the CareTech Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The CareTech Independent Directors accept responsibility for the information contained in this document (including any expressions of opinion) expressed as being given by, and in respect of, the CareTech Independent Directors, including (but not limited to) their recommendation to Scheme Shareholders set out in paragraph 18 of Part I (*Letter from the Chairman of the CareTech Independent Board, on behalf of the CareTech Independent Directors*) of this document. The CareTech Independent Directors do not accept any responsibility for the information relating to the Bidco Group, the directors of Bidco and members of their immediate families and related trusts, and any persons deemed to be acting in concert with Bidco. To the best of the knowledge and belief of the CareTech Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Bidco Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Bidco Group, the directors of Bidco, their respective close relatives and the related trusts of and persons connected with them and any persons deemed to be acting in concert (as such term is defined in the Takeover Code) with Bidco. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and responsible persons

- 2.1 The CareTech Directors are:

<i>Name</i>	<i>Position</i>
Farouq Sheikh OBE	Group Executive Chairman
Haroon Sheikh	Group Chief Executive
Christopher Dickinson	Chief Financial Officer
Mike Adams OBE	Executive Director
Jamie Cumming	Non-Executive Director
Dr Moira Livingston	Non-Executive Director
Adrian Stone	Non-Executive Director

The business address of each of the CareTech Directors, and the registered office of CareTech is 5th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, England, EN6 1AG.

- 2.2 The Bidco Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Farouq Sheikh OBE	Group Executive Chairman
Haroon Sheikh	Group Chief Executive
Christopher Dickinson	Chief Financial Officer
Marco Anatriello	Non-Executive Director
Pablo Velez	Non-Executive Director

The business address of Pablo Velez and Marco Anatriello is 25a Soho Square, London, W1D 3QR.

The business address of Farouq Sheikh OBE, Haroon Sheikh and Christopher Dickinson is 5th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, England, EN6 1AG.

Bidco is a company incorporated in England and Wales and whose registered office is at 25a Soho Square, London, W1D 3QR.

3. Persons acting in concert

3.1 In addition to the directors of Bidco (together with their close relatives and the related trusts of any of them), the following persons are acting in concert (as defined in paragraph 5.1 of this Part VII (*Additional Information*)) with Bidco:

<i>Name</i>	<i>Registered office</i>	<i>Relationship with Bidco</i>
Dean Street Advisers Limited	Carrington House, 126 -130 Regent Street, London W1B 5SE	Financial adviser to Bidco
Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB	Financial adviser to Bidco
Deutsche Bank	Winchester House, 1 Great Winchester Street, London, EC2N 2DB	Financial adviser to Sheikh Holdings

3.2 In addition to the directors of CareTech (together with their close relatives and the related trusts of any of them), the following persons are acting in concert with CareTech:

<i>Name</i>	<i>Registered office</i>	<i>Relationship with CareTech</i>
Panmure Gordon (UK) Limited	One, New Change, London, EC4M 9AF	Rule 3 adviser, Financial adviser, nominated adviser and joint broker
Numis Securities Limited	45 Gresham Street, London, EC2V 7BF	Financial adviser and joint broker

4. Market quotations

The following table sets out the closing middle market quotations for CareTech Shares as derived from the Daily Official List for the first dealing day in each of the six months immediately prior to the date of this document, for 4 March 2022 (being the last dealing day prior to the commencement of the Offer Period) and for 22 July 2022 (being the latest practicable date prior to the publication of this document):

<i>Date</i>	<i>CareTech share price (p)</i>
1 February 2022	542
1 March 2022	588
4 March 2022	586
1 April 2022	711
3 May 2022	730
1 June 2022	709
1 July 2022	741
22 July 2022	743

5. Interests and dealings in relevant securities

5.1 Definitions and references

For the purposes of this paragraph 5:

“acting in concert” has the meaning given to it in the Takeover Code;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;

“**connected person**” in relation to a director of Bidco or CareTech includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interest(s) give(s) *de facto* control;

“**dealing**” has the meaning given to it in the Takeover Code;

“**derivative**” has the meaning given to it in the Takeover Code;

“**disclosure date**” means 22 July 2022, being the Business Day in London immediately preceding the date of this document;

“**disclosure period**” means the period beginning on 7 March 2021 (being 12 months prior to the date of the commencement of the Offer Period) and ending at the close of business on the disclosure date;

“**exempt fund manager**” and “**exempt principal trader**” have the meanings given to them in the Takeover Code;

“**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;

“**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Takeover Code and references to interests of the Bidco Directors or interests of the CareTech Directors in relevant securities shall include all interests of any other person whose interests in shares the Bidco Directors or, as the case may be, the CareTech Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;

“**Note 11 arrangement**” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 7 of this Part VIII (*Additional Information*));

“**relevant securities**” means:

- (a) CareTech Shares and any other securities of CareTech which carry voting rights;
- (b) equity share capital of CareTech or, as the context requires, the offeror (being Bidco, Cleanco, Midco or Topco); and
- (c) securities of CareTech or, as the context requires, the offeror (being Bidco, Cleanco, Midco or Topco) carrying conversion or subscription rights into any of the foregoing; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5.2 **Interests and Dealings in relevant securities of CareTech**

- (a) As at close of business on the disclosure date, the interests of the CareTech Directors and the Bidco Directors (and their close relatives, concert parties, related trusts and connected persons) in relevant securities of CareTech were as follows:

CareTech Shares held by CareTech Directors (excluding any entitlements under CareTech Share Plans):

<i>Name</i>	<i>Number of CareTech Shares</i>	<i>% of CareTech's existing ordinary share capital as at the Latest Practicable Date</i>	<i>Notes</i>
Mike Adams OBE	2,145	0.002	Legal
Jamie Cumming	2,500	0.002	Beneficial

CareTech Shares held by close relatives, concert parties, related trusts and connected persons of CareTech Directors and Bidco Directors (excluding any entitlements under CareTech Share Plans):

<i>Name</i>	<i>Number of CareTech Shares</i>	<i>% of CareTech's existing ordinary share capital as at the Latest Practicable Date</i>	<i>Notes</i>
Kensington Capital Limited	4,648,932	4.10	Kensington is a company owned by a trust, the beneficiaries of which are Haroon Sheikh and his immediate family.
Belgravia Investments Limited	4,648,932	4.10	Belgravia is a company owned by a trust, the beneficiaries of which are Farouq Sheikh and his immediate family.
Sheikh Ventures Limited	1,392,145	1.23	Sheikh Ventures is a 100 per cent. owned subsidiary of Sheikh Holdings, which is wholly owned by the Founders and their immediate family.
Computershare Trustees (Jersey) Limited	1,758,955	1.55	Computershare Trustees (Jersey) Limited is the trustee of CareTech's EBT and holds CareTech Shares pursuant to the ExSOP Scheme on behalf of Haroon Sheikh, Farouq Sheikh, Christopher Dickinson, Dr Junaid Bajwa, Gareth Dufton and Mike Adams.

<i>Name</i>	<i>Number of CareTech Shares</i>	<i>% of CareTech's existing ordinary share capital as at the Latest Practicable Date</i>	<i>Notes</i>
Grosvenor (UK) Limited	1,250,000	1.10	Grosvenor (UK) Limited is a 100 per cent. owned subsidiary of Sheikh Holdings Group (Investments) Limited, which is wholly owned by the Founders and their immediate families, and is beneficially interested in its CareTech Shares via a contract for difference which was effected at an average price of 402 pence per CareTech Share.
CareTech Charitable Foundation	1,000,000	0.88	The CareTech Charitable Foundation is a foundation established by CareTech and is deemed to be acting in concert with Sheikh Holdings by virtue of the fact that the Founders and certain other concert parties of Sheikh Holdings are trustees.
Cosaraf Pension Fund	230,000	0.2	Cosaraf Pension Fund is a self-administered pension scheme established for the benefit of the Founders.
Gareth Dufton	24,480	0.02	Gareth Dufton is deemed a concert party of Sheikh Holdings.
Dr Junaid Bajwa	20,000	0.01	Dr Junaid Bajwa is a director of certain Sheikh Holdings Group (Investments) Limited subsidiaries.
Essential Guides (UK) Limited	11,905	0.01	Essential Guides (UK) Limited is a company owned 50 per cent. by Dr Junaid Bajwa.

CareTech Directors' and Bidco Directors' interests in options and awards under CareTech Share Plans:

<i>Name</i>	<i>Share Scheme</i>	<i>Number of CareTech Shares</i>	<i>Grant date</i>	<i>Vesting date</i>	<i>Exercise price</i>
Farouq Sheikh	CareTech Sharesave Scheme 2020	5,070	1 November 2020	1 November 2023 – 30 April 2024	355 pence
Farouq Sheikh	CareTech Long Term Incentive Plan 2020	123,203	20 December 2020	20 December 2023	Nil
Farouq Sheikh	CareTech Long Term Incentive Plan 2020	104,785	15 December 2021	15 December 2024	Nil
Haroon Sheikh	CareTech Sharesave Scheme 2020	5,070	1 November 2020	1 November 2023 – 30 April 2024	355 pence
Haroon Sheikh	CareTech Long Term Incentive Plan 2020	138,604	20 December 2020	20 December 2023	Nil
Haroon Sheikh	CareTech Long Term Incentive Plan 2020	117,883	15 December 2021	15 December 2024	Nil
Christopher Dickinson	CareTech Sharesave Scheme 2020	5,070	1 November 2020	1 November 2023 – 30 April 2024	355 pence
Christopher Dickinson	CareTech Long Term Incentive Plan 2020	92,402	15 December 2020	15 December 2023	Nil
Christopher Dickinson	CareTech Long Term Incentive Plan 2020	78,588	15 December 2021	15 December 2024	Nil
Mike Adams	CareTech Long Term Incentive Plan 2020	19,251	21 December 2020	21 December 2023	Nil
Mike Adams	CareTech Long Term Incentive Plan 2021	16,372	15 December 2021	15 December 2024	Nil
Aleena Sheikh*	CareTech Sharesave Scheme 2020	5,070	1 November 2020	1 November 2023 – 30 April 2024	355 pence

* Aleena Sheikh is a close relative of Farouq Sheikh and Haroon Sheikh

- (b) The following dealings in relevant securities of CareTech by the close relatives, concert parties, related trusts and connected persons of the CareTech Directors and the Bidco Directors have taken place during the disclosure period.

Dealings in CareTech Shares held by the close relatives, concert parties, related trusts and connected persons of CareTech Directors and Bidco Directors:

<i>Name</i>	<i>Date</i>	<i>Nature of dealings</i>	<i>Number of CareTech Shares</i>	<i>Price (£)</i>	<i>Notes</i>
Westminster Holdings Limited	2 August 2021	Sale	750,000	6.20	A company wholly owned and controlled by a trust, the beneficiaries of which include the Founders.
Kensington Capital Limited*	17 May 2022	Assignment/ Transfer*	4,648,932	nil	Kensington is a company owned by a trust, the beneficiaries of which are Haroon Sheikh and his immediate family.
Belgravia Investments Limited*	17 May 2022	Assignment/ Transfer*	4,648,932	nil	Belgravia is a company owned by a trust, the beneficiaries of which are Farouq Sheikh and his immediate family.

* The legal transfer of 4,648,932 CareTech Shares from Westminster Holdings Limited to each of Kensington Capital Limited and Belgravia Investments Limited completed on 17 May 2022 (with the beneficial interest having been transferred on 2 August 2021); see RNS announcements from 8 June 2022 and 3 August 2021 respectively.

- (c) During the disclosure period, CareTech made no redemptions, repurchases, purchases or took or exercised options over any of its own relevant securities.

5.3 *Interests and Dealings in relevant offeror securities*

- (a) As at close of business on the disclosure date, the interests of the CareTech Directors and the Bidco Directors (and their close relatives, concert parties, related trusts and connected persons) in relevant securities of the offeror were as follows:

<i>Name</i>	<i>Description and number of relevant securities of the offeror</i>	<i>% of Topco's existing ordinary share capital as at the Latest Practicable Date</i>	<i>Notes</i>
Kensington Capital Limited	1 ordinary share of £0.01 each in the capital of Topco	25	Kensington is a company owned by a trust, the beneficiaries of which are Haroon Sheikh and his immediate family.
Belgravia Investments Limited	1 ordinary share of £0.01 each in the capital of Topco	25	Belgravia is a company owned by a trust, the beneficiaries of which are Farouq Sheikh and his immediate family.
Sheikh Ventures Limited	1 ordinary share of £0.01 each in the capital of Topco	25	Sheikh Ventures is a 100 per cent. owned subsidiary of Sheikh Holdings, which is wholly owned by the Founders and their immediate family.

- (b) The following dealings in relevant securities of the offeror by the CareTech Directors and Bidco Directors (and their close relatives, concert parties, related trusts and connected persons) during the disclosure period:

Dealings in relevant securities of the offeror by CareTech Directors and Bidco Directors and their close relatives, concert parties, related trusts and connected persons:

<i>Name</i>	<i>Date</i>	<i>Nature of dealings</i>	<i>Description and number of relevant securities of the offeror</i>	<i>Price (£)</i>	<i>Notes</i>
Kensington Capital Limited*	27 June 2022	Right to subscribe*	34,866,990 A ordinary shares of £0.01 each in the capital of Topco	34,866,990	Kensington is a company owned by a trust, the beneficiaries of which are Haroon Sheikh and his immediate family.
Belgravia Investments Limited*	27 June 2022	Right to subscribe*	34,866,990 A ordinary shares of £0.01 each in the capital of Topco	34,866,990	Belgravia is a company owned by a trust, the beneficiaries of which are Farouq Sheikh and his immediate family.
Sheikh Ventures Limited	27 June 2022	Right to subscribe*	10,441,088 D ordinary shares of £0.01 each in the capital of Topco	10,441,088	Sheikh Ventures is a 100 per cent. owned subsidiary of Sheikh Holdings, which is wholly owned by the Founders and their immediate family.

* *Right to subscribe on the Effective Date In accordance with the terms of the Topco Shareholders' Agreement.*

6. General

Save as disclosed in this document and as at close of business on the disclosure date:

- (a) none of: (i) Bidco; (ii) any Bidco Director, or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with Bidco, had any interest in, right to subscribe in respect of, or short position in respect of relevant securities; and no such person has dealt in any relevant securities during the disclosure period;
- (b) neither Bidco nor any person acting in concert with Bidco had borrowed or lent any relevant securities, save for borrowed shares which have been either on-lent or sold;
- (c) neither Bidco nor any person acting in concert with Bidco has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of CareTech during the disclosure period;
- (d) none of: (i) CareTech; (ii) any director of CareTech, or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with CareTech, had any interest in, right to subscribe in respect of, or short position in relation to relevant securities; and no such person has dealt in any relevant securities during the Offer Period;

- (e) neither CareTech nor any person acting in concert with it had borrowed or lent any relevant securities, save for borrowed shares which have been either on-lent or sold;
- (f) neither CareTech nor any person acting in concert with CareTech has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of CareTech during the Offer Period;
- (g) save for the irrevocable undertakings described in paragraph 7 below, neither Bidco nor any person acting in concert with Bidco has any Note 11 arrangement with any other person; and
- (h) neither CareTech, nor any person who is acting in concert with CareTech, has any Note 11 arrangement with any other person.

7. Irrevocable Undertakings and Letters of Intent

Irrevocable Undertakings

7.1 **CareTech Independent Board**

The following member of the CareTech Independent Board has given an irrevocable undertaking to procure that the registered holder votes in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following CareTech Shares, in which he or his family members and connected persons are beneficially interested, representing, in aggregate, approximately 0.002 per cent. of the CareTech Shares in issue at the Latest Practicable Date:

<i>Name</i>	<i>Total number of CareTech Shares</i>	<i>Percentage of existing issued ordinary share capital*</i>
Jamie Cumming	2,500	0.002

** based on the number of CareTech Shares in issue on the Latest Practicable Date.*

The irrevocable undertaking will cease to be binding if, *inter alia*, the recommendation of the CareTech Independent Directors is withdrawn, or if Bidco announces with the consent of the Panel, that it does not intend to proceed with the Offer and no new, revised or replacement acquisition to which the undertaking applies is announced in accordance with Rule 2.7 of the Takeover Code.

7.2 **Other CareTech Directors**

The following director of the CareTech Board has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following CareTech Shares, in which he or his family members and connected persons are beneficially interested, representing, in aggregate, approximately 0.002 per cent. of the CareTech Shares in issue at the Latest Practicable Date:

<i>Name</i>	<i>Total number of CareTech Shares</i>	<i>Percentage of existing issued ordinary share capital*</i>
Mike Adams OBE	2,145	0.002

** based on the number of CareTech Shares in issue on the Latest Practicable Date.*

The irrevocable undertaking will cease to be binding if, *inter alia*, the recommendation of the CareTech Independent Directors is withdrawn, or if Bidco announces with the consent of the Panel, that it does not intend to proceed with the Offer and no new, revised or replacement acquisition to which the undertaking applies is announced in accordance with Rule 2.7 of the Takeover Code.

