

**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 Executive Shared Ownership Plan 2012 (the "ExSOP").**

**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**

**You need to take action if you want to:**

- **elect to sell your Jointly Owned Shares under the ExSOP to Bidco;**
- **receive all or part of the consideration from selling your Jointly Owned Shares held under the ExSOP in Topco shares rather than as cash.**

**You also need to take action if you want to indicate how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and/or General Meeting relating to the Scheme. This will NOT happen automatically.**

**If you want to indicate your decision regarding your Jointly Owned Shares granted under the ExSOP, as set out in the Proposal (see below), you must complete and return the attached Form of Instruction by no later than 5 p.m. (UK time) on 15 August 2022. If you are choosing to take up the Spousal Transfer, you must also (i) request a Deed of Amendment by contacting [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com) as soon as possible and you must complete, execute and return this, and (ii) provide the Trustee with copies of certain of your spouse or civil partner's documents for customer due diligence purposes – please see Appendix 2 for acceptable documentation.**

**If you want to indicate how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting, you must complete and return the attached Voting Instruction Form by no later than 5 p.m. (UK time) on 15 August 2022.**

**Please return a scanned copy of each of the Form of Instruction, Deed of Amendment plus CDD documents (if applicable) and Voting Instruction Form to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je).**

**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.**

From CareTech Holdings PLC and Amalfi Bidco Limited

**25 July 2022**

Dear Participant

## **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 Jointly Owned Shares granted to you under the ExSOP,
- the Proposal which Bidco is making to ExSOP Participants, as defined and set out below, and
- the steps you should take if you want to accept the Proposal for your Jointly Owned Shares, the steps you should take if you want to indicate how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting, 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 Jointly Owned Shares (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.

### 3. How does the Acquisition affect my Jointly Owned Shares under the ExSOP?

If the Acquisition takes effect, then on the Effective Date, a 'Change of Control' as defined in the ExSOP will occur. Pursuant to the ExSOP, in relation to your percentage of Jointly Owned Shares that the Remuneration Committee has determined to be the Vested Percentage of the Employee's Interest (or "**VPEI**"), you are able to dispose of the Jointly Owned Shares to Bidco. This will allow you to realise value for your VPEI. The Remuneration Committee has indicated that for any Jointly Owned Shares which have not yet vested, being the 2019 Awards, that such VPEI to be 100%. Both the 2016 Awards and the 2019 Awards will therefore be treated as fully vested at the time of the Change of Control and the VPEI will be 100%.

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, you elect jointly with the Trustee (who co-owns the Jointly Owned Shares) to sell the Jointly Owned Shares to Bidco under the terms of Bidco's offer set out in the Scheme Document. If you accept the proposal, your VPEI of the Jointly Owned Shares will then be sold on your behalf at the Offer Price of 750 pence per CareTech Share under the Scheme (the "**Cash Consideration**"), subject to whether you choose to accept the second option of the proposal in respect of the Partial Alternative Offer ("the **Proposal**").

The first choice under the Proposal is that you will receive the sale proceeds for your VPEI of the Jointly Owned Shares as cash.

You will see from the Scheme Document that there is also 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). This is the second choice under the Proposal – to either receive all of your entitlement as Rollover Securities, or part of your entitlement as Rollover Securities and part of your entitlement as cash.

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 II and Part VIII of the Scheme Document.

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

You may choose to transfer all or part of your entitlement in Jointly Owned Shares to your spouse or civil partner (the "**Spousal Transfer**"). If you would like to do so, please fill in the relevant sections in the enclosed Form of Instruction to indicate this and please also (i) complete and execute the Deed of Amendment, which you will need to request from Fahrina Maharaj by contacting [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com) as soon as possible and (ii) provide the Trustee

([CPMjersey@computershare.co.ie](mailto:CPMjersey@computershare.co.ie)) with copies of certain of your spouse or civil partner's documents for customer due diligence purposes – please see Appendix 2 for acceptable documentation. In relation to any of your entitlement where you elect for a Spousal Transfer, the Trustee will hold that number of vested Jointly Owned Shares in the spouse or civil partner's name with the Trustee acting as nominee and the spouse or civil partner being the beneficial owner of those vested Jointly Owned Shares. On the Effective Date, the beneficial ownership of the vested Jointly Owned Shares held by the spouse or civil partner will then be acquired under the Scheme by Bidco. The spouse or civil partner would receive the amount of cash and/or number of Rollover Securities (as the case may be) that they are entitled to based on their elections via the Form of Instruction for cash and/or Rollover Securities made over the number of vested Jointly Owned Shares they beneficially own.

