

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACQUISITION, 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.

Terms beginning with a capital letter that are used in this letter (and its terms and conditions) are defined in the Glossary at the end.

To all participants under the rules of the CareTech Tax-advantaged Share Option Plan 2015 (the "CSOP").

Recommended Cash Offer for CareTech Holdings PLC ("CareTech") 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, funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. as advised by THCP Advisory Limited) ("Bidco")

URGENT ACTION REQUIRED – PLEASE DO NOT IGNORE THIS COMMUNICATION

Action is required from you to exercise your Option(s).

You need to take action if you want to buy CareTech Shares using your Option(s). This will NOT happen automatically.

If you want to buy CareTech Shares, as set out in the Proposal (as defined in the Glossary), you must complete, sign and submit the Form of Instruction via DocuSign as soon as possible and in any event by no later than 5 p.m. (UK time) on 15 August 2022.

We recommend you take action as soon as possible. If you are leaving employment, please refer to the part of this letter headed "*What happens if I leave employment?*" which is also relevant for you and may mean you have different opportunities to buy CareTech Shares using your Option(s).

From CareTech Holdings PLC and Amalfi Bidco Limited

25 July 2022

Dear Colleague

1. What is this letter about?

On 27 June 2022, the CareTech Independent Board and the Bidco Board announced that they had reached agreement on the terms of a recommended Cash Offer for CareTech by Bidco (a newly formed company indirectly owned by joint offerors Sheikh Holdings Group (Investments) Limited, Belgravia Investments Limited and Kensington Capital Limited, funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. as advised by THCP Advisory Limited), under which Bidco will acquire the entire issued and to be issued ordinary share capital of CareTech (the "**Acquisition**").

The purpose of this letter is to explain:

- the effect of the Acquisition on the Option(s) granted to you under the CSOP,
- the Proposal which Bidco is making to Option holders (as defined and set out below); and
- the steps you should take if you want to accept the Proposal for your Option(s), and other action you can take.

This letter should be read together with the Scheme Document which was sent to shareholders on 25 July 2022 and which contains the full details of the Scheme.

The full terms of the Acquisition and the Scheme are set out in the Scheme Document, which can be found at <https://www.caretech-uk.com/offer-sheikh-holdings-group-investments-limited>. A copy of this letter can also be found on this website.

2. How and when will the Acquisition take effect?

It is intended that the Acquisition will be implemented by way of the Scheme.

Provided that the Scheme is approved by CareTech Shareholders, that all other conditions are satisfied or waived and that the Court sanctions the Scheme (which is currently expected to occur on 23 September 2022 (the "**Court Sanction Date**")), it is expected that Bidco will become the owner of CareTech two business days after the Court Sanction Date (the "**Effective Date**").

On the Effective Date, Bidco will buy all CareTech Shares subject to the Acquisition under the terms of the Scheme.

At this stage, we cannot be more precise as to the Court Sanction Date and Effective Date. When these are known, we will update you with the relevant dates and the relevant consequences for your Option(s) (if any).

The CareTech Shares acquired under the Scheme will automatically be bought by Bidco for **750 pence** each in cash ("**Cash Offer**"), but please note the below in respect of the Partial Alternative Offer.

You will see from the Scheme Document that there is an alternative proposal (which is described as the "**Partial Alternative Offer**") to receiving cash consideration under the Scheme and that an eligible CareTech Shareholder may elect to receive rollover non-voting ordinary shares in the capital of the indirect parent of Bidco, Amalfi Topco Limited ("**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 CareTech Shares at a ratio of 7.5 Rollover Securities for each CareTech Share subject to the terms and conditions of the Partial Alternative Offer (detailed in Part VIII of the Scheme Document).

Whilst you are able to accept the Partial Alternative Offer, we have not included this as part of the Proposal for tax reasons (see below). If you wish to accept the Partial Alternative Offer please contact Fahrina Maharaj at centurion.participants@caretech-uk.com.

3. Partial Alternative Offer

Whilst you will technically be eligible to be able to elect for the Partial Alternative Offer in relation to all or part of your holding of CareTech Shares derived from your Option(s), this does not form part of the Proposal set out in this letter.

If you were to elect to receive the Partial Alternative Offer, this would cause the Option(s) to be disqualified from receiving tax advantaged treatment under the relevant tax legislation and you would have to pay income tax and employee National Insurance contributions on the gains made on your Option exercise (i.e. the value of the Topco share proportion of the deal consideration less your exercise price).