7.3 **Other CareTech Shareholders**

The following CareTech Shareholders have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following CareTech Shares, in which they are beneficially interested, representing, in aggregate, approximately 24.7 per cent. of the CareTech Shares in issue at the Latest Practicable Date:

<i>Name</i>	<i>Total number of CareTech Shares</i>	<i>Percentage of existing issued ordinary share capital*</i>
Lombard Odier Asset Management (Europe) Limited	13,750,256	12.13
Stichting Value Partners Family Office	8,832,784	7.79
Richard Griffiths	5,233,870	4.62
OVMK Asset Management Nv	170,825	0.15

* based on the number of CareTech Shares in issue on the Latest Practicable Date.

The irrevocable undertakings cease to be binding if: (i) the Effective Date has not occurred by the Longstop Date; (ii) Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Offer and no new, revised or replacement offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time; or (iii) the Scheme or Offer lapses or is withdrawn.

Richard Griffiths has also elected to receive the Partial Alternative Offer in respect of 5,233,870 CareTech Shares held by him and Lombard Odier Asset Management (Europe) Limited has also elected to receive the Partial Alternative Offer in respect of not less than 2,000,000 CareTech Shares held by it (each subject to scale back as set out in paragraph 11 of Part II (*Explanatory Statement*) and in Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*)) of this document.

Letters of Intent

7.4 **CareTech Shareholders**

The following CareTech Shareholders have given non-binding letters of intent to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Offer is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in relation to the following CareTech Shares which they or their family members or connected persons are beneficially interested, representing, in aggregate approximately 12.3 per cent. of CareTech's issued ordinary share capital on the Latest Practicable Date.

<i>Name</i>	<i>Total number of CareTech Shares</i>	<i>Percentage of existing issued ordinary share capital*</i>
Hargreave Hale Limited	8,029,316	7.08
Amati Global Investors Limited	1,523,640	1.34
Tellworth Investments	1,606,496	1.42
OVMK Asset Management Nv	532,698	0.47
CareTech Charitable Foundation	1,000,000	0.88
Kernow Asset Management	822,157	0.73
His Excellency Ahmad Ali Al Sayegh	220,047	0.19
Shafqat Malik	211,418	0.19

* based on the number of CareTech Shares in issue on the Latest Practicable Date.

8. CareTech Directors' service contracts, appointment letters and emoluments

8.1 **Executive Directors**

The particulars of the current service contracts between CareTech and the executive CareTech Directors are as follows:

Farouq Sheikh

Pursuant to Farouq Sheikh's service contract with the Company, dated 7 October 2005, Mr Sheikh is entitled to a base salary (currently £400,000 per annum), additional remuneration in accordance with CareTech's bonus scheme (which has been agreed as up to 100 per cent. of base salary) and all reasonable expenses properly incurred. Additional benefits include a 15 per cent. of annual salary pension contribution, a car allowance and private health insurance. He is entitled to full pay during any period of absence due to incapacity for up to an aggregate of 26 weeks in any 12 month period.

The contract provides for his employment to continue unless or until terminated by him or CareTech on not less than 12 months' notice. During any period of notice, provided CareTech continues to pay Mr Sheikh's salary and provide all benefits, CareTech is entitled to require Mr Sheikh to carry out alternative duties, not to attend the workplace, to return CareTech's documentation and to undertake work from home and CareTech may also instruct Mr Sheikh not to contact or deal with any employees, customers and professional contacts and is under no obligation to provide any work to Mr Sheikh. CareTech may opt, in its discretion, to make a payment in lieu of notice to Mr Sheikh equivalent to his basic salary for his notice period or the balance of his notice period, and this may be paid in instalments.

Following termination, for a period of 12 months, Mr Sheikh is restricted from: (i) being engaged in, or providing advice to, any business which supplies products or services sold or in development by the CareTech Group in competition with the CareTech Group, without CareTech's prior written consent; (ii) being engaged in the business of any supplier of the CareTech Group, or interfering with the continuance of supplies to any member of the CareTech Group, without CareTech's prior written consent; (iii) for being engaged in the business of a customer of the CareTech Group; (iv) soliciting any person or customer that was a customer of any member of the CareTech Group without CareTech's prior written consent; and (v) soliciting, inducing to leave or employing or engaging any person in an executive or senior managerial capacity and with whom Mr Sheikh has had dealings (other than in a *de minimis* way) during the course of the employment.

Haroon Sheikh

Pursuant to Haroon Sheikh's service contract with the Company, dated 7 October 2005, Mr Sheikh is entitled to a base salary (currently £450,000 per annum), additional remuneration in accordance with CareTech's bonus scheme (which has been agreed as up to 100 per cent. of base salary) and all reasonable expenses properly incurred. Additional benefits include a 15 per cent. of annual salary pension contribution, a car allowance and private health insurance. He is entitled to full pay during any period of absence due to incapacity for up to an aggregate of 26 weeks in any 12 month period.

The contract provides for his employment to continue unless or until terminated by him or CareTech on not less than 12 months' notice. During any period of notice, provided CareTech continues to pay Mr Sheikh's salary and provide all benefits, CareTech is entitled to require Mr Sheikh to carry out alternative duties, not to attend the workplace, to return CareTech's documentation and to undertake work from home and CareTech may also instruct Mr Sheikh not to contact or deal with any employees, customers and professional contacts and is under no obligation to provide any work to Mr Sheikh. CareTech may opt, in its discretion, to make a payment in lieu of notice to Mr Sheikh equivalent to his basic salary for his notice period or the balance of his notice period, and this may be paid in instalments.

Following termination, for a period of 12 months, Mr Sheikh is restricted from: (i) being engaged in, or providing advice to, any business which supplies products or services sold or in development by the CareTech Group in competition with the CareTech Group, without CareTech's prior written consent; (ii) being engaged in the business of any supplier of the CareTech Group, or interfering with the continuance of supplies to any member of the CareTech Group, without CareTech's prior written consent; (iii) for being engaged in the business of a customer of the CareTech Group; (iv) soliciting any person or customer that was a customer of any member of the CareTech Group without CareTech's prior written consent; and (v) soliciting, inducing to leave or employing or engaging any person in an executive or senior managerial

capacity and with whom Mr Sheikh has had dealings (other than in a *de minimis* way) during the course of the employment.

Christopher Dickinson

Pursuant to Christopher Dickinson's service contract with CareTech Community Services Ltd, dated 10 December 2018, Mr Dickinson is entitled to a base salary (currently £300,000 per annum), additional remuneration in accordance with CareTech's discretionary bonus scheme (which has been agreed as up to 100 per cent. of base salary), and all reasonable expenses properly incurred. Additional benefits include a 15 per cent. of annual salary pension contribution, a car allowance and private health insurance. He is entitled to full pay during any period of absence due to incapacity in accordance with the CareTech sick pay policy.

The contract provides for his employment to continue unless or until terminated by him or CareTech Community Services Ltd on not less than 6 months' notice. During any period of notice, provided CareTech Community Services Ltd continues to pay Mr Dickinson's salary and provide all benefits, CareTech Community Services Ltd is entitled to require Mr Dickinson to carry out alternative duties, not attend the workplace and instruct Mr Dickinson not to contact or deal with any employees, customers and professional contacts and is under no obligation to provide any work to Mr Dickinson.

Following termination, Mr Dickinson is restricted from: (i) for a period of 12 months soliciting or endeavouring to entice away from any CareTech Group company the business or custom of any customer with a view to providing goods or services to that customer in competition with a restricted business; (ii) for a period of 12 months offering to employ or otherwise endeavouring to entice away from any CareTech Group company any restricted person; (iii) for a period of 12 months employing or engaging or otherwise facilitating the employment or engagement of any restricted person; (iv) for a period of 6 months being involved in any capacity with any business which is or intends to be in competition with the business of CareTech; and (v) for a period of 6 months being involved with the provision of goods or services to any restricted customer in the course of any business concern which is in competition with any restricted business.

Mike Adams

Pursuant to Mike Adams' service contract with CareTech Community Services Ltd, dated 17 February 2021, Mr Adams is entitled to a base salary (currently £125,000 per annum), additional remuneration in accordance with CareTech's discretionary bonus scheme up to 50 per cent. of salary and all reasonable expenses properly incurred. Additional benefits include a 15 per cent. of annual salary pension contribution, a car allowance and private health insurance. He is entitled to full pay during any period of absence due to incapacity in accordance with the CareTech sick pay policy.

The contract provides for his employment to continue unless or until terminated by him or CareTech Community Services Ltd on not less than 6 months' notice. During any period of notice, provided CareTech Community Services Ltd continues to pay Mr Adams' salary and provide all benefits, CareTech Community Services Ltd is entitled to require Mr Adams to carry out alternative duties, and not to attend the workplace and CareTech may instruct Mr Adams not to contact or deal with any employees, customers and professional contacts and is under no obligation to provide any work to Mr Adams.

Following termination, Mr Adams is restricted from: (i) for a period of twelve months soliciting or endeavouring to entice away from any CareTech Group company the business or custom of any customer with a view to providing goods or services to that customer in competition with a restricted business; (ii) for a period of twelve months offering to employ or otherwise endeavouring to entice away from any CareTech Group company any restricted person; (iii) for a period of 6 months employing or engaging or otherwise facilitating the employment or engagement of any restricted person; (iv) for a period of 6 months being involved in any capacity with any business which is or intends to be in competition with the business of CareTech; and (v) for a period of 6 months being involved with the provision of goods or services to any restricted customer in the course of any business concern which is in competition with any restricted business.

8.2 **Non-Executive Directors**

Jamie Cumming

Pursuant to an agreement dated 30 August 2018, CareTech engaged Jamie Cumming as a non-executive director for a period continuing until terminated by either party on three months' written notice. Under this agreement, Jamie Cumming is currently paid fees of £52,500 per annum for one day per calendar month.

Dr Moira Livingston

Pursuant to an agreement dated 12 April 2019, CareTech engaged Dr Moira Livingston as a non-executive director for a period continuing until terminated by either party by three months' written notice. Under this agreement, Dr Moira Livingston is currently paid fees of £52,500 per annum for two days per calendar month.

Adrian Stone

Pursuant to an agreement dated 14 December 2021, CareTech engaged Adrian Stone as a non-executive director for a period continuing until terminated by either party on three months' written notice at a fee of £52,500 per annum for two days per calendar month.

8.3 **Other service contracts**

Save as disclosed above, there are no service contracts between any CareTech Director or proposed director of CareTech and any member of the CareTech Group and no such contract has been entered into or amended within the six months preceding the date of this document.

9. **Offer-related arrangements**

Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this document for details of the Confidentiality Agreement.

Bid Conduct Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this document for details of the Bid Conduct Agreement.

Co-operation Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this document for details of the Co-operation Agreement.

10. **Material contracts**

10.1 **CareTech material contracts**

Other than the arrangements noted in paragraph 9 above of this Part VII (*Additional Information*) and as disclosed below, the CareTech Group has not, during the period beginning on 7 March 2020 (being the date that is two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, which are or may be material to CareTech have been entered into by CareTech and/or the CareTech Group in the period beginning on 7 March 2020 and ending on the Latest Practicable Date:

(a) *SmartBox SPA*

On 5 October 2020, Tobii AB (PUBL) and Smart Box Holdings Limited ("**SmartBox**") and others entered into a sale and purchase agreement (the "**SmartBox SPA**"). Under the terms of the SmartBox SPA, Smart Box Holdings Limited (a CareTech subsidiary) acquired all of the issued shares of SmartBox Assistive Technology Limited and Sensory Software

International Limited for initial consideration of c.£7.05 million, plus an earn out provision. On completion, SmartBox was owned 70 per cent. by CareTech and 30 per cent. by minority shareholders. CareTech entered into the SmartBox SPA in its capacity as a guarantor.

In November 2021 SmartBox allotted 611,765 new A ordinary shares of £1.00 each to CareTech in consideration for CareTech providing the purchase price of EUR 10,000,000 for the acquisition of REHAVISTA (as summarised at (b) below). Following the issue of the A ordinary shares of £1.00 each the minority shareholders were diluted to 17 per cent. CareTech now holds the remaining 83 per cent.

(b) *REHAVISTA SPA*

On 27 November 2021, various sellers and SmartBox entered into a sale and purchase agreement in relation to the acquisition of REHAVISTA GmbH (the “**Rehavista SPA**”). Under the terms of the Rehavista SPA, SmartBox purchased the entire issued share capital of REHAVISTA for an initial payment of EUR 10 million, subject to working capital adjustments.

(c) *Dmetco Group SPA*

On 3 February 2022, various sellers and AS3 Investment Holding Ltd (“**AS3**”), a CareTech subsidiary, entered into a sale and purchase agreement (the “**Dmetco SPA**”). Under the terms of the Dmetco SPA, the various sellers agreed to sell a 70.7 per cent. stake in DBG HoldCo Ltd to AS3. The aggregate consideration under the Dmetco SPA was an initial consideration payment of AED 51,514,848 plus an earn out payment.

(d) *Wellness SPA*

On 3 February 2022, various sellers and CareTech entered into a sale and purchase agreement (the “**Wellness SPA**”). Under the terms of the Wellness SPA the sellers agreed to sell a 52 per cent. stake in AS4 Investments Holdings (“**AS4**”) to CareTech. AS4 is a holding company of Wellness One Day Surgery LLC and Wellness Pharmacy LLC. The consideration was settled by a payment of the initial enterprise value, around AED 110,000,000, plus estimated cash and a working capital adjustment.

(e) *CTH-Digital Lab Limited (“CTH”) Shareholders Deed*

On 1 April 2022 CareTech Digital Limited (a subsidiary of CareTech), Conceptioneering Limited, Anthony Ellis and CTH entered into a shareholders’ deed in respect of the business and affairs of CTH (the “**CTH Deed**”). On execution of the CTH Deed, CareTech Digital Limited holds 85 per cent. of the entire issued share capital of CTH.

10.2 ***Bidco material contracts***

Save as disclosed in paragraph 9 and in this paragraph 10.2 of this Part VII (*Additional Information*) of this document, Bidco has not, during the period beginning on 7 March 2020 (being the date that is two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, which are or may be material to Topco have been entered into by Topco and/or the Topco Group in the period beginning on 7 March 2020 and ending on the Latest Practicable Date.

(a) *Rollover Securities Shareholders’ Agreement*

See Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) of this document for details of the Rollover Securities Shareholders’ Agreement.

(b) *Share Exchange Agreement*

On 27 June 2022, Bidco and each member of the Sheikh Group entered into a share exchange agreement (the “**Share Exchange Agreement**”), pursuant to which each member of the Sheikh Group has agreed to transfer, or procure to transfer, to Bidco its CareTech Shares upon the Scheme becoming Effective. In consideration for such transfer of CareTech Shares, Bidco shall issue Bidco Rollover Securities to each member of the Sheikh Group.

The Share Exchange Agreement will terminate if: (i) the Offer lapses or is withdrawn; (ii) if implemented by way of a Takeover Offer, the Takeover Offer lapses or is withdrawn; or (iii) if the Scheme has not become Effective by the Long Stop Date.

(c) *Loan Note Instruments*

See Part XI (*Definitions*) of this document for details of the Loan Note Instruments.

(d) *Put and Call Deeds*

See Part XI (*Definitions*) of this document for details of the Put and Call Deeds.

(e) *Finance Documents*

See paragraph 13 of Part VII (*Additional Information*) of this document for details of the finance documents entered into in connection with the Offer.

(f) *Topco Shareholders’ Agreement*

On 27 June 2022, Topco, Midco, the Sheikh Group, the Founders and THCP entered into a shareholders’ agreement to regulate their affairs in connection with their investment in Topco and the management of the Topco Group (including, from the Effective Date, the CareTech Group).

The terms of the Topco Shareholders’ Agreement provide, amongst other things, that: (i) the Bidco Board shall initially comprise, Marco Anatriello and Pablo Velez, the Founders (who shall remain as directors of Bidco for so long as they are employed by the CareTech Group) and Christopher Dickinson; (ii) board resolutions shall be decided by the majority of votes cast and, for so long as THCP holds less than 50 per cent. of the voting Topco Shares, where the majority of the Founder Directors (as defined in the Topco Shareholders’ Agreement) vote in favour, such decision will be deemed to carry the majority of the votes at the relevant meeting; (iii) other than in relation to certain types of Excluded Issue (as defined in the Topco Shareholders’ Agreement), on a new issue of securities in Topco (excluding an issue of further loan notes), security holders will be entitled to participate pro-rata in the issue at the same price and on the same terms; (iv) the Sheikh Group has a call option at any time during the Lock-up Period to purchase all, but not only some, of the securities in CareTech that are not held by the Sheikh Group; and (v) certain matters set out in the Topco Shareholders’ Agreement require the consent of THCP.

See Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) of this document for further details of the Topco Shareholders’ Agreement.

(g) *Ares Subscription Letter*

On 27 June 2022, certain credit funds managed by Ares Management Limited (the “**Ares Funds**”) entered into a subscription letter with Topco (the “**Ares Subscription Letter**”) and the Sheikh Group pursuant to which, on the Closing Date (as defined in the Notes Facilities Agreement), they would subscribe for C2 Ordinary Shares (the “**Ares Securities**”). In accordance with the terms of the Ares Subscription Letter, the Ares Funds granted the Sheikh Group a call option over the Ares Securities on the same terms as the THCP Call Option (as defined in the Ares Subscription Letter).

11. Bidco’s fees and expenses

The aggregate fees and expenses to be incurred by Bidco in connection with the Offer (excluding any applicable VAT) are expected to be:

<i>Category</i>	<i>Amount (£m)</i>
Financing arrangements and associated advice	24.8
Financial and corporate broking advice	5.8
Legal advice	4.2
Due diligence, structuring and valuation	2.4
Public relations advice	0.3
Other professional services	nil
Other costs and expenses	0.3
Total	37.7

12. CareTech's fees and expenses

The aggregate fees and expenses to be incurred by CareTech in connection with the Offer (excluding any applicable VAT) are expected to be:

<i>Category</i>	<i>Amount (£m)</i>
Financing arrangements and associated advice	nil
Financial and corporate broking advice	up to 4.5*
Legal advice	0.5
Accounting advice	nil
Public relations advice	nil
Other professional services	0.07
Other costs and expenses	0.01
Total	5.08

* an element of the fees for the financial and corporate broking advice is discretionary.

13. Bidco financing

13.1 Senior Facilities

On 27 June 2022, (1) Bidco (as the company and the borrower), (2) Cleanco (as the parent and, together with Bidco, the original guarantors), (3) Ares Management Limited (as mandated lead arranger), (4) certain credit funds managed by Ares Management Limited, (5) Global Loan Agency Services Limited (as facility agent) and (6) GLAS Trust Corporation Limited (as security agent) entered into a facilities agreement (the "**Senior Facilities Agreement**").

(a) Facilities

The Senior Facilities Agreement provides for an aggregate amount of £790,000,000 to be borrowed, comprising of:

- (i) up to £210,000,000 under a term loan facility, available to be borrowed by Bidco only (the "**Senior Term Facility A**");
- (ii) up to £350,000,000 under a term loan facility, available to be borrowed by Bidco only (the "**Senior Term Facility B**");
- (iii) up to £200,000,000 under a term loan facility, available to be borrowed by Bidco only (the "**Super Senior Term Facility**");
(Senior Term Facility A, Senior Term Facility B and the Super Senior Term Facility together, the "**Term Facilities**"); and
- (iv) up to £30,000,000 under a multicurrency revolving facility, available to be borrowed by Bidco and/or any additional borrower (the "**Revolving Facility**", together with the Term Facilities, the "**Senior Facilities**" and each a "**Senior Facility**").

Pursuant to the Senior Facilities Agreement, amounts borrowed under the Term Facilities are to be applied in or towards:

- (i) the payment of amounts payable in relation to the acquisition of CareTech and all Scheme Shares;

- (ii) the payment of acquisition related costs; and
- (iii) the refinancing of existing target group debt and paying fees ancillary to such refinancing.

Amounts borrowed under the Revolving Facility are to be applied towards the refinancing of existing financial indebtedness within the group and for general corporate and working capital purposes.

On the Effective Date, Bidco is expected to draw down £760,000,000 of the Senior Facilities. Bidco intends to prepay up to £350,000,000 using the potential proceeds arising from the sale of certain properties, the majority of which are expected to be subject to long-term lease agreements under which the CareTech Group would continue to occupy the properties.

(b) *Termination*

The termination dates of the Senior Facilities are (in each case, the “**Senior Facilities Termination Date**”):

- (i) in respect of Senior Term Facility A, the date falling five years and six months after the Closing Date;
- (ii) in respect of Senior Term Facility B, the date falling 18 months after the Closing Date;
- (iii) in respect of the Super Senior Term Facility, the date falling five years after the Closing Date; and
- (iv) in respect of the Revolving Facility, the date falling five years after the Closing Date.

The commitments under Super Senior Term Facility and the Revolving Facility will be automatically reclassified as Senior Term Facility A commitments, depending on when the original lenders have syndicated down to their target hold level.

The commitments under Senior Term Facility B may be reclassified as Senior Term Facility A commitments at the request of Cleanco, depending on the level of adjusted net leverage. Any available commitments under Senior Term Facility B will be automatically reclassified as Senior Term Facility A commitments 18 months after the Closing Date, or earlier depending on adjusted net leverage.

(c) *Repayments*

Amounts borrowed under the Term Facilities are repayable in full on the applicable Senior Facilities Termination Date, subject to the reclassification of any Senior Term Facility B commitments as Senior Term Facility A commitments which shall be deemed to operate prior to the Senior Facilities Termination Date for Senior Term Facility B.

Amounts borrowed under the Revolving Facility are repayable at the end of their interest periods (which may be selected by the borrower by way of a selection notice up to a maximum of six months) but, subject to customary conditions, is available for redrawing.

All loans must be repaid on the applicable Senior Facilities Termination Date or, if earlier, on the occurrence of customary repayment and pre-payment events including, amongst other things, in the event of there being a change of control of Bidco (unless the lenders have consented to the change of control).

The Senior Facilities Agreement contains customary mandatory prepayment and cancellation provisions.

(d) *Interest*

Interest under the Senior Facilities Agreement in respect of:

- (i) each compounded rate loan is the percentage rate per annum equal to the applicable margin plus the compounded reference rate for that day; and
- (ii) each term rate loan is the percentage rate per annum equal to the applicable margin plus the term reference rate.

The applicable margin for a loan under Senior Term Facility A will (subject to exercise of the PIK toggle option) be in a range between 6.25 per cent. per annum and 7.00 per cent. per annum, depending on whether the original lenders have syndicated the Super Senior Term Facility and the Revolving Facility down to their target hold level. Provided specified events of default have not occurred, the margin will step up in accordance with adjusted net leverage in a range between 6.00 per cent. per annum and 8.50 per cent. per annum.

The applicable margin for a loan under Senior Term Facility B will be 5.50 per cent. per annum or the same margin as is applicable to Senior Term Facility A, depending on when the Closing Date has occurred.

The applicable margin for a loan under the Super Senior Term Facility will be the same margin as is applicable to Senior Term Facility A. Once the original lenders have syndicated the Super Senior Term Facility down to their target hold level, the applicable margin for a loan under the Super Senior Term Facility may be agreed with the new lenders, provided that the weighted average margin of the Super Senior Term Facility and the Senior Term Facility A shall not exceed 6.25 per cent. per annum.

The applicable margin for a loan under the Revolving Facility will be the same margin as is applicable to Senior Term Facility A, or as otherwise agreed with the Revolving Facility lenders, subject to a cap of 5.50 per cent. per annum.

In respect of loans under Senior Term Facility A, the Senior Facilities Agreement also provides for a partial PIK option and contains an adjustment to the margin rate determined by the ratings awarded to its social care services.

(e) *Default Interest*

If any amount is not paid on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is one per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a loan in the currency of the overdue amount for successive interest periods.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each interest period applicable to that overdue amount but will remain immediately due and payable.

(f) *Representations, Undertakings, Financial Covenants and Events of Default*

The Senior Facilities Agreement contains customary representations and undertakings (including covenants in respect of financial indebtedness, anti-corruption, sanctions, negative pledge, disposals, acquisitions, mergers and guarantors) and specific undertakings relating to the Scheme and events of default with appropriate carve outs and materiality thresholds. It also contains customary, indemnities and other provisions.

Cleanco is required under the Senior Facilities Agreement to comply with one financial covenant based on leverage, such that, after the end of the second complete financial quarter after the Closing Date, Cleanco shall ensure that Adjusted Leverage (as defined in the Senior Facilities Agreement) in respect of the Relevant Period (as defined in the Senior Facilities Agreement) specified below shall not exceed the ratio set out below opposite such period, tested semi-annually:

<i>Relevant Period</i>	<i>Ratio</i>
Relevant Periods expiring 31 March 2023 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2025	8.25:1
Relevant Period expiring 31 March 2026 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2026	7.75:1
Relevant Period expiring 31 March 2027 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2027	7.25:1
Relevant Period expiring 31 March 2028 and each Relevant Period thereafter	6.75:1

Breach of a financial covenant may be cured (or pre-cured) by way of new shareholder injections if confirmed and cured within certain timeframes.

The Senior Facilities Agreement contains customary events of default.

(g) *Fees*

An arrangement fee is due and payable to the facility agent (for the account of the arrangers) on the Closing Date in an amount equal to the aggregate of:

- (i) 3.00 per cent. of the total Super Senior Term Facility and Revolving Facility commitments outstanding as at the Closing Date;
- (ii) 3.00 per cent. of the total Senior Term Facility A commitments outstanding as at the Closing Date; and
- (iii) 0.75 per cent. of the total Senior Term Facility B commitments outstanding as at the Closing Date.

Extension fees and other fees (subject to any applicable fee rebates) in respect of the Senior Term Facility B commitments are also payable under the terms of the Senior Facilities Agreement and ancillary documentation.

A one-off acceptance fee of £3,000 will be paid to the facility agent (for its own account) on the Closing Date.

Further fees which remain outstanding or are ongoing are a commitment fee, a utilisation fee, a ticking fee, an annual agency fee of £27,500 per annum, and an annual security agent fee of £15,000 per annum.

(h) *Security – guarantee*

Bidco and Cleanco are guarantors under the Senior Facilities Agreement and have given irrevocable and unconditional, joint and several, guarantees to each finance party of the punctual performance by each other obligor of all of that obligor's obligations under the finance documents, and in default an undertaking to pay any amount due and unpaid on demand as if it was the principal obligor.

Bidco and Cleanco have also each granted all asset security in England, being their jurisdiction of incorporation.

13.2 **Original Notes Facility**

On 27 June 2022, (1) Midco (as the issuer), (2) Topco, together, with Midco, Cleanco and Bidco (as the original guarantors), (3) Ares Management Limited and THCP Advisory Ltd (as the arrangers), (4) certain credit funds managed by Ares Management Limited and TH Pathways S.à r.l. (as original noteholders), (5) Global Loan Agency Services Limited (as facility agent) and (6) GLAS Trust Corporation Limited (as security agent) entered into a secured subordinated notes facilities agreement (the "**Notes Facilities Agreement**").

(a) *Facilities*

The Notes Facilities Agreement provides for secured subordinated notes (the “**Original Notes**”) to be issued in an aggregate amount of £258,000,000 (the “**Original Notes Facility**”).

Pursuant to the Notes Facilities Agreement, amounts received from the Original Notes’ issuance are to be applied in or towards:

- (i) the payment of amounts payable in relation to the acquisition of CareTech and all the Scheme Shares;
- (ii) the payment of acquisition related costs; and
- (iii) the refinancing of existing financial indebtedness as well as certain financial indebtedness of the target group debt and paying fees ancillary to such refinancing.

(b) *Termination*

The termination date of the Original Notes Facility is the date falling 6 years from the Closing Date (the “**Notes Termination Date**”).

(c) *Repayments*

The Original Notes shall be redeemed in full and with any accrued and unpaid interest, and all other amounts accrued under the Original Notes issuance documents on the Notes Termination Date or on the occurrence of customary repayment and pre-payment events including, amongst other things, a change of control of any of Topco, Midco, Cleanco or Bidco (unless the lenders have consented to the change of control).

The Notes Facilities Agreement contains customary mandatory prepayment and cancellation provisions.

(d) *Interest*

Interest on each of the Original Notes for any day during an interest period is the percentage rate per annum which is the aggregate of the applicable (i) Cash Pay Margin and (ii) the PIK Margin, each as defined below.

The cash pay element of the margin (the “**Cash Pay Margin**”) is payable on each of the Original Notes on the last day of each interest period at a rate of 2 per cent. If Midco is unable to pay the Cash Pay Margin when due because the Senior Facilities Agreement has prevented cash from being up-streamed, the accrued interest on each of those Original Notes shall be (i) the aggregate of the Cash Pay Margin (as reduced by the amount which was not paid) and (ii) the amount which was not paid plus 0.25 per cent. for each 1.00 per cent. of Cash Pay Margin that was not paid (“**Blocked PIK Interest**”). Blocked PIK Interest shall be capitalised and added to the principal of the Original Notes.

The pay-in-kind element of the margin (the “**PIK Margin**”) is 9 per cent. per annum with a 1 per cent. upward ratchet where, if on or before the date which is 12 months after the Closing Date, the financial indebtedness incurred under the Senior Facilities Agreement has not been reduced by a certain prescribed amount.

The PIK Margin will capitalise on the last day of each interest period and be added to the outstanding principal amount of each of the relevant Original Notes. Once capitalised it is treated as part of the principal outstanding amount.

(e) *Default Interest*

If any amount is not paid on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is two per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Original Notes in the currency of the overdue amount for successive interest periods.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each interest period applicable to that overdue amount but will remain immediately due and payable.

(f) *Representations, Undertakings, Financial Covenants and Events of Default*

The Notes Facilities Agreement contains customary representations and undertakings (including covenants in respect of financial indebtedness, anti-corruption, sanctions, negative pledge, disposals, acquisitions, mergers and guarantors) and specific undertakings relating to the Scheme and events of default with appropriate carve outs and materiality thresholds. It also contains customary, indemnities and other provisions.

Midco is required under the Notes Facilities Agreement to comply with one financial covenant based on leverage, such that, after the end of the second complete financial quarter after the Closing Date, Midco shall ensure that Adjusted Leverage (as defined in the Notes Facilities Agreement) in respect of the Relevant Period (as defined in the Notes Facilities Agreement) specified below shall not exceed the ratio set out below opposite such period, tested semi-annually:

<i>Relevant Period</i>	<i>Ratio</i>
Relevant Periods expiring 31 March 2023 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2025	10.50:1
Relevant Period expiring 31 March 2026 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2026	10.00:1
Relevant Period expiring 31 March 2027 and each Relevant Period thereafter until the Relevant Period expiring 31 December 2027	9.50:1
Relevant Period expiring 31 March 2028 and each Relevant Period thereafter	9.00:1

Breach of a financial covenant may be cured by way of new shareholder injections if confirmed and cured within certain timeframes.

(g) *Fees*

An arrangement fee is due and payable to the arrangers on the Closing Date *pro rata* to their participation in the Notes Facilities Agreement on the Closing Date in an amount equal to 2.75 per cent. of the aggregate principal amount of the total commitments under the Original Notes Facility.

Further fees which remain outstanding or are ongoing are, an annual agency fee of £12,500 per annum; and an annual security agent fee of £5,000 per annum.

(h) *Security – guarantee*

Topco, Midco, Bidco and Cleanco are guarantors under the Notes Facilities Agreement and have given irrevocable and unconditional, joint and several, guarantees to each finance party of the punctual performance by each other obligor of all of that obligor's obligations under the finance documents, and in default an undertaking to pay any amount due and unpaid on demand as if it was the principal obligor.

Topco will grant fixed charge security over certain of its assets including its shares in Midco and a floating charge.

Midco, Bidco and Cleanco will each grant all asset security in England, being their jurisdiction of incorporation.

13.3 **Equity Commitment Letter**

On 27 June 2022, Bidco, Midco, Topco, CareTech Co-Invest SCSp (the “**Co-Investment Vehicle**”), acting through its manager (gérant) TH Management IV S.à r.l., and Three Hills Capital

Solutions IV (the “**Fund**”), acting through its manager (gérant) THCS IV GP, entered into an equity commitment letter (the “**ECL**”) in respect of the consideration payable by Bidco for the Scheme Shares.

Pursuant to the terms of the ECL, (i) the Fund undertook to make, or cause to be made, directly or indirectly, in aggregate a capital investment to Topco in cash free and clear from all deductions and withholdings, of £15,273,029 and a debt investment to Midco in cash free and clear from all deductions or withholdings of £64,876,468 (together, the “**Fund Equity Investment**”), (ii) the Co-Investment Vehicle undertook to make, or cause to be made, directly or indirectly, in aggregate a capital investment to Topco in cash free and clear from all deductions and withholdings, of £14,925,742 and a debt investment to Midco in cash free and clear from all deductions or withholdings of £142,924,762 (together, the “**Co-Invest Equity Investment**”, and each of the Fund Equity Investment and the Co-Invest Equity Investment, an “**Equity Investment**”) and (iii) Topco and Midco undertook to make each Equity Investment available, directly or indirectly, to Bidco. In accordance with the terms of the ECL, each Equity Investment will be paid in immediately available funds on or before the Effective Date and each of the Fund and the Co-Investment Vehicle undertakes that each Equity Investment will be made available until the Payment Date (as defined in the ECL).