Please contact Fahrina Maharaj at centurion.participants@caretech-uk.com if you wish to elect for the Partial Alternative Offer.

If you are considering the Partial Alternative Offer your attention is drawn to certain risk factors and other investment considerations relevant to the Rollover Securities. These are included in Part VIII of the Scheme Document.

Your attention is also drawn to the estimated valuation contained in Part X of the Scheme Document.

4. How does the Acquisition affect my Option(s)?

Your Option(s) becomes exercisable earlier as a result of the Acquisition. However, you may only exercise your Option(s) in respect of the proportion of the CareTech Shares corresponding to such proportion of the vesting period as has elapsed at the date of the Court Sanction.

Proposal

The proposal is that you give an instruction by 5 p.m. (UK time) on 15 August 2022 that, if the Scheme is approved by the Court and any other remaining conditions are met, your Option(s) will then be immediately exercised after the Court Sanction Date over the maximum number of CareTech Shares you can receive (subject to a reduction to reflect the reduced vesting period).

When you exercise your Option(s) by completing the Form of Instruction, you will receive the full number of CareTech Shares to which you are entitled. Those CareTech Shares will then automatically be sold on your behalf at the Offer Price of 750 pence per CareTech Share under the Scheme, and you will receive the sale proceeds for your CareTech Shares less your exercise price (and, if applicable, less any deductions for income tax and employee National Insurance contributions). The net amount due to you will then be paid to you through the payroll of your employer (the "**Proposal**").

CareTech and Bidco have agreed that CSOP optionholders can fund the exercise of Option(s) by taking advantage of a cashless exercise facility which allows you to exercise your Option(s) without having to pay the exercise price in advance. Instead, if you use the Proposal you would give an undertaking to pay the exercise price out of the cash which you will receive for your CareTech Shares under the Scheme ("**Undertaking to Pay**"). All the CareTech Shares which you acquire on the exercise of your Option(s) will be acquired as part of the Scheme and the exercise price will be deducted from the cash due to you and then paid to CareTech.

If you wish to exercise your Option(s) and then have your CareTech Shares acquired under the Scheme of Arrangement, you should complete the Form of Instruction via DocuSign as set out in the paragraph headed "**Procedure**" below. The terms on which settlement will be made are set out in the Scheme Document.

5. Procedure

You should decide which course of action you wish to take and then access the Form of Instruction via DocuSign to complete and sign it. You should submit the Form of Instruction (by following the prompts within DocuSign) so as to arrive NO LATER THAN 5 P.M. (UK TIME) ON 15 AUGUST 2022.

Before you complete the Form of Instruction, please read carefully the explanatory notes. If you have lost your option certificate(s) or have any other queries (not requiring the giving of financial or investment advice), you should contact Fahrina Maharaj at centurion.participants@caretech-uk.com without delay.

You can only accept the Proposal to exercise your CSOP option(s) by 5 p.m. (UK time) on 15 August 2022. The reason we are asking you to take action now and imposing a deadline for acceptance of the Proposal some time in advance of the expected Court Sanction Date is that it takes time to process all elections and we want to be prepared for the Court Sanction Date so that there is no rush to process relevant acceptances.

6. What if I am a PDMR or on an insider list?

If you are a Person Discharging Managerial Responsibilities ("**PDMR**") or an insider under the CareTech Group-Wide Dealing Policy (the "**Dealing Code**"), or you have otherwise been told the Dealing Code applies to you, you do not need to obtain permission under the Dealing Code to accept the Proposal as general clearance has been given. However, if you want to exercise your Option(s) in any other way or sell or otherwise transfer any CareTech Shares, you must contact Fahrina Maharaj at centurion.participants@caretech-uk.com for clearance in advance.

7. What are the tax consequences of exercising my Option(s)?

A general description of the taxation consequences of the courses of action open to you is set out in Appendix 1 to this letter.

8. What happens if I leave employment?

If you leave or have left employment or give or have been given notice to end employment, this is likely to affect your ability to exercise your Option(s) and accept the Proposal, and you may need to take other action. You may lose your Option(s), even if you have accepted the Proposal already.

9. Is there any other action that I can take?

If your Option(s) are already exercisable as a result of your becoming a good leaver earlier, you do not have to wait until the Court Sanction Date to buy CareTech Shares or accept the Proposal to do this.

If you want (and are able) to exercise your Option(s) to buy CareTech Shares before the Court Sanction Date, please contact Fahrina Maharaj at centurion.participants@caretech-uk.com. You need to do this by the Court Sanction Date (or such other date as the Company may notify you). You should also read the section above under "*What if I am a PDMR or on an insider list?*".