14. Cash confirmation

The Cash Consideration payable under the Cash Offer is being financed as set out in paragraph 4 of Part II (*Explanatory Statement*) of this document.

Citi and Dean Street, each in its capacity as financial adviser to Bidco, are satisfied that the resources available to Bidco are sufficient to satisfy in full the Cash Consideration.

15. Other information

- 15.1 No agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any party acting in concert with Bidco and any of the directors, recent directors, shareholders or recent shareholders of CareTech which has any connection with, or dependence on, or which is conditional upon the outcome of the Offer.
- 15.2 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the CareTech Shares to be acquired pursuant to the Offer will be transferred to any person, but Bidco reserves the right to transfer any such shares to any member of the Bidco Group.
- 15.3 Save as disclosed in this document, there have been no significant changes in the financial or trading position of CareTech since 31 March 2022 (the date to which the latest interim financial information of CareTech has been prepared).
- 15.4 Save as disclosed in this document, there have been no material changes in the financial or trading position of Bidco Group since the date of its incorporation.
- 15.5 The emoluments of the directors of Bidco will not be varied as a consequence of the Offer or by any other associated transaction.
- 15.6 Panmure Gordon has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- 15.7 Numis has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- 15.8 Citi has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- 15.9 Dean Street has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.

- 15.10 Deutsche Bank has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- 15.11 Save with the consent of the Panel, settlement of the consideration to which any CareTech Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled as against such CareTech Shareholder.
- 15.12 As at the Latest Practicable Date, CareTech held no CareTech Shares as treasury shares.

16. Documents published on a website

Copies of the following documents will be made available on CareTech's website at <https://www.caretech-uk.com/offer-sheikh-holdings-group-investments-limited.com> up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- 16.1 this document;
- 16.2 the Announcement;
- 16.3 the Forms of Proxy;
- 16.4 the Form of Election;
- 16.5 the Articles (as in force and as proposed to be amended by the Special Resolution at the General Meeting);
- 16.6 the articles of incorporation of Bidco;
- 16.7 the articles of incorporation of Topco;
- 16.8 the offer related arrangements referred to in paragraph 9 of this Part VII (*Additional Information*) of this document;
- 16.9 material contracts referred to in paragraph 10.2 of this Part VII (*Additional Information*) of this document which have been entered into in connection with the Offer;
- 16.10 the CareTech financial information incorporated by reference as referred to in Part V (*Financial and Ratings Information*);
- 16.11 the letter set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this document;
- 16.12 the written consents provided by Panmure Gordon, Numis, Citi, Dean Street and Deutsche Bank referred to in paragraph 15 of this Part VII (*Additional Information*) of this document;
- 16.13 the irrevocable undertakings referred to in paragraph 7 of this Part VII (*Additional Information*) of this document; and
- 16.14 template forms of the letters to be sent to participants in the CareTech Share Plans in connection with the Offer.

Save as expressly referred to herein, neither the contents of CareTech's website, nor those of any other website accessible from hyperlinks on CareTech's website, are incorporated into or form part of this document.

17. Sources of information and bases of calculations

In this document, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- 17.1 the value attributed to the fully diluted issued ordinary share capital of CareTech is based on 113,336,434 CareTech Shares in issue and 2,844,449 CareTech Shares subject to awards under the CareTech Share Plans, in each case as at the Latest Practicable Date (less 128,254

CareTech Shares held by Computershare Trustees (Jersey) Limited as trustee of the CareTech Employee Benefit Trust which can be used in part to satisfy these awards);

- 17.2 references to the existing issued ordinary share capital of CareTech are to the number of CareTech Shares in issue as at the Latest Practicable Date, which was 113,336,434 CareTech Shares. The international securities identification number for the CareTech Shares is GB00B0KWHQ09;
- 17.3 the implied enterprise value multiple of approximately 12.6x underlying EBITDA (on a pre-IFRS 16 basis) for the year ended 30 September 2021 is based on the enterprise value of £1.176 billion (on a pre-IFRS 16 basis) and CareTech's underlying EBITDA stated pre-IFRS 16 of £93.3 million;
- 17.4 the implied enterprise value multiple of approximately 13.0x underlying EBITDA (on a post-IFRS 16 basis) for the year ended 30 September 2021 is based on the enterprise value of £1.302 billion (on a post-IFRS 16 basis) and CareTech's underlying EBITDA stated post-IFRS 16 of £100.5 million;
- 17.5 the implied enterprise value of £1.176 billion (on a pre-IFRS 16 basis) is calculated by reference to the fully diluted equity value plus net debt of £278.3 million (on a pre-IFRS 16 basis) as at 31 March 2022, plus non-controlling interests of £27.3 million as at 31 March 2022;
- 17.6 the implied enterprise value of £1.302 billion (on a post-IFRS 16 basis) is calculated by reference to the fully diluted equity value plus net debt of £404.5 million (on a post-IFRS 16 basis) as at 31 March 2022, plus non-controlling interests of £27.3 million as at 31 March 2022;
- 17.7 unless otherwise stated, all prices and volume weighted average prices for CareTech Shares have been derived from Bloomberg;
- 17.8 the premia calculations have been calculated by reference to:
- (a) the closing share price on 4 March 2022 (being the undisturbed date) of 586 pence per CareTech Share;
 - (b) the one-month volume weighted average closing price of 577.6 pence per CareTech Share on 4 March 2022 (being the undisturbed date);
 - (c) the three-month volume weighted average closing price of 569.4 pence per CareTech Share on 4 March 2022 (being the undisturbed date);
 - (d) the all-time high closing price of 699 pence per CareTech Share on 3 September 2021 prior to 4 March 2022 (being the undisturbed date); and
- 17.9 the financial information relating to CareTech is extracted from the audited consolidated financial statements of CareTech for the years ended 30 September 2020 and 30 September 2021, prepared in accordance with IFRS and the unaudited interim financial statements for the six month period ended 31 March 2022 as follows:

<i>Year</i>	<i>Link</i>	<i>Page</i>
Half year 2022	https://otp.tools.investis.com/clients/uk/CareTech1/rns/regulatory-story.aspx?cid=321&newsid=1595166	N/A
2021	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/CareTech%20Annual%20Report%202021.pdf	118
2019	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/annual-report-2019-dec.pdf	61
2017	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/annual-report-2017.pdf	48

<i>Year</i>	<i>Link</i>	<i>Page</i>
2015	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/annual-report-2015.pdf	44
2013	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/annual-report-2013.pdf	36
2011	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/annual-report-2011.pdf	33
2009	https://www.CareTech-uk.com/sites/CareTech-corp/files/CareTech/investors/reports-and-presentations/financial-reports/5525-CareTech-ar09.pdf	27
2008	https://www.annualreports.com/HostedData/AnnualReportArchive/c/AIM_CTH_2008.pdf	27
2006	https://www.annualreports.com/HostedData/AnnualReportArchive/c/AIM_CTH_2006.pdf	21

All information relating to CareTech and Bidco has been provided by persons duly authorised by the CareTech Board and Bidco Board respectively.

PART VIII

SUMMARY OF THE PARTIAL ALTERNATIVE OFFER, THE ROLLOVER SECURITIES AND THE TOPCO GROUP

1. Partial Alternative Offer

Under the Partial Alternative Offer, eligible CareTech Shareholders may elect in respect of all or part of their CareTech Shares to receive Rollover Securities at the following ratio:

7.5 Rollover Securities for each Scheme Share

or such other ratio as may be determined, prior to the Scheme Court Hearing, by Bidco as a result of the amount to be funded by Topco for the purposes of financing the Offer (including any fees and expenses) being varied and subject to the terms and conditions of the Partial Alternative Offer. Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible CareTech Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Scheme Court Hearing. However, the total number of Rollover Securities to be delivered pursuant to the Partial Alternative Offer (see "Partial Alternative Offer Maximum" below) and the maximum aggregate amount of cash to be paid under the Offer will not be varied as a result of elections made. To the extent that any Partial Alternative Offer Elections cannot be satisfied in full, they will be scaled down on a pro-rata basis. As a result, CareTech Shareholders who make an election under the Partial Alternative Offer will not necessarily know the exact number of Rollover Securities they will receive until the settlement of the consideration due to them under the Offer.

The Partial Alternative Offer allows CareTech Shareholders to invest indirectly in the recapitalised CareTech, providing continued economic exposure to a privately owned enterprise and to participate in any future value creation, which may ultimately deliver greater value than the Cash Consideration (although this cannot be guaranteed).

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Partial Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Partial Alternative Offer will only be valid if all regulatory approvals (if any) required by an CareTech Shareholder to acquire the Rollover Securities have been obtained.

Partial Alternative Offer Maximum

The maximum aggregate number of Rollover Securities available to eligible CareTech Shareholders under the Partial Alternative Offer will be limited to 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the "**Partial Alternative Offer Maximum**").

If elections are validly received from eligible CareTech Shareholders in respect of a number of CareTech Shares that would require the issue of Rollover Securities exceeding the Partial Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances, the number of CareTech Shares each CareTech Shareholder is entitled to exchange for Rollover Securities will be reduced on a pro-rata basis, and the balance of the consideration for each CareTech Share will be paid in cash in accordance with the terms of the Cash Offer. For avoidance of doubt, in such a scenario, the ratio at which each CareTech Share is exchanged for Rollover Securities will remain unchanged.

For the purposes of Rule 24.11 of the Takeover Code, Citi and Dean Street, each in its capacity as financial adviser to Bidco, has provided an estimate of the value of a Rollover Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter set out at Part X (*Rule 24.11 Estimate of Value Letter*) of this document.

If the Scheme becomes Effective, CareTech Shareholders who do not validly elect to receive all or part of their consideration by means of the Partial Alternative Offer will automatically receive the full amount of the Cash Consideration for their entire holding of CareTech Shares.

If the Scheme becomes Effective, eligible CareTech Shareholders that validly elect to receive consideration by means of the Partial Alternative Offer will receive their Rollover Securities pursuant to a roll-over mechanism in the Scheme whereby on or shortly following the Effective Date:

- First Exchange – firstly, such elected number of CareTech Shares of the relevant electing CareTech Shareholders may be exchanged for loan notes to be issued by Bidco (the “**Bidco Rollover Securities**”);
- Second Exchange – secondly, and immediately following the first exchange, the Bidco Rollover Securities may be exchanged for loan notes to be issued by Cleanco (the “**Cleanco Rollover Securities**”);
- Third Exchange – thirdly, and immediately following the second exchange, the Cleanco Rollover Securities may be exchanged for loan notes to be issued by Midco (the “**Midco Rollover Securities**”); and
- Fourth Exchange – fourthly, and immediately following the third exchange, the Midco Rollover Securities may be exchanged for the relevant number of Rollover Securities to which eligible CareTech Shareholders are entitled in accordance with the Partial Alternative Offer.

2. Information on Topco and its subsidiaries

Topco is owned by the Sheikh Group and TH Pathways S.à r.l. (a special purpose vehicle owned by THCP and incorporated for the purpose of implementing the Offer) (“**TH Pathways**”), and was formed for the purpose of implementing the Offer. Each of Bidco, Midco and Cleanco (together, the “**Intermediate Holding Companies**”) is a direct or indirect wholly owned subsidiary of Topco. None of Topco or any of the Intermediate Holding Companies have traded since the date of their incorporation nor entered into any obligations other than in connection with the Offer.

Topco is a Jersey private limited company incorporated on 16 June 2022. The share capital of Topco currently comprises 4 ordinary shares but will be reorganised prior to the Effective Date so that it comprises A Ordinary Shares, B Ordinary Shares, C1 Ordinary Shares, C2 Ordinary Shares, and D Ordinary Shares on the terms of this Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*). Immediately after the Effective Date, the A Ordinary Shares will be held by Kensington and Belgravia, the B Ordinary Shares and C1 Ordinary Shares will be held by TH Pathways, the C2 Ordinary Shares will be held by certain credit funds managed by Ares Management Limited and the D Ordinary Shares will be held by Sheikh Ventures, the Founders and eligible CareTech Shareholders who elect for the Partial Alternative Offer.

Prior to the Effective Date, Kensington and Belgravia may elect by way of notice to THCP, in their sole discretion following consultation with TH Pathways, to either: (i) reduce the aggregate number of A Ordinary Shares to be allotted to Kensington and Belgravia on the Effective Date and to be allotted such number of B Ordinary Shares as is equal to the number of A Ordinary Shares, subject to certain adjustments; (ii) reduce the percentage return of the A Ordinary Shares in the Topco Shareholders’ Agreement; or (iii) otherwise amend the rights of the A Ordinary Shares such that they are not as valuable as they currently are, in each case to the extent such actions will not produce a more favourable outcome for the Trusts vis-à-vis TH Pathways. This election (if made) will not in any way impact Kensington and Belgravia’s voting rights.

Midco is wholly owned by Topco. Midco is a private limited company incorporated on 21 June 2022 under the laws of England and Wales. The share capital of Midco currently comprises 1 ordinary share of £1.

Cleanco is wholly owned by Midco. Cleanco is a private limited company incorporated on 21 June 2022 under the laws of England and Wales. The share capital of Cleanco currently comprises 1 ordinary share of £1.

Bidco is wholly owned by Cleanco. Bidco is a private limited company incorporated on 21 June 2022 under the laws of England and Wales. The share capital of Bidco currently comprises 1 ordinary share of £1.

Set out below is a summary of the proposed provisions of the Topco Shareholders' Agreement, the Rollover Securities Shareholders' Agreement and the Topco Articles governing the terms on which eligible CareTech Shareholders who elect for the Partial Alternative Offer will hold interests in Rollover Securities.

Eligible CareTech Shareholders who validly elect to receive all or part of their consideration by means of the Partial Alternative Offer will, pursuant to the power of attorney detailed in Part IV (*The Scheme of Arrangement*) of this document, deliver a fully executed deed of adherence pursuant to which they will be bound by the Rollover Securities Shareholders' Agreement.

3. Terms of issue of Rollover Securities

The Rollover Securities to be issued to eligible CareTech Shareholders who elect for the Partial Alternative Offer will be issued credited as fully paid and will be subject to a ratchet which returns a lower percentage of proceeds to the holders of Rollover Securities as further set out below.

Economic Rights

The economic rights described below are subject to the risks also described below and in paragraphs 10 and 11 of Part II (*Explanatory Statement*) of this document (for example, that (i) holders of Rollover Securities may be diluted over time, potentially significantly, should holders of Rollover Securities elect not to participate in further issues of additional shares, loan notes or other securities of the Topco Group; and (ii) holders of Rollover Securities are not always entitled to participate in such issues).

Upon any return of proceeds to security holders of Topco, in each case whether on an Exit (as defined below) or otherwise the surplus assets of Topco remaining after the payment of liabilities shall be distributed or be payable to the security holders in the following order of priority (in each case after the payment of any costs):

- first, to the holders of the C Ordinary Shares, an amount equal to 13 per cent. of the balance of the surplus assets of Topco remaining available for distribution *pro rata* amongst the holders of the C Ordinary Shares;
- second, to the holders of the A Ordinary Shares, B Ordinary Shares and D Ordinary Shares, such amounts of the surplus assets remaining available for distribution which would generate a 25 per cent internal rate of return per annum on the B Ordinary Shares, in the following proportions and pro-rata amongst the holders of each class:
 - 51.5 per cent. to the holders of the A Ordinary Shares;
 - 18.2 per cent. to the holders of the B Ordinary Shares; and
 - 30.3 per cent. to the holders of the D Ordinary Shares;
- third, to the holders of the A Ordinary Shares, B Ordinary Shares and D Ordinary Shares, such amounts of the surplus assets remaining available for distribution which would generate a 35 per cent. internal rate of return per annum on the B Ordinary Shares, in the following proportions and pro-rata amongst the holders of each class:
 - 67.0 per cent. to the holders of the A Ordinary Shares;
 - 12.4 per cent. to the holders of the B Ordinary Shares; and
 - 20.6 per cent. to the holders of the D Ordinary Shares.
- fourth, to the holders of the A Ordinary Shares, B Ordinary Shares and D Ordinary Shares, such amounts of the surplus assets remaining available for distribution which would generate a 40 per cent internal rate of return per annum on the B Ordinary Shares, in the following proportions and pro-rata amongst the holders of each class:
 - 77.3 per cent. to the holders of the A Ordinary Shares;
 - 8.5 per cent. to the holders of the B Ordinary Shares; and

- 14.2 per cent. to the holders of the D Ordinary Shares.
- finally, to the holders of the A Ordinary Shares, B Ordinary Shares and D Ordinary Shares, any surplus proceeds remaining available for distribution, in the following proportions and *pro rata* amongst the holders of each class:
 - 82.4 per cent. to the holders of the A Ordinary Shares;
 - 6.6 per cent. to the holders of the B Ordinary Shares; and
 - 11.0 per cent. to the holders of the D Ordinary Shares.

Voting Rights

Rollover Securities will not carry any general voting rights at general meetings of Topco.

Transfers of the Rollover Securities

No Rollover Securities will be transferrable except pursuant to:

- the drag and tag rights and call option as described below;
- a reorganisation transaction in accordance with the Topco Articles;
- to certain permitted transferees (including other D Ordinary Shareholders and/or their beneficial owners if different); or
- with written consent from THCP, Kensington and Belgravia.

No changes in direct or indirect interests or economic entitlements in a Rollover Security shall be permitted which circumvent the restrictions on transfer and, without prejudice to damages claims, economic rights shall cease during any such breach.

New Topco Securities Issues

On a new issue of securities Topco (excluding an issue of further loan notes), most security holders (including holders of the Rollover Securities) will be entitled to participate pro-rata in the issue of the same class of shares they already hold and at the same price and on the same terms, save in the following types of excluded issues:

- any issue of securities or transfer of shares from treasury;
- an issue of up to 4,824,932 D Ordinary Shares to or at the director of the Founders or options over some or all of such number;
- any issue in connection with an IPO or reorganisation transaction, or a refinancing on terms which have been approved by THCP;
- any accelerated issue upon the occurrence of certain trigger events; or
- any issue to a current or prospective employee, officer, director or consultant of the CareTech Group (other than a Founder or a THCP investor director).

Information Rights

Holders of Rollover Securities will not have any specific information rights beyond those conferred by Jersey law.

Exit Arrangements

The Sheikh Group may exercise a call option at any time during the “**Lock-up Period**” to purchase all but not only some of the securities in CareTech that are not held by the Sheikh Group, including any Rollover Securities. Following the end of the Lock-Up Period, any share sale, asset sale, IPO or winding up relating to the CareTech Group (an “**Exit**”) shall occur at the absolute discretion of THCP.

Drag-Along and Tag-Along

For the duration of the Lock-up Period, the Sheikh Group and, from the end of the Lock-Up Period, THCP shall have a drag right to require the sale of all securities in Topco held by all other Topco Shareholders on the same economic terms as a proposed sale of securities in Topco to a *bona fide* third party. Each member of the Sheikh Group may only exercise such drag right if such purported sale will result in such member ceasing to hold any securities in Topco.

Holders of Rollover Securities shall also have a “pro-rata” tag right on the same economic terms on any transfer of Topco shares by (other than in respect of certain excluded instances including, but not limited to, customary permitted transfers to affiliates, in connection with a reorganisation transaction, on or following an IPO, or where a drag right has been exercised).

Governing Law and Jurisdiction

The Topco Shareholders’ Agreement, the Rollover Securities Shareholders’ Agreement and any non-contractual obligations arising out of or in connection with them will be governed by English law. The courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Topco Shareholders’ Agreement or the Rollover Securities Shareholders’ Agreement and accordingly any proceedings arising out of or in connection with such agreements shall be brought in such courts.

4. Risk factors and other investment considerations

The attention of eligible CareTech Shareholders who may consider electing to receive all their consideration by means of the Partial Alternative Offer is drawn to the advantages, disadvantages and certain other investment considerations relevant to such an election set out in paragraph 11 of Part II (*Explanatory Statement*) of this document. As further detailed in Part I (*Letter from the Chairman of the CareTech Independent Board, on behalf of the CareTech Independent Directors*) of this document the CareTech Independent Directors cannot form an opinion as to whether or not the terms of the Partial Alternative Offer are fair and reasonable and are not making any recommendation to CareTech Shareholders as to whether or not they should elect for the Partial Alternative Offer.

CareTech Shareholders should also ascertain whether acquiring or holding Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Partial Alternative Offer. Any decision to elect for the Partial Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this document, including, but not limited to, the information set out in this Part VIII (*Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group*) and Part X (*Rule 24.11 Estimate of Value Letter*) of this document.

PART IX

HOW TO MAKE AN ELECTION FOR THE PARTIAL ALTERNATIVE OFFER

1. Making an election

Shares held in certificated form

You should note that if you hold Scheme Shares in certificated form and are not a Restricted Shareholder and you wish to make an election under the Partial Alternative Offer you must complete and sign the Form of Election in accordance with the instructions printed thereon and return it to Link Group at PSX1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom, so as to be received by no later than the Election Return Time. A pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Partial Alternative Offer, do not return the Form of Election.

Overseas shareholders of CareTech Shares should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

If you have more than one designation in CareTech's register of members in respect of Scheme Shares in respect of which you wish to elect for the Partial Alternative Offer, you are required to complete a separate Form of Election for each designation of such Scheme Shares.

If you need further copies of the Form of Election, please call the CareTech Registrars on 0371 664 0321 or outside the UK +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 a.m. – 5:30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that helpline operators cannot provide commercial, financial, tax or legal advice and calls may be recorded and monitored for security and training purposes.

Shares held in uncertificated form (CREST)

You should note that if you hold Scheme Shares in uncertified form and you wish to elect for the Partial Alternative Offer and are not a Restricted Shareholder, you should not complete a Form of Election but instead take (or procure to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to elect for the Partial Alternative Offer to the relevant escrow account using a transfer to escrow instruction ("**TTE Instruction**") specifying Link Group (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent ("**Escrow Agent**"), as soon as possible and in any event so that the TTE Instruction settles no later than the Election Return Time.

If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares. You should send (or, if you are a CREST personal member or other CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (a) the number of Scheme Shares to be transferred to escrow;
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Escrow Agent, which is RA10;

- (e) the member account ID of the Escrow Agent for the Rollover Securities, which is 21808CAR;
- (f) the ISIN number of the Scheme Shares. This is GB00B0KWHQ09;
- (g) the intended settlement date. This should be as soon as possible and in any event by the Election Return Time;
- (h) the corporate action number for the transaction. This is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (i) CREST standard delivery instructions priority of 80; and
- (j) a contact name and telephone number (in the shared note field of the TTE Instruction).

After settlement of the TTE Instruction, save as set out below, you will not be able to access the Scheme Shares in CREST for any transaction or for charging purposes. If the Scheme becomes effective, the Escrow Agent will transfer the Scheme Shares to Bidco or its nominees. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Scheme Shares to settle prior to the Election Return Time. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that, if: (i) you elect for the Partial Alternative Offer in respect of Scheme Shares which are held in CREST; and (ii) you fail to give the TTE Instructions to settle prior to the Election Return Time in accordance with the instructions set out above, your election for the Partial Alternative Offer will to that extent be invalid and you will receive cash as if you had not elected for the Partial Alternative Offer.

An election for the Partial Alternative Offer is revocable until the Election Return Time. If you have submitted a TTE Instruction, you may withdraw your TTE Instruction through CREST by sending (or, if you are a CREST sponsored member, procuring that your CREST sponsor sends) an ESA instruction to settle in CREST by no later than the Election Return Time. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- (a) the number of Scheme Shares to be withdrawn;
- (b) your member account ID;
- (c) your participant ID;
- (d) the ISIN number of the Scheme Shares. This is GB00B0KWHQ09;
- (e) the participant ID of the Escrow Agent, which is RA10;
- (f) the member account ID of the Escrow Agent for the Rollover Securities, which is 21808CAR;
- (g) the CREST transaction ID of the TTE Instruction to be withdrawn;
- (h) the intended settlement date for the withdrawal;
- (i) the corporate action number for the transaction: this is allocated by Euroclear and can be found by viewing the relevant corporate action details onscreen in CREST; and
- (j) a CREST standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon Link Group verifying that the withdrawal request is validly made. Accordingly, Link Group will, on behalf of CareTech and Bidco, reject or accept the withdrawal by transmitting in CREST a receiving agent reject or receiving agent accept message.

Alternatively, you may revoke an election for the Partial Alternative Offer by notice in writing in accordance with this document.

Nominee Shareholder elections for the Partial Alternative Offer

Nominee and similar holders of Scheme Shares are responsible for ensuring that elections made by them for the Partial Alternative Offer are consistent with the instructions they have received from the relevant underlying indirect owner and are validly completed. None of CareTech, Bidco or Link Group shall: (a) have any obligation to verify that an election made by a nominee or similar Scheme Shareholder for the Partial Alternative Offer is consistent with the instructions given by the underlying indirect owner or is validly completed by the nominee or similar holder; or (b) have any liability to nominee or similar holders of Scheme Shares or any underlying indirect owner in the event that an election by any such nominee or similar holder for the Partial Alternative Offer is rejected or treated as invalid, or is not made in accordance with the instructions received from the relevant underlying indirect owner.

For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted. However, any indirect Scheme Shareholder held through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, who wishes to elect for the Partial Alternative Offer may need first to arrange with such nominee for the transfer of such Scheme Shares into, and then make an election for such Partial Alternative Offer in, its own name.

If you have any questions relating to this procedure, please contact Link Group on 0371 664 0321 or outside the UK +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 a.m. – 5:30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that helpline operators cannot provide commercial, financial, tax or legal advice and calls may be recorded and monitored for security and training purposes.

2. General

Persons who have made valid elections under the Partial Alternative Offer will not be entitled to transfer the relevant Scheme Shares after the Scheme Record Time.

No election under the Partial Alternative Offer will be valid unless, in the case of certificated shares, a Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, in each case, by the Election Return Time.

If any Form of Election, in the case of certificated shares, or TTE Instruction, in the case of uncertificated shares, to make an election under the Partial Alternative Offer is either received after the Election Return Time or is received before such time and date but is not valid or complete in all respects at such time and date, such election shall, for all purposes, be void and the CareTech Shareholder purporting to make such election shall not, for any purpose, be entitled to receive any variation of consideration under the Partial Alternative Offer and the relevant CareTech Shareholder will, upon the Scheme becoming effective, only be entitled to receive the Cash Consideration due under the Scheme in respect thereof.

Without prejudice to any other provision of this Part IX (*How to make an election for the Partial Alternative Offer*) or the Form of Election or otherwise, Bidco and CareTech reserve the right in their absolute discretion to treat as valid in whole or in part any election for the Partial Alternative Offer which is not entirely in order.

No acknowledgements of receipt of any Form of Election or other documents will be given. All communications, notices, other documents and remittances to be delivered by or to or sent to or from holders of Scheme Shares (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such holders of Scheme Shares (or their designated agents(s)) at their risk. Bidco and CareTech and/or their respective agents reserve the right to notify any matter to all or any CareTech Shareholders: (i) with registered addresses outside the UK; or (ii) whom Bidco, CareTech and/or their respective agents know to be nominees, trustees or custodians for such Scheme Shareholders by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such CareTech Shareholders to receive or see such notice. All references in this document to notice in writing, or the provision of information in writing, by or on behalf of Bidco, CareTech and/or their respective agents shall be construed accordingly. No such document shall be sent to an address outside the United Kingdom where it would or might infringe the

laws of that jurisdiction or would or might require Bidco or CareTech to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of Bidco and CareTech, it would be unable to comply or which it regards as unduly onerous.

Each CareTech Shareholder by whom, or on whose behalf, either a Form of Election is executed and lodged with Link Group, or a TTE Instruction is submitted to Euroclear, irrevocably undertakes, represents, warrants and agrees to and with each of Topco, Bidco and CareTech (as applicable) (so as to bind him/her/it and his/her/its heirs, successors and assigns) to the effect that the execution of the Form of Election, or submission of a TTE Instruction to Euroclear (as applicable) will, conditionally on (and with effect from) the Scheme becoming Effective, constitute:

- (a) an irrevocable authority pursuant to which Bidco shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of CareTech or any class of its shareholders) attaching to the Scheme Shares to which such Form of Election or TTE Instruction (as applicable) relates;
- (b) an authority to CareTech from such Scheme Shareholder to send any notice, warrant, document or other communication issued after the Effective Date which may be required to be sent to him/her/it as a member of CareTech (including any share certificate(s) or other document(s) of title issued as a result of the conversion of such Scheme Shares into certificated form) to Bidco c/o Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL;
- (c) an authority to Bidco or any director of Bidco to sign any instrument of transfer or consent to short notice on his/her/its behalf in respect of such Scheme Shares, and to attend any such meeting or execute a form of proxy (and, where appropriate, any appointment pursuant to section 323 of the Companies Act) in respect of such Scheme Shares appointing any person nominated by Bidco to attend general meetings and separate class meetings of CareTech or its members (or any of them) (and any adjournment thereof);
- (d) a further authority to Bidco or any director of Bidco to exercise or refrain from exercising the votes attaching to such Scheme Shares on his/her/its behalf;
- (e) the agreement of such Scheme Shareholder not to exercise any such rights without the consent of Bidco and the irrevocable undertaking of such Scheme Shareholder not to appoint a proxy or corporate representative to attend, and not himself/herself/itself to attend, any such general meeting or separate class meeting;
- (f) the appointment of CareTech and/or Bidco and/or any one or more of their respective directors as its agent and/or attorney to execute (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, instrument of transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable in respect of the Rollover;
- (g) the irrevocable appointment of CareTech and/or Bidco and/or any one or more of their respective directors as his/her/its agent and/or attorney to execute and deliver, on behalf of such Scheme Shareholder, as a deed, a deed of adherence by such Scheme Shareholder to the Rollover Securities Shareholders' Agreement in accordance with Clause 1(d) of the Scheme; and
- (h) a representation and warranty to each of Topco and Bidco that he/she/it is not prohibited by law from electing to receive the Partial Alternative Offer.

All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this document or in the Form of Election are given by way of security for the performance of the obligations of the Scheme Shareholder concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except as required by law or as determined by the Panel in accordance with the Takeover Code.

The Form of Election and TTE Instructions and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the terms of this Part IX (*How to make an election for the Partial Alternative Offer*) of this document

and the relationship between a Scheme Shareholder, Topco, Midco, Cleanco, Bidco and/or Link Group shall be governed by and construed in accordance with English law.

The execution by or on behalf of a CareTech Shareholder of a Form of Election or the submission by or on behalf of an CareTech Shareholder of a TTE Instruction (as applicable) will constitute his/her/its agreement that the courts of England and Wales are (subject to the paragraph below), to have exclusive jurisdiction to settle any dispute which may arise in relation to all matters arising out of or in connection with the creation, validity, effect, interpretation or performance of the legal relationships established by the election for the Partial Alternative Offer, or otherwise arising in connection with the Scheme and such election (but, for the avoidance of doubt, not in respect of the Rollover Securities themselves), and for such purposes that he/she/it irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.

The execution of a Form of Election, or TTE Instruction (as applicable) by or on behalf of a Scheme Shareholder will constitute his/her/its agreement that the provision set out above is included for the benefit of Bidco, CareTech, Link Group and their respective agents and accordingly, notwithstanding the exclusive agreement in the paragraph above in this Part IX (*How to make an election for the Partial Alternative Offer*) of this document each of Topco, Midco, Cleanco, Bidco, CareTech, Link Group and their respective agents shall retain the right to, and may in their absolute discretion, bring any action, suit or proceedings arising out of or in connection with the Scheme and Form of Election or TTE Instruction in the courts of any other country which may have jurisdiction and that the electing Scheme Shareholder irrevocably submits to the jurisdiction of the courts of any such country.

If the Scheme does not become effective in accordance with its terms, any election made shall cease to be valid.

Neither Topco, Midco, Cleanco, Bidco, CareTech, Link Group nor any of their respective advisers or any person acting on behalf of either of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections under the Scheme on any of the bases set out in this Part IX (*How to make an election for the Partial Alternative Offer*) of this document or otherwise in connection therewith.

Any CareTech Shareholder who has validly elected for the Partial Alternative Offer may, by written notice to Link Group, cancel their election for the Partial Alternative Offer, provided that such notice is received by Link Group by no later than the Election Return Time.

If you hold your Scheme Shares in uncertificated form and the Scheme does not become Effective in accordance with its terms, Link Group as the escrow agent will transfer back to you all of your Scheme Shares that were transferred to an escrow balance.