After the Court Sanction Date, if you have not already taken action to buy CareTech Shares, you may choose to buy CareTech Shares under your Option(s) in the period up to 20 days after the Effective Date (or the expiry date of your Option(s) if earlier). Your CareTech Shares would in this case automatically be sold to Bidco for 750 pence for each CareTech Share but it may take some time for you to receive payment and there will be a separate process for this. If you would like to do this, please contact Fahrina Maharaj at centurion.participants@caretech-uk.com.

10. What happens if I do nothing?

If the Scheme is approved by the Court and takes effect, your Option(s) will lapse and cease to be exercisable 20 days after the Effective Date. If this happens and you have not already taken action, you will not be able to exercise your Option(s) and they will be worthless.

It is therefore very important that you read this letter carefully and decide what to do, including taking any relevant action (as set out in the paragraph below headed "**ACTION REQUIRED**").

11. When will I receive the cash for my CareTech Shares?

If you accept the Proposal, you will receive the cash due to you for your CareTech Shares as soon as possible once your CareTech Shares have been acquired by Bidco and the Acquisition Value has been received from Bidco on your behalf. Payment will be made through the payroll of your employer into the bank account into which your salary is (or was) normally paid, after deduction of any applicable tax liabilities and exercise price.

12. ACTION REQUIRED

If you wish to exercise your Option(s) using the Proposal, you should do this by submitting the Form of Instruction via DocuSign as soon as possible and in any event by 5 p.m. (UK time) on 15 August 2022.

13. Recommendation

The CareTech Independent Board recommends that you exercise your Option(s) to buy CareTech Shares on the Court Sanction Date as set out in the Proposal. You should, however, consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your Option(s), including accepting the Proposal.

The CareTech Independent Board, which has been so advised by Panmure Gordon (UK) Limited ("**Panmure**") and Numis Securities Limited ("**Numis**") as to the financial terms of the Proposal, considers the Proposal set out in this letter for Option(s) to be exercised to the fullest extent possible and the resulting CareTech Shares to be bought as part of the Scheme to be fair and reasonable in the context of the Acquisition. In providing their advice to the CareTech Independent Board, Panmure and Numis have taken into account the commercial assessments of the CareTech Independent Board. Panmure and Numis are providing independent financial advice to the CareTech Independent Board for the purposes of Rule 15(b) of the Takeover Code.

The CareTech Independent Board, Panmure Gordon and Numis have considered the details of the Cash Offer and Partial Alternative Offer. **The CareTech Independent Board considers the Cash Offer to be fair and reasonable.**

However, 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, which are set out in the Scheme 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 CareTech Shareholders as to whether or not they should elect for the Partial Alternative Offer.

14. What if you have questions?

If you have any questions about the Scheme and your Option(s) under the CSOP (not requiring the giving of financial or investment advice), please contact Fahrina Maharaj at centurion.participants@caretech-uk.com.

15. Important notes

Nothing in this letter or its appendices constitutes financial advice to any holder of shares, share awards or share option(s) in CareTech.

Please note that none of CareTech, Topco, Bidco or any of their employees can give you investment or tax advice. If you are in any doubt as to 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.

If you have received this letter electronically, you may request a hard copy of this letter, free of charge, by contacting Fahrina Maharaj at centurion.participants@caretech-uk.com. You may also request that all future documents, announcements, and information to be sent to you in relation to the Acquisition should be in hard copy form.

Yours faithfully,

Yours faithfully,

Jamie Cumming

Marco Anatriello

Non-Executive Director

Director

For and on behalf of

For and on behalf of

the CareTech Independent
Board

Amalfi Bidco Limited

Glossary

"Acquisition" has the meaning given to it in the section of the letter above entitled "*What is this letter about?*".

"Acquisition Value" means the 750 pence to be paid by Bidco for each CareTech Share under the Acquisition.

"Bidco" means Amalfi Bidco Limited.

"Bidco Board" means the board of directors of Bidco as at the date of this letter.

"CareTech" means CareTech Holdings PLC.

"CareTech Directors" means the directors of CareTech.

"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 Shareholders" means the registered holders of CareTech Shares from time to time.

"CareTech Shares" means the ordinary shares of 0.5 pence each in the capital of CareTech from time to time.

"Cash Offer" has the meaning given to it in paragraph 2 of this letter.

"Court" means the High Court of Justice in England and Wales.