PART X

RULE 24.11 ESTIMATE OF VALUE LETTER

The Directors
Amalfi Bidco Limited
25a Soho Square
London
W1D 3QR
United Kingdom

25 July 2022

RECOMMENDED OFFER

for

CareTech Holdings PLC (“CareTech”)

by

Amalfi Bidco Limited (“Bidco”)

(a newly formed company indirectly owned by joint offerors Sheikh Holdings Group (Investments) Limited, Belgravia Investments Limited and Kensington Capital Limited, and funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. and as advised by THCP Advisory Limited)

Estimated Value of Rollover Securities

Dear Sirs,

Pursuant to the requirements of Rule 24.11 of the Takeover Code, you have requested our opinion as to the estimated value of the Rollover Securities offered by Bidco to eligible CareTech Shareholders under the Partial Alternative Offer (the “**Estimated Value**”). Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the Scheme Document published by CareTech on 25 July 2022 of which this letter forms part.

Under the terms of the Offer, for each CareTech Share held, eligible CareTech Shareholders will be entitled to receive 750 pence in cash, or elect to receive D Ordinary Shares in the capital of Amalfi Topco Limited (“**Topco**”), the indirect parent of Bidco having the rights of “Rollover Securities” set out in the articles of association of Topco in exchange for their holding of CareTech Share(s) at the following ratio: 7.5 Rollover Securities for each CareTech share, subject to the terms and conditions of the Partial Alternative Offer.

The maximum aggregate number of Rollover Securities available to eligible CareTech Shareholders under the Partial Alternative Offer will be limited to 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the “**Partial Alternative Offer Maximum**”).

If elections are validly received from eligible CareTech Shareholders in respect of a number of CareTech Shares that would require the issue of Rollover Securities in excess of the Partial Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of CareTech Shares eligible CareTech Shareholders are entitled to exchange for Rollover Securities will be reduced on a pro-rata basis, and the balance of the consideration for each CareTech Share will be paid in cash in accordance with the terms of the Cash Consideration. For avoidance of doubt, in such a scenario, the ratio at which each CareTech Share is exchanged for Rollover Securities will remain unchanged.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Partial Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual elections for the Partial Alternative Offer will only be valid if all regulatory

approvals (if any) required by an eligible CareTech Shareholder to acquire the Rollover Securities have been obtained.

The Rollover Securities are unlisted securities and therefore do not have a public valuation. There is no current intention for the Rollover Securities to be subject to any application for listing on any stock exchange or regulated market. The Rollover Securities are described in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and Part VIII (*Summary of the Partial Alternative Offer, The Rollover Securities and the Topco Group*) of the Scheme Document.

Purpose

This Estimated Value has been provided to the directors of Bidco (the “**Bidco Directors**”) solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Offer and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Citi and Dean Street expressly disclaim any duty, liability or responsibility (whether direct or indirect, whether in contract, tort, under statute or otherwise) to any third party with respect to the contents of this letter.

The Estimated Value is limited to an estimate of the value of the Rollover Securities being offered to eligible CareTech Shareholders in connection with the Offer as at 25 July 2022 and is given and valid as at the date hereof only. The Estimated Value assumes both a willing buyer and seller of equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm’s length basis and where each party has knowledge of all relevant information. We have assumed for this purpose that, at the date of the Estimated Value, the Scheme has become Effective in accordance with its terms. The Estimated Value does not represent the value that a holder of Rollover Securities may realise on any future sale of such Rollover Securities, it being noted that such value realised on any future sale of Rollover Securities may be higher or lower than the figure in this letter. The Estimated Value may also differ substantially from estimates available from other sources. Citi and Dean Street assume no obligation to update or revise the Estimated Value at any date in the future based upon circumstances or events occurring after the date hereof, unless otherwise required to in accordance with the Takeover Code.

Eligible CareTech Shareholders who may be considering a continuing investment in the future of Bidco through the Rollover Securities should read carefully all the information relating to the Partial Share Alternative and the Rollover Securities contained in the Scheme Document, including, without limitation, the section headed “Risk factors and other investment considerations to the Partial Alternative Offer” contained in Part II (*Explanatory Statement*) of the Scheme Document. CareTech Shareholders may also note that the CareTech Independent Directors are only making a recommendation in respect of the Cash Consideration and are not making any recommendation in respect of the Partial Alternative Offer.

Information

In arriving at our Estimated Value, we have considered, among other things:

- a) certain publicly available financial statements as well as certain other publicly available business and financial information relating to CareTech;
- b) the financial projections of the Topco Group, including certain forecasts, prepared at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group, including CareTech;
- c) the commercial assessments of the Bidco Directors with respect to the business, operations and financial conditions and prospects of the Topco Group, including CareTech;
- d) the rights and restrictions attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders’ Agreement, and the Topco Articles (as applicable);
- e) the capital structure of the Topco Group including the fact that the Rollover Securities (i) will rank behind the Offer Debt and Midco Debt in relation to rights to returns and liquidation order of preference and (ii) may deliver a smaller percentage return when compared to the A Ordinary and the C Ordinary Shares as a result of the ratchet structure;

- f) the terms of the Offer; and
- g) such other financial analyses and such other information as we considered appropriate for the purpose of this letter.

We have relied on, and assumed, without independent verification (nor have we assumed responsibility or liability for independently verifying), the accuracy and completeness of the information considered by us for the purposes of this Estimated Value. With respect to the financial projections reviewed by us, we have assumed that they have been reasonably and properly prepared by Bidco on the basis of its current estimates and judgements of the future financial performance of Bidco. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based.

We have not made any independent valuation or appraisal of the assets and liabilities of the Topco Group (including CareTech), nor have we sought or been provided with any such valuation or appraisal, nor have we evaluated the solvency of the Topco Group (including CareTech) under any applicable laws relating to bankruptcy, insolvency or similar matters.

We have assumed for the purposes of this letter that the Rollover Securities are already in issue, that the Offer has become effective in accordance with its terms, that the conditions to the issue and allotment of Rollover Securities under the Partial Share Alternative have been satisfied and that Bidco has acquired the entire issued and (if applicable) to be issued ordinary share capital of CareTech.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of Rollover Securities may be different from, including potentially considerably less than or more than, the Estimated Value. Our view as expressed in this letter is necessarily based on economic, market and other conditions, the prospects of the Topco Group and other factors which generally influence the valuation of companies and securities, in each case as they exist at the date hereof and on the information made available to us as of the date of this letter. It should be understood that subsequent developments may affect the views provided in this letter and that we assume no obligation to update, revise or reaffirm the views expressed in this letter.

Methodology

In arriving at the Estimated Value, we have, among other things:

- a) undertaken dividend discount model and discounted cash flow analyses based on the financial projections of the Topco Group, including certain forecasts, prepared at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group, including CareTech;
- b) taken into account the valuation at which new equity capital is being injected into the Topco Group;
- c) referenced the historical trading prices and the implied trading valuations of CareTech Shares on the London Stock Exchange;
- d) considered a range of other widely accepted valuation methods including, *inter alia*, precedent transaction multiples;
- e) taken into account the proposed financing structure for the Topco Group, including the Offer Debt, the Midco Debt and that the Rollover Securities may deliver a smaller percentage return when compared to the A Ordinary and the C Ordinary Shares as a result of the ratchet structure;
- f) taken into account certain estimated transaction expenses expected to be incurred in relation to the Offer; and
- g) considered the lack of a liquid market for the Rollover Securities, the fact that the Rollover Securities will be subject to a lock-up period of five years and the lack of voting rights attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders' Agreement, and the Topco Articles (as applicable).

The Estimated Value is based on theoretical valuation techniques and is highly sensitive to changes in assumptions about the future financial performance of Topco. This is particularly the case given the high

leverage relative to overall enterprise value, as evidenced by Topco having £760.0 million of Offer Debt (excluding the revolving credit facility) and £258.0 million of Midco debt. As a result, there can be no assurance that the actual value of the Rollover Securities will not be higher or lower than the Estimated Value.

No account has been taken of any potential transaction costs that a holder of Rollover Securities may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Topco to a third party or a liquidation of Topco and which might be expected to reduce any return to a holder of Rollover Securities upon the occurrence of such an event.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. We have attempted to apply a discount to reflect the inherent uncertainty relating to the following factors:

- a) the Rollover Securities will not carry any rights to attend or vote at general meetings of Topco;
- b) the Rollover Securities will not be listed on any stock exchange or regulated market and there is no current intention for the Rollover Securities to be subject to any application for listing on any stock exchange or regulated market; and
- c) there is no right of transfer of the Rollover Securities except: (i) between other holders of Rollover Securities (or their beneficial owners); (ii) with the consent of THCP, Kensington and Belgravia; (iii) in accordance with customary permitted transfer provisions or by operation of the drag and tag rights described below; (iv) in a reorganisation transaction in accordance with the Topco Articles; or (v) to certain specified permitted transferees which may reduce the likelihood of a third party offering to purchase Rollover Securities and therefore holders of Rollover Securities may not be able to recover the value of their original investment or readily crystallise any increase in the value of their investment.

Further reasons for inherent uncertainty that we believe the eligible CareTech Shareholders should consider in the context of whether to elect for the Rollover Securities include, but are not limited to:

- a) as more particularly set out in the Scheme Document, the Sheikh Group will have customary “drag along” rights (i.e. can force the sale to a *bona fide* third party) over all Rollover Securities held by Topco Shareholders in Topco during the Lock-up Period. THCP will also have drag along rights over all Rollover Securities held by Topco Shareholders after the Lock-up Period;
- b) as more particularly set out in the Scheme Document, the holders of Rollover Securities will have customary “tag-along” rights in respect of their Rollover Securities where there is a sale of shares in Topco to a third party purchaser;
- c) as more particularly set out in the Scheme Document, the Sheikh Group will have a call option over all other Topco Shareholders’ securities, which may be served at any time during the Lock-up Period at an agreed fair market value or higher;
- d) holders of Rollover Securities may be diluted over time should they elect not to participate in further issues of additional shares, loan notes or other securities of Topco;
- e) holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law;
- f) payments in respect of Rollover Securities will not be guaranteed or secured and, for so long as Topco has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Rollover Securities;
- g) Topco Shareholders will not be afforded the same level of protections or disclosure of information that they currently benefit from as shareholders in CareTech as a traded company and will only have limited information rights;
- h) no dividends or other distributions are currently contemplated in respect of the Rollover Securities;

- i) Topco is not a company to which the Takeover Code applies and therefore the protections of the Takeover Code may not be available to Scheme Shareholders electing for the Partial Share Alternative; and
- j) the holders of Rollover Securities will not enjoy minority protection rights (save for those rights prescribed by applicable law).

The amount that may be realised will be dependent on numerous factors that are beyond the control of Bidco and CareTech. Consequently, the view expressed in this letter is not necessarily indicative of the amount which might be realised upon a sale of Rollover Securities.

The taxation position of individual shareholders will vary and so we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be significant in the case of some shareholders.

Estimated Value

On the basis of and subject to the foregoing, using the aforementioned valuation methodologies, and there being no additional issuances by Topco of ordinary shares except for issuances related to the Offer, it is our view that, as at the date of this letter, the Estimated Value of 7.5 Rollover Securities (equating to one CareTech Share) is within a range of 400 pence to 725 pence and the Estimated Value of each Rollover Security is therefore within a range of 53.3 pence to 96.7 pence. Based on the information we received, this Estimated Value implies an equity value of £101.1 million to £183.3 million at the bottom and top of the range respectively. The implied enterprise value is in the range of £1.146 billion and £1.229 billion on pre-IFRS basis (including £760.0 million of Offer Debt (excluding the revolving credit facility), £258.0 million of Midco debt and £27.3 million non-controlling interests) and £1.273 billion to £1.355 billion on a post-IFRS basis (including £760.0 million of Offer Debt (excluding the revolving credit facility), £258.0 million of Midco debt, £126.2 million of lease liabilities and £27.3 million non-controlling interests). As referenced above, eligible CareTech Shareholders should note that due to high leverage of the Topco Group relative to overall enterprise value, the Estimated Value is highly sensitive to changes in assumptions about the future financial performance of the Topco Group.

Any assessment of the value of the Partial Share Alternative and the Rollover Securities needs to take into account an individual eligible CareTech Shareholder's assessment of an appropriate discount given the factors outlined above. As noted above, the Estimated Value does not incorporate a discount for other structural features and risk factors pertaining to the Rollover Securities; each eligible CareTech Shareholder should individually take these factors into account.

General

Citi and Dean Street are acting as financial advisers to Bidco and no one else solely for the purposes of providing this letter in accordance with Rule 24.11 of the Takeover Code in connection with the Offer and Citi and Dean Street will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citi and Dean Street, nor for providing advice in connection with the Offer or any matter referred to in the Scheme Document or this letter.

Citi and Dean Street have not provided, nor will it provide, legal, tax, regulatory, accounting or other specialist advice, and nothing herein should be taken to reflect any such advice. For the avoidance of doubt, Citi and Dean Street express no opinion (whether as to the fairness or otherwise) of the financial terms of the Offer, the Cash Consideration or the Partial Alternative Offer. Any decision to elect for the Partial Alternative Offer should be based on independent financial, tax and legal advice and a full consideration of the Scheme Document and the other documents in relation to the Offer.

This letter is provided solely for the benefit and use of the Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Offer and for no other purpose. This letter is not addressed to, or provided on behalf of, nor shall it confer any rights or remedies upon, any shareholder, creditor or any other person other than the Bidco Directors for the aforesaid purpose. Without prejudice to the generality of the foregoing, this letter does not constitute a recommendation or opinion to, or for the benefit of, any Scheme Shareholder as to whether such Scheme Shareholder should vote in favour of the Scheme at the Court Meeting or the resolution to be proposed at the General Meeting in order to

give effect to the Offer or whether any such Scheme Shareholder should accept the Cash Consideration or make any election pursuant to the Partial Alternative Offer. Save for its publication in the Scheme Document (as described below) and other than as required pursuant to the Takeover Code or as the Panel or the Court may otherwise require, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval in each case.

This letter may be reproduced in full in the Scheme Document to be sent to Scheme Shareholders on the basis that it is addressed to the Bidco Directors and no duties, liabilities or responsibilities are accepted by Citi or Dean Street to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written approval.

Yours faithfully,

Citigroup Global Markets Limited

Dean Street Advisers Limited

PART XI

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“A Ordinary Shares”	means the A ordinary shares of £0.01 each in the capital of Topco;
“Acceptance Condition”	means the acceptance condition to any Takeover Offer;
“AED”	United Arab Emirates Dirham, the lawful currency of the United Arab Emirates;
“AIM Rules”	means the rules and guidance for companies whose shares are admitted to and trading on AIM, entitled “AIM Rules for Companies” as published by London Stock Exchange plc from time to time;
“AIM”	means the market of that name operated by London Stock Exchange plc;
“Amalfi LTIP”	has the meaning set out at paragraph 14 of Part II (<i>Explanatory Statement</i>) of this document;
“Announcement”	means the announcement made by the CareTech Independent Board and Bidco in respect of the Offer on 27 June 2022;
“Announcement Date”	means 27 June 2022;
“Ares Funds”	has the meaning set out at paragraph 10.2(g) of Part VII (<i>Additional Information</i>) of this document;
“Ares Securities”	has the meaning set out at paragraph 10.2(g) of Part VII (<i>Additional Information</i>) of this document;
“Ares Subscription Letter”	has the meaning set out at paragraph 10.2(g) of Part VII (<i>Additional Information</i>) of this document;
“Articles”	means the articles of association of CareTech from time to time;
“AS3”	has the meaning set out in paragraph 10.1(c) of Part VII (<i>Additional Information</i>) of this document;
“AS4”	has the meaning set out at paragraph 10.1(d) of Part VII (<i>Additional Information</i>) of this document;
“Authorisations”	means authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals;
“B Ordinary Shares”	means the B ordinary shares of £0.01 each in the capital of Topco;
“Belgravia”	means Belgravia Investments Limited;
“Bid Conduct Agreement”	the agreement dated 27 June 2022 between the members of the Consortium relating to their dealings between each other in connection to the Offer;
“Bidco”	means Amalfi Bidco Limited, a wholly-owned subsidiary of Cleanco, and a private limited company incorporated under the laws of England and Wales;

“ Bidco Board ”	means the board of directors of Bidco;
“ Bidco Directors ”	means the directors of Bidco;
“ Bidco Group ”	means Bidco and its subsidiaries and subsidiary undertakings and direct and indirect parent undertakings and “ member of the Bidco Group ” shall be construed accordingly;
“ Bidco Loan Note Instrument ”	means the loan note instrument constituting the Bidco Rollover Securities entered into on 27 June 2022 (as supplemented pursuant to a supplementary instrument to be entered into on the Effective Date);
“ Bidco Rollover Securities ”	means loan notes to be issued by Bidco pursuant to the Bidco Loan Note Instrument in connection with First Exchange;
“ Blocked PIK Interest ”	has the meaning set out at paragraph 13.2(d) of Part VII (<i>Additional Information</i>) of this document;
“ Business Day ”	means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business;
“ C Ordinary Shares ”	means, together, the C1 Ordinary Shares and the C2 Ordinary Shares;
“ C1 Ordinary Shares ”	means the C1 ordinary shares of £0.01 each in the capital of Topco;
“ C2 Ordinary Shares ”	means the C2 ordinary shares of £0.01 each in the capital of Topco;
“ CAGR ”	means compound annual growth rate;
“ Cambian ”	has the meaning set out in paragraph 4 of Part I (<i>Letter from the Chairman of the CareTech Independent Board on behalf of the CareTech Independent Directors</i>) of this document;
“ CareTech ” or “ the Company ”	means CareTech Holdings PLC;
“ CareTech Board ”	means the board of directors of CareTech;
“ CareTech Directors ”	means the directors of CareTech;
“ CareTech Group ”	means CareTech and its subsidiaries and subsidiary undertakings and “ member of the CareTech Group ” shall be construed accordingly;
“ CareTech Independent Board ”	means the independent committee of the board of CareTech consisting of the CareTech Independent Directors;
“ CareTech Independent Directors ”	means Jamie Cumming, Dr Moira Livingston and Adrian Stone, or such other director of CareTech which CareTech considers to be independent from Bidco from time to time;
“ CareTech Registrars ” or “ Registrars ”	means Link Group;
“ CareTech Share Plans ”	means each of the CareTech Long Term Incentive Plan, the CareTech Tax-Advantaged Share Option Plan 2015, the CareTech Executive Share Ownership Plan 2012 and the CareTech Sharesave Scheme;
“ CareTech Shareholders ”	means holders of CareTech Shares;

“CareTech Shares”	means the existing unconditionally allotted or issued and fully paid ordinary shares with a nominal value of 0.5 pence each in the capital of CareTech and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;
“Cash Consideration”	means the consideration due under the Cash Offer;
“Cash Offer”	means 750 pence in cash for each CareTech Share;
“Cash Pay Margin”	has the meaning set out at paragraph 13.2(d) of Part VII (<i>Additional Information</i>) of this document;
“certificated” or “certificated form”	means in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
“Citi”	means Citi Global Markets Limited;
“Cleanco”	means Amalfi Cleanco Limited, a wholly-owned subsidiary of Midco, a private limited company incorporated under the laws of England and Wales;
“Cleanco Loan Note Instrument”	means the loan note instrument constituting the Cleanco Rollover Securities to be entered into on the Effective Date;
“Cleanco Rollover Securities”	means loan notes to be issued by Cleanco in connection with the Second Exchange;
“Closing Date”	means the date on which the initial drawdown is made solely for the purpose of the Offer, which is required to be prior to 28 February 2023;
“closing price”	means the closing middle market price of a CareTech Share as derived from the Daily Official List on any particular date;
“CMA”	means the Competition and Markets Authority of the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time);
“Companies Act”	means the Companies Act 2006;
“Concert Party”	means the Sheikh Group together with persons acting in concert with Bidco and Sheikh Holdings;
“Conditions”	means: <ul style="list-style-type: none"> a) for so long as the Offer is being implemented by means of the Scheme, the conditions to the implementation of the Offer (including the Scheme) as set out in Part III (<i>Conditions to and certain further terms of the Offer and the Scheme</i>) of this document; and b) for so long as the Offer is being implemented by means of a Takeover Offer, the conditions referred to in (a) above, as amended by replacing the Conditions with the Acceptance Condition, and “Condition” shall mean any one of them;
“Confidentiality Agreement”	means the confidentiality agreement between CareTech and the Consortium and THCS IV GP S.a.r.l. in relation to the Offer dated 5 April 2022;

“Consortium”	means Sheikh Holdings Group (Investments) Limited, Belgravia Investments Limited, Kensington Capital Limited, and funds managed by THCS IV GP S.a. r.l. and/or its affiliates and advised by THCP Advisory Limited;
“Co-Operation Agreement”	means the co-operation agreement between Bidco and CareTech dated 27 June 2022;
“Court”	means the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment of it) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act (notice of which is set out in Part XII (<i>Notice of Court Meeting</i>) of this document) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“Court Order”	means the order of the Court sanctioning the Scheme under Part 26 of the Companies Act 2006;
“CQC”	means the Care Quality Commission;
“CREST”	means the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in CREST);
“CREST Manual”	the CREST Manual published by Euroclear, as amended;
“CTH Deed”	has the meaning set out at paragraph 10.1(e) of Part VII (<i>Additional Information</i>) of this document;
“D Ordinary Shares”	means the D ordinary shares of £0.01 each in the capital of Topco being the Rollover Securities;
“Daily Official List”	means the daily official list of the London Stock Exchange;
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Takeover Code;
“Dean Street”	means Dean Street Advisers Limited;
“Deferred Shares”	means deferred shares of 0.5 pence each in the capital of CareTech;
“Deutsche Bank”	means Deutsche Bank AG, London Branch;
“Disclosed”	means the information disclosed by, or on behalf of, CareTech (i) in the annual report and accounts of the CareTech Group for the financial year ended 30 September 2021; (ii) in the financial results of the CareTech Group for the financial year ended 30 September 2021 announced on 7 December 2021; (iii) in the interim financial results of the CareTech Group for the six month period ended 31 March 2022 announced on 16 June 2022; (iv) in the Announcement; (v) in any other announcement to a Regulatory Information Service by, or on behalf of, CareTech, prior to the publication of this document; and (vi) as otherwise fairly disclosed by CareTech (or its respective officers, employees, agents or advisers) to Topco and the Wider Bidco Group (or their respective officers, employees, agents or advisers) prior to the date of the Announcement;
“Disclosure Guidance and Transparency Rules”	means the disclosure guidance and transparency rules made by the FCA, as amended from time to time;

“Disclosure Table”	details of the offeree companies and offerors currently in an Offer Period published by the Panel under Rule 8 of the Takeover Code;
“Dmetco SPA”	has the meaning set out in paragraph 10.1(c) of Part VII (<i>Additional Information</i>) of this document;
“document”	means this document dated 25 July 2022 containing, <i>inter alia</i> , the Scheme and the Explanatory Statement;
“ECL”	has the meaning set out at paragraph 13.3 of Part VII (<i>Additional Information</i>) of this document;
“EBITDA”	means earnings before interest, taxes, depreciation and amortization;
“EBT”	means the CareTech Employee Benefit Trust;
“Effective Date”	means: <ul style="list-style-type: none"> a) the date on which the Scheme becomes effective in accordance with its terms; or b) if the Takeover Offer is implemented, the date that the Takeover Offer becomes or is declared unconditional in all respects, and “Effective” shall be construed accordingly;
“Election Return Time”	1.00 p.m. on the date of the Scheme Court Hearing or such later date and time (if any) to which the right to make an election may be extended;
“Euroclear”	means Euroclear UK & International Limited;
“Excluded Shares”	any CareTech Share which is (a) beneficially owned, in each case, immediately prior to the Scheme Record Time by (i) the Sheikh Group or Gareth Dufton or (ii) Bidco, any Bidco Director or any subsidiary undertaking of Topco; or (b) held in Treasury;
“Explanatory Statement”	means the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme as set out in Part II (<i>Explanatory Statement</i>) of this document;
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended);
“First Exchange”	has the meaning set out in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this document;
“Form of Election”	the green form of election for use in respect of the Partial Alternative Offer by Scheme Shareholders (other than Restricted Shareholders) who hold CareTech Shares in certificated form;
“Forms of Proxy”	means the blue form of proxy in connection with the Court Meeting and the white form of proxy in connection with the General Meeting, which accompany this document;
“Founders”	means Farouq Sheikh OBE and Haroon Sheikh;
“Fourth Exchange”	has the meaning set out in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this document;

“General Meeting”	means the general meeting of CareTech Shareholders (including any adjournment therefore) to be convened in connection with the Scheme;
“Group”	means, in relation to Bidco, the Bidco Group, and in relation to CareTech, the CareTech Group;
“Hansard”	has the meaning set out in paragraph 3 of Part II (<i>Explanatory Statement</i>) of this document;
“IFRS”	means UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act;
“IPO”	has the meaning set out in paragraph 4 of Part I (<i>Letter from the Chairman of the CareTech Independent Board on behalf of the CareTech Independent Directors</i>) of this document;
“ISIN”	means international securities identification number;
“Kensington”	means Kensington Capital Limited;
“Latest Practicable Date”	means 22 July 2022 (being the last practicable date prior to publication of this document);
“Link Group”	means the Company’s registrar and receiving agent Link Group of 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL;
“Loan Note Instruments”	means the Bidco Loan Note Instrument, the Cleanco Loan Note Instrument and the Midco Loan Note Instrument;
“Lock-up Period”	means the period from and including the Effective Date to and including the later of: (i) the fifth anniversary of the Effective Date; or (ii) if any exercise notice in respect of a call option is served on or before the fifth anniversary of the Effective Date, the date upon which completion occurs or should have occurred in accordance with the terms of the relevant shareholders’ agreement;
“London Stock Exchange”	means London Stock Exchange plc or its successor;
“Long Stop Date”	means 11.59 p.m. on 31 December 2022 or such later date as may be agreed in writing by Bidco and CareTech (with the Panel’s consent and as the Court may approve (if such consents(s) or approval(s) is/are required));
“LTM”	last twelve months;
“Market Abuse Regulation”	Regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as in force in the UK pursuant to the European Union (Withdrawal) Act 2018, as amended;
“Meeting(s)”	means the General Meeting and/or the Court Meeting, as the context may permit;
“Midco”	means Amalfi Midco Limited, a wholly-owned subsidiary of Topco, a private limited company incorporated under the laws of England and Wales;
“Midco Loan Note Instrument”	the loan note instrument constituting the Midco Rollover Securities to be entered into on the Effective Date;
“Midco Rollover Securities”	loan notes to be issued by Midco in connection with the Third Exchange;

“Notes Facilities Agreement”	has the meaning set out at paragraph 13.2 of Part VII (<i>Additional Information</i>) of this document;
“Notes Termination Date”	has the meaning set out at paragraph 13.2(b) of Part VII (<i>Additional Information</i>) of this document;
“Numis”	means Numis Securities Limited;
“Objectives”	has the meaning set out in paragraph 7 of Part I (<i>Letter from the Chairman of the CareTech Independent Board on behalf of the CareTech Independent Directors</i>) of this document;
“Offer”	means the proposed offer by Bidco to acquire the entire issued and to be issued ordinary share capital of CareTech, to be effected by means of the Scheme, or should Bidco elect and subject to the consent of the Panel, by means of a Takeover Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Offer Debt”	has the meaning set out at paragraph 4(c) of Part II (<i>Explanatory Statement</i>) of this document;
“Offer Document”	means, if Bidco elects to implement the Offer by way of the Takeover Offer, the document to be sent to (among others) CareTech Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer;
“Offer Period”	means the offer period (as defined by the Takeover Code) relating to CareTech which commenced on 7 March 2022 and which will end on the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Takeover Code may provide or the Panel may decide);
“Ofsted”	means the Office for Standards in Education, Children’s Services and Skills;
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Takeover Code;
“Original Notes”	has the meaning set out at paragraph 13.2(a) of Part VII (<i>Additional Information</i>) of this document;
“Original Notes Facility”	has the meaning set out at paragraph 13.2(a) of Part VII (<i>Additional Information</i>) of this document;
“Overseas Shareholders”	means CareTech Shareholders (or nominees of, or custodians of trustees for CareTech Shareholders) not resident or located in, or nationals or citizens of, the United Kingdom;
“Panel”	means the UK Panel on Takeovers and Mergers;
“Panmure Gordon”	means Panmure Gordon (UK) Limited;
“Partial Alternative Offer”	means the alternative to the Cash Consideration, being the exchange of CareTech Share(s) for Rollover Securities at a ratio of 7.5 Rollover Securities for 1 CareTech Share and as further set out in paragraphs 9 to 11 of Part II (<i>Explanatory Statement</i>) and in Part VIII (<i>Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group</i>) of this document;
“Partial Alternative Offer Election”	an election whereby Scheme Shareholders (other than Restricted Shareholders) may elect to accept the Partial Alternative Offer pursuant to a Form of Election or a TTE Instruction;

“Partial Alternative Offer Maximum”	means the maximum number of Rollover Securities available to CareTech Shareholders under the Partial Alternative Offer, representing 26.4 per cent. of the issued share capital of Topco at completion of the Offer;
“Phase 2 CMA Reference”	means a reference of the Offer to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
“PIK”	means payment in kind;
“PIK Margin”	has the meaning set out at paragraph 13.2(d) of Part VII (<i>Additional Information</i>) of this document;
“Put and Call Deeds”	the put and call deeds in respect of the Rollover to be entered into between, <i>inter alios</i> , Bidco, Cleanco, Midco and Topco;
“R&D”	means research and development;
“Registrar of Companies”	means the Registrar of Companies in England and Wales;
“Regulations”	means the Uncertificated Securities Regulations 2001;
“Regulatory Information Service”	means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“REHAVISTA”	has the meaning set out in paragraph 4 of Part I (<i>Letter from the Chairman of the CareTech Independent Board on behalf of the CareTech Independent Directors</i>) of this document;
“Relevant Authorities”	means any central bank, ministry, governmental, quasi-governmental (including the United Kingdom and the European Union), supranational, statutory, regulatory or investigative body or authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment review body), any national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, or any trade agency, association, institution or professional or environmental body in any jurisdiction, including, for the avoidance of doubt, the Panel;
“Relevant Sharesave Participants”	has the meaning set out at paragraph 14 of Part II (<i>Explanatory Statement</i>) of this document;
“Replacement Awards”	has the meaning set out at paragraph 8 of Part I (<i>Letter from the Chairman of the CareTech Independent Board on behalf of the CareTech Independent Directors</i>) of this document;
“Restricted Jurisdiction”	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer and/or the Partial Alternative Offer is sent or made available to CareTech Shareholders in that jurisdiction;
“Restricted Shareholder”	a person (including, without limitation, an individual partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Bidco reasonably believes to be in any

	jurisdiction (whether or not a Restricted Jurisdiction) whom Bidco is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco regards as unduly onerous;
“Revolving Facility”	has the meaning set out at paragraph 13.1(a)(iv) of Part VII (<i>Additional Information</i>) of this document;
“the Rollover”	means the rollover mechanism set out in Part VIII (<i>Summary of the Partial Alternative Offer, the Rollover Securities and the Topco Group</i>) of this document;
“Rollover Securities”	means the D Ordinary Shares to be issued to Scheme Shareholders (other than Restricted Shareholders) as a full or partial alternative to the Cash Consideration under the Partial Alternative Offer on the assumption that each of the four securities exchanges of the Rollover are completed;
“Rollover Securities Shareholders’ Agreement”	means the shareholders’ agreement relating to Topco to be entered into by (amongst others) Topco and the holders of the Rollover Securities;
“Scheme”	means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between CareTech and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by CareTech and Bidco;
“Scheme Court Hearing”	means the hearing of the Court of the application to sanction the Scheme under Part 26 of the Companies Act (and any adjournment thereof);
“Scheme Record Time”	6.00 p.m. on the Business Day immediately after the date of Scheme Court Hearing;
“Scheme Shareholders”	means the holders of Scheme Shares;
“Scheme Shares”	means all CareTech Shares: <ul style="list-style-type: none"> a) in issue at the date of this document and which remain in issue at the Scheme Record Time; b) if any, issued after the date of this document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and c) if any, issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the original or any subsequent holders thereof are, or shall have agreed in writing, to be bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time, in each case, other than any Excluded Shares;
“Second Exchange”	has the meaning set out in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this document;
“Senior Facilities”	has the meaning set out in paragraph 13.1(a) of Part VII (<i>Additional Information</i>) of this document;
“Senior Facilities Agreement”	has the meaning set out at paragraph 13.1 of Part VII (<i>Additional Information</i>) of this document;