"Court Sanction" means the Court sanctioning the Scheme under section 899 of the Companies Act 2006.

"Court Sanction Date" has the meaning given to it in the section of the letter above entitled, "*How and when will the Acquisition take effect?*"

"CSOP" means the CareTech Tax-advantaged Share Option Plan 2015;

"Dealing Code" means the CareTech Group-Wide Dealing Policy.

"Effective Date" has the meaning given to it in the section of the letter above entitled, "*How and when will the Acquisition take effect?*".

"Form of Instruction" means the form accessed via DocuSign by which a CSOP Option holder should indicate whether they wish to accept the Proposal.

"NICs" has the meaning given to it in Appendix 1 of this letter.

"Numis" means Numis Securities Limited.

"Option(s)" means a right which has been granted to acquire CareTech Shares under the CSOP. **"Panmure"** means Panmure Gordon (UK) Limited.

"Partial Alternative Offer" has the meaning given to it in paragraph 2 of this letter.

"PDMR" has the meaning given to it in paragraph 6 of this letter.

"Proposal" means the proposal set out in paragraph 4 of this letter.

"Rollover Securities" has the meaning given to it in paragraph 2 of this letter.

"Scheme" means the scheme of arrangement under Part 26 of the Companies Act 2006 which is the procedure by which Bidco will become the holder of the entire issued and to be issued ordinary share capital of CareTech.

"Scheme Document" means the document setting out the terms of the Scheme dated 25 July 2022 sent to CareTech Shareholders and which can be found at <https://www.caretech-uk.com/offer-sheikh-holdings-group-investments-limited>.

"Scheme Record Time" means 6:00 p.m. (UK time) on the business day immediately after the Court Sanction Date.

"Takeover Code" means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel.

"Topco" has the meaning given to it in paragraph 2 of this letter.

"Undertaking to Pay" has the meaning given to it in paragraph 4 of this letter.

APPENDIX 1

United Kingdom Taxation – CSOP

The following is a summary of the likely UK tax implications in relation to the exercise of your CSOP option(s) and acceptance of the Proposal. The precise taxation consequences for you will depend on your particular circumstances. The information in this Appendix is intended as a general guide only and is not a full description of all the circumstances in which a tax liability may occur and nor does it constitute advice to you. If you are in any doubt as to the tax implications for your situation and, in particular, if you are subject to tax in any jurisdiction other than the UK, you are advised to seek independent professional advice before taking any action in connection with this letter. The following assumes that you are tax resident in the UK and have been so resident from the date of grant of your CSOP option(s) up to the date of exercise.

The following is based on current legislation and published HM Revenue & Customs guidance.

Option exercise

Provided you do not accept the Partial Alternative Offer, income tax relief is available even where you exercise the Option before the third anniversary of the grant date, where there is a change of control of CareTech.

Unless you have left employment prior to the Court Sanction and have not exercised within the specified time frames, there will be no income tax charge or liability for national insurance contributions ("**NICs**") on the exercise of the Option.

Disposal of CareTech Shares

If you dispose of your CareTech Shares solely for cash under the Scheme, capital gains tax will be chargeable on the amount by which the disposal proceeds (750 pence per share under the Scheme) exceed the total exercise price paid under the CSOP option.

Notes

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

In providing their advice to the CareTech Independent Board, Panmure and Numis have taken into account the commercial assessments of the CareTech Independent Board.

Each of Panmure and Numis has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

Panmure, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting for CareTech and no one else in connection with the Acquisition and the matters set out in this document and will not be responsible to anyone other than CareTech for providing the protections afforded to clients of Panmure or its affiliates, or for providing advice in connection with matters referred to in this document.

Numis, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for CareTech and no one else in connection with the Acquisition and the matters set out in this document and will not be responsible to anyone other than CareTech for providing the protections afforded to clients of Numis or its affiliates, nor for providing advice in connection with any matter referred to in this document.

Neither this letter nor any of the accompanying documents do or are intended to 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 Acquisition or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

The CareTech Directors, whose names are set out in the Scheme Document, 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 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.

The CareTech Independent Directors (whose names are set out in the Scheme Document) accept responsibility for the information contained in this document (including any expressions of opinion) expressed as being given by, and in respect of, the CareTech Independent Directors,. The CareTech Independent Directors do not accept any responsibility for the information relating to Bidco in this document.. 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 are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors (whose names are set out in the Scheme Document) accept responsibility for the information contained in this document (including any expressions of opinion) relating to 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 are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.