“Senior Facilities Termination Date”	has the meaning set out at paragraph 13.1(b) of Part VII (<i>Additional Information</i>) of this document;
“Senior Term Facility A”	has the meaning set out at paragraph 13.1(a)(i) of Part VII (<i>Additional Information</i>) of this document;
“Senior Term Facility B”	has the meaning set out at paragraph 13.1(a)(ii) of Part VII (<i>Additional Information</i>) of this document;
“Share Exchange Agreement”	has the meaning set out at paragraph 10.2(b) of Part VII (<i>Additional Information</i>) of this document;
“Shareholder Helpline”	means the shareholder helpline operated by Link Group, CareTech’s Registrar with regard to any queries from Scheme Shareholders and CareTech Shareholders about this document, the Court Meeting, the General Meeting or how to submit proxies;
“Sharesave Payment”	has the meaning set out at paragraph 14 of Part II (<i>Explanatory Statement</i>) of this document;
“Sharesave Payment Date”	has the meaning set out at paragraph 14 of Part II (<i>Explanatory Statement</i>) of this document;
“Sheikh Group”	means, together, Sheikh Ventures Limited, Belgravia Investments Limited and Kensington Capital Limited;
“Sheikh Holdings”	means Sheikh Holdings Group (Investments) Limited;
“Sheikh Ventures”	means Sheikh Ventures Limited;
“Significant Interest”	means in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital of such undertaking;
“Smartbox”	has the meaning set out in paragraph 10.1(a) of Part VII (<i>Additional Information</i>) of this document;
“Smartbox SPA”	has the meaning set out in paragraph 10.1(a) of Part VII (<i>Additional Information</i>) of this document;
“Special Resolution”	means the special resolution to be proposed by CareTech at the General Meeting to, amongst other things, authorise the CareTech Directors to take all actions they consider necessary or appropriate to implement the Scheme, amend the CareTech articles of association and approve the re-registration of CareTech as a private limited company in accordance with the Companies Act;
“Super Senior Term Facility”	has the meaning set out at paragraph 13.1(a)(iii) of Part VII (<i>Additional Information</i>) of this document;
“Takeover Code”	means the City Takeover Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;
“Takeover Offer”	means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of CareTech on the terms and conditions to be set out in the Offer Document, including any subsequent revision, amendment, variation, extension, or renewal;
“Term Facilities”	has the meaning set out at paragraph 13.1(a) of Part VII (<i>Additional Information</i>) of this document;

“THCP”	has the meaning set out at paragraph 4 of Part II (<i>Explanatory Statement</i>) of this document;
“Third Exchange”	has the meaning set out in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this document;
“Third Party”	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, employee representative body or any other body or person whatsoever in any jurisdiction;
“this document”	means this document setting out, amongst other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the General Meeting;
“Topco”	means Amalfi Topco Limited, a private limited company incorporated in Jersey;
“Topco Articles”	the articles of association of Topco from time to time;
“Topco Group”	Topco and its subsidiary undertakings and where the context permits, each of them;
“Topco Shareholders”	means holders of Topco securities;
“Topco Shareholders’ Agreement”	means the shareholders’ agreement relating to Topco entered into on 27 June 2022;
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual);
“UK” or “United Kingdom”	means United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	means a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST;
“United States” or “US”	means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
“US Exchange Act”	means the US Securities Exchange Act by 1934, as amended;
“US Securities Act”	means the United States Securities Act of 1933, as amended;
“Voting Record Time”	means 6.30 p.m. on 6 September 2022 being the day which is two Business Days before the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting;
“Wellness SPA”	has the meaning set out at paragraph 10.1(d) of Part VII (<i>Additional Information</i>) of this document;
“Wider Bidco Group”	means Bidco and its subsidiary, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and/or such subsidiaries or undertakings (aggregating their interests) having a Significant Interest; and

“Wider CareTech Group”

means CareTech and its subsidiary, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and/or such subsidiaries or undertakings (aggregating their interests) having a Significant Interest.

For the purposes of this document, “**subsidiary**”, “**subsidiary undertakings**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act 2006.

All references to “**pounds**”, “**pounds sterling**”, “**sterling**”, “**£**”, “**pence**”, “**p**” and “**penny**” are to the lawful currency of the United Kingdom.

All references to “**EUR**” and “**€**” are to the lawful currency of the European Union

All times referred to are London time unless otherwise stated.

References to the singular include the plural and *vice versa*.

PART XII

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

No. CR-2022-001635

IN THE MATTER OF CARETECH HOLDINGS PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 25 July 2022 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) (the “**Scheme Shareholders**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between CareTech Holdings PLC (“**CareTech**” or the “**Company**”), and the Scheme Shareholders and that the Court Meeting will be held at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG on 8 September 2022 at 10.00 a.m., at which place and time all holders of Scheme Shares are requested to attend.

Copies of the Scheme of Arrangement and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this Notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

Right to Appoint a Proxy; Procedure for Appointment

Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at such meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting.

A Blue Form of Proxy, for use at the Court Meeting, is enclosed with this notice. Instructions for its use are set out on the form. It is requested that the Blue Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the CareTech Registrars, Link Group, PSX1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by post or (during normal business hours only) by hand, so as to be received by the CareTech Registrars not later than 10.00 a.m. (London time) on 6 September 2022 or, in the case of an adjournment of the Court Meeting, 48 hours (excluding non-working days) before the time appointed for the adjourned meeting. However, if not so returned, Forms of Proxy (together with any such authority, if applicable) may be handed to the CareTech Registrars or the Chairman of the Court Meeting before the start of the Court Meeting.

As a member of the Company you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote on your behalf at the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company but they must attend the Court Meeting to represent you. If you require additional proxy forms, please contact the CareTech Registrars between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0371 664 0321 from within the UK or +44 (0) 371 664 0321 if calling from outside the UK.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual.

In order for a proxy appointment made using CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the CareTech Registrars (ID RA10) by 10.00 a.m. (London time) on 6 September 2022 (or if the Court Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned Court Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described on pages 10 and 11 of the document of which this Notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such holder of Scheme Shares wishes and is entitled to do so.

If you wish, you will be able to vote electronically using the link www.signalshares.com. You will need to log into your Signal Shares account or register if you have not previously done so. To register you will need your Investor Code; this is detailed on your share certificate or available from our registrars, Link Group. Votes via Signal Shares should be received by not later than 10.00 a.m. on 6 September 2022.

Link Group, the Company’s registrar, has launched a shareholder app: LinkVote+. It’s free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Votes via LinkVote+ should be received by not later than 10.00 a.m. on 6 September 2022.

Apple App Store	GooglePlay
	

Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Shareholders may revoke a proxy instruction delivered to the Company’s Registrars, but to do so must inform the Company in writing by sending a signed hard copy notice clearly stating their intention to revoke the proxy appointment to Link Group, PSX1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company no later than the cut-off time (48 hours before the time appointed for the Court Meeting) set out above. If a shareholder attempts to revoke his or her

proxy appointment but the revocation is received after the time specified, such shareholder's original proxy appointment will remain valid.

Voting Record Time

Entitlement to attend, speak and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.30 p.m. (London time) on 6 September 2022 or, if the Court Meeting is adjourned, the close of business (London time) on the date which is two days (excluding non-working days) before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

Joint Holders

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Corporate Representatives

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

Chair of the Court Meeting

By the said Order, the Court has appointed Jamie Cumming or, failing him, Dr Moira Livingston or failing her, Adrian Stone to act as chair of the Court Meeting and has directed the chair to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 25 July 2022

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD
Solicitors for the Company

Nominated Persons

Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under agreement with the shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting.

PART XIII

NOTICE OF GENERAL MEETING

NOTICE OF GENERAL MEETING OF CARETECH HOLDINGS PLC (REGISTERED IN ENGLAND AND WALES WITH COMPANY NUMBER 04457287)

NOTICE IS HEREBY GIVEN that a General Meeting of CareTech Holdings PLC (the “**Company**”) will be held at 5th Floor Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG on 8 September 2022 at 10.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement dated 25 July 2022 between CareTech Holdings PLC (the “**Company**”) and the holders of Scheme Shares (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Amalfi Bidco Limited (“**Bidco**”) and approved or imposed by the Court (the “**Scheme**”):

- (a) the Independent Directors of the Company (being each of Jamie Cumming, Dr Moira Livingston and Adrian Stone) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;
- (b) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by:
 - (i) the inclusion of the following definitions as new definitions in article 2:
 - “**Bidco**” has the meaning given in article 155.1;
 - “**Bidco Company**” has the meaning given in article 155.2;
 - “**Effective Date**” has the meaning given to it in Part XI (*Definitions*) of the scheme document issued by the Company on 25 July 2022 in connection with the Scheme;
 - “**New Member**” has the meaning given in article 155.3;
 - “**Offer**” the acquisition of the Company by the Purchaser pursuant to a scheme of arrangement sanctioned by the Court under Part 26 of the Act;
 - “**Post-Scheme Shares**” has the meaning given in article 155.3;
 - “**Purchaser**” has the meaning given in article 155.3;
 - “**Scheme**” has the meaning given in article 155.1;
 - “**Scheme Shares**” has the meaning given to it in Part XI (*Definitions*) of the scheme document issued by the Company on 25 July 2022 in connection with the Scheme;
 - “**Scheme Record Time**” has the meaning given to it in Part XI (*Definitions*) of the scheme document issued by the Company on 25 July 2022 in connection with the Scheme;
 - (ii) the adoption and inclusion of the following new article 155 after article 154 (and amending the remainder of the articles and any cross references thereto accordingly):

155 “SCHEME OF ARRANGEMENT

155.1 In this article 155, references to the “Scheme” are to the Scheme of Arrangement under Part 26 of the Act between the Company and the holders

of Scheme Shares (as defined in the Scheme) dated 25 July 2022 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Amalfi Bidco Limited (“**Bidco**”) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.

- 155.2 Notwithstanding any other provisions in these articles, if the Company issues any Shares (other than to Bidco, any subsidiary of Bidco, any parent undertaking of Bidco, or any nominee of Bidco (each a “**Bidco Company**”)) on or after the date of the adoption of this article and at or prior to the Scheme Record Time such Shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holder or holders of such Shares shall be bound by the Scheme accordingly.
- 155.3 Notwithstanding any other provision of these articles, subject to the Scheme becoming effective, any shares issued or transferred (including out of treasury) to any person (other than a Bidco Company) after the Scheme Record Time (a “**New Member**”) (each a “**Post-Scheme Share**”) shall be issued on terms that they shall on the Effective Date (as defined in the Scheme) or, if later, on issue (but subject to the terms of articles 155.3 and 155.4 below), be immediately transferred to Bidco (or such person as it may direct) (the “**Purchaser**”) in consideration for of an amount in cash for each Post-Scheme Share equal to the consideration that the New Member (or any subsequent holder or any nominee(s) of such New Member or any subsequent holder) would have been entitled to had each Post-Scheme Share been a Scheme Share and no election for the Partial Alternative Offer (as defined in the Scheme) had been made in respect thereof.
- 155.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date, the value of the consideration per Post-Scheme Share to be paid under article 155.3 shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this article 155 to such shares shall, following such adjustment, be construed accordingly.
- 155.5 To give effect to any transfer of Post-Scheme Shares required pursuant to article 155.3, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to article 155.3 above by sending a cheque to drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) or any alternative method communicated by the Purchaser to the New Member for the purchase price of such Post-Scheme Shares as soon as practicable and

in any event not later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.

155.6 If the Scheme shall not have become effective by the applicable date referred to in (or otherwise set in accordance with) section 8(b) of the Scheme, this article 155 shall cease to be of any effect.

155.7 Notwithstanding any other provision of these Articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominees pursuant to the Scheme"; and

- (c) subject to and conditional upon the Scheme becoming effective, pursuant to section 97 of the Companies Act 2006, the Company be re-registered as a private limited company with the name "CareTech Holdings Limited" with effect from the date approved by the Registrar of Companies.

By order of the Board

Jamie Cumming
Director

Registered Office:

5th Floor Metropolitan House
3 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AG

25 July 2022

Registered in England & Wales No. 04457287

NOTES:

- 1 To be entitled to attend and vote at the General Meeting (whether in person or by proxy), you must be registered in the register of members of the Company at 6.30 p.m. on 6 September 2022 (or, if the General Meeting is adjourned, at 6.30 p.m. on the date that is two days prior to the adjourned General Meeting, taking no account of any part of a day that is not a working day). Changes to entries on the register of members after this time will be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the General Meeting or at any adjourned General Meeting.
- 2 You may appoint one or more persons (who need not be members) as your proxy or proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. You can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by you.
- 3 A proxy need not be a member of the Company but must attend the General Meeting in person in order to represent you. You can appoint the chairman, another director of the Company or another person who has agreed to attend to represent you. A proxy must vote as instructed by you and must attend the General Meeting in order to cast your vote. Unless you are appointing the chairman as your proxy, please check with your appointed proxy prior to appointing him/her that he/she intends to attend the General Meeting. Details of how to appoint the chairman or another person as your proxy using the form of proxy are set out on the form of proxy and in its notes. Proxies may also be appointed electronically or through CREST. Details are given in notes 4 to 7 below. Appointing a proxy or any CREST proxy instruction does not preclude you from attending the General Meeting and voting in person on any matters in respect of which the proxy or proxies is or are appointed but, in the event that and to the extent that you personally vote your shares, your proxy will not be entitled to vote and any vote cast by your proxy in such circumstances will be disregarded.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 5 If you wish, you will be able to vote electronically using the link www.signalshares.com. You will need to log into your Signal Shares account or register if you have not previously done so. To register you will need your Investor Code; this is detailed on your share certificate or available from our registrars, Link Group. Votes via Signal Shares should be received by not later than 10.15 a.m. on 6 September 2022.
- 6 Link Group, the Company's registrar, has launched a shareholder app: LinkVote+. It's free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play. Votes via LinkVote+ should be received by not later than 10.15 a.m. on 6 September 2022.
- 7 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST

Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number RA10) by 10.15 a.m. on 6 September 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- 8 CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 9 A form of proxy accompanies this notice. To be effective the form of proxy must:
 - (i) be in writing;
 - (ii) if you are an individual shareholder, be signed by you or your duly appointed and authorised attorney;
 - (iii) if you are a corporate shareholder, be duly executed under your common seal or under the hand of your officer, attorney or other person duly appointed and authorised for that purpose or in any other manner authorised by your constitution; and
 - (iv) be received (together with any power of attorney or other authority under which it is executed, or a certified copy of such authority or in some other way approved by the CareTech Board) by the CareTech Registrars at Link Group, PSX1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or via the electronic proxy appointment service, in each case not less than 48 hours (excluding non-working days) before the time appointed for the General Meeting, being no later than 10.15 a.m. on 6 September 2022. If you are a CREST member, see the applicable notes above.
- 10 If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Link Group as follows:

Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Helpline: Within the UK: 0371 664 0321. Or outside the UK +44 (0) 371 664 0321 Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
- 11 Should you wish to change your proxy instructions, you may do so by completing a new form of proxy. Additional forms of proxy may be obtained from the CareTech Registrars, Link Group at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. The deadline for receipt of proxy appointments is set out above. The termination of a proxy appointment must be received by the Registrars, Link Group, at Link Group, PSX1, Central Square, 29 Wellington Street, Leeds, LS1 4DL not less than 48 hours (excluding non-working days) before the time appointed for the General Meeting, being no later than, 10.15 a.m. on 6 September 2022. To appoint more than one proxy, you should contact Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.
- 12 Where two (or more) valid but differing appointments of proxy are received before the deadline in respect of the same share(s) for use at the General Meeting and in respect of the same matter, the one which is received last (regardless of its date or of the date of its execution or submission) will be given priority and will supersede the earlier one(s). If the Company is unable to determine which appointment was received last, none of them will be treated as valid in respect of the relevant share(s).
- 13 You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the shareholders subject to all messages to virus checking procedure prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
- 14 Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- 15 A copy of this notice has been sent (for information only) to persons who have been nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). However, it should be noted that only the member on the register of members has the right to appoint a proxy (a Nominated Person does not have this right). The rights of any Nominated Person vis-a-vis the member whose name appears on the register of members will be determined by whatever agreement exists between them, which may mean that such a Nominated Person has a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if such a Nominated Person does not have such a right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member whose name appears on the register of members as to the exercise of voting rights.

- 16 If you are a corporation you may appoint a person or persons to act as your representative(s) at the General Meeting. Each such representative may exercise on your behalf the same powers as you could exercise if you were an individual member of the Company, provided that they do not do so in relation to the same share(s).
- 17 Voting on the resolution will be conducted by way of a poll. As soon as practicable after the General Meeting, the results of the voting at the General Meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each resolution will be announced through a regulatory information service and also placed on the Company's website: <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited>.
- 18 A copy of this notice can be found at <https://www.CareTech-uk.com/offer-sheikh-holdings-group-investments-limited>.
- 19 Copies of the CareTech Executive Directors' service agreements and copies of the letters of appointment of the CareTech Non-Executive Directors are available for inspection at the registered office of CareTech during normal business hours on any weekday and will be available at the place of the General Meeting from 15 minutes prior to the commencement of the General Meeting until the conclusion thereof.
- 20 As at 22 July 2022 (being the latest practicable date prior to the publication of this Notice), the Company's issued ordinary share capital consists of 113,336,434 ordinary shares of 0.5 pence each, carrying one vote each. The Company does not hold any shares in treasury. Therefore as at 22 July 2022 the total voting rights in the Company are 113,336,434.