Under both the Cash Offer and the Partial Alternative Offer, what you and/or your spouse or civil partner (if transferring all or part of your entitlement to your spouse or civil partner) receive will be less the entitlement of the Trustee's proportion of the Jointly Owned Share, pursuant to the ExSOP. You (or your spouse or civil partner, if applicable) will also have to pay capital gains tax in respect of the vested Jointly Owned Shares. If you wish to (i) accept Bidco's offer under the Scheme to sell your VPEI in respect of the Jointly Owned Shares in exchange for you receiving cash consideration or (ii) accept the Partial Alternative Offer in respect of your VPEI of the Jointly Owned Shares, you should complete the enclosed Form of Instruction and, if choosing to take up the Spousal Transfer, the Deed of Amendment plus CDD documents as set out in the paragraph headed "**Procedure**" below. The terms on which settlement will be made are set out in the Scheme Document.

**4. How do I choose how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and the General Meeting relating to the Scheme?**

**Please do not vote in respect of the Court Meeting if you have been informed that you are restricted from doing so under the Takeover Code – such restrictions on voting apply to your Jointly Owned Shares in the same way that they apply to any CareTech Shares held in your own name.**

The Trustee is the legal shareholder of the Jointly Owned Shares and therefore has the right to cast votes attaching to the Jointly Owned Shares at shareholder meetings (the "**Votes**"). Under the ExSOP, the Trustee is able to agree with an ExSOP Participant that the Trustee will cast the Votes in accordance with the wishes of the ExSOP Participant over the ExSOP Participant's proportion of the Jointly Owned Shares. The Trustee will agree to do so subject to agreement from all parties on the basis that a Change of Control is intended to take place and that both the 2016 Awards and the 2019 Awards will be treated as fully vested at the time of the Change of Control. Please refer to the Scheme Document for the notice of the Court Meeting and the notice of the General Meeting which set out the resolutions that will be voted on.

If you wish to instruct the Trustee as to how the votes attaching to your proportion of the Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting, you should complete the enclosed Voting Instruction Form as set out in the paragraph headed "**Procedure**" below. The

Voting Instruction Form will also formalise your agreement with the Trustee that the Trustee will cast the Votes in accordance with your wishes.

## **5. Procedure**

You should decide which courses of action you wish to take and then:

- (i) complete the enclosed Form of Instruction and return it to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je) so as to arrive NO LATER THAN 5 P.M. (UK TIME) ON 15 AUGUST 2022;
- (ii) complete the enclosed Voting Instruction Form and return it to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je) so as to arrive NO LATER THAN 5 P.M. (UK TIME) ON 15 AUGUST 2022; and
- (iii) if choosing to take up the Spousal Transfer, also:
  - (a) request a Deed of Amendment from Fahrina Maharaj at [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com) as soon as possible, complete it and return it to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je); and
  - (b) provide the Trustee with copies of certain of your spouse or civil partner's documents for customer due diligence purposes – please see Appendix 2 for acceptable documentation. Please send these to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je).

Before you complete the Form of Instruction and the Voting Instruction Form, please read carefully the explanatory notes. If you have any queries (not requiring the giving of financial or investment advice), you should contact Fahrina Maharaj at [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com) without delay.

You can only accept the Proposal to (i) elect jointly with the Trustee to accept Bidco's Cash Offer and sell the Jointly Owned Shares to Bidco under the Scheme for cash consideration or (ii) under the Partial Alternative Offer, elect to receive all or part of the consideration as Topco shares having the rights of Rollover Securities by no later than 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.

You can only instruct the Trustee as to how the votes attaching to your Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting by no later than 5 p.m. (UK time) on 15 August 2022.

## **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.

## **7. What are the tax consequences of electing to sell the Jointly Owned Shares?**

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. Can I take any other action?**

### **Leavers**

If, prior to the Change of Control, you leave or have left employment or give or have been given notice to end employment, this may affect your ability to accept the Proposal, and you may need to take other action. The leaver arrangements under the ExSOP will apply in the normal way. You should check the terms of your ExSOP to determine how you will be treated depending on the circumstances in which you cease to hold employment with CareTech.

## **9. What happens if I do nothing?**

If the Trustee does not receive your completed Form of Instruction, the Trustee will by default elect to sell the Jointly Owned Shares to Bidco for cash consideration under the Cash Offer. As with the first choice in the Proposal, you will receive the sale proceeds for your VPEI of your Jointly Owned Shares as cash (less any deductions for capital gains tax on the whole gain). The position would be the same even if, hypothetically, the Trustee takes no action because pursuant to the Scheme, CareTech Shares will automatically be bought by Bidco under the terms of Bidco's offer. Hence, if you do not complete and return the Form of Instruction, you will by default not accept the Partial Alternative Offer.

If you do not complete and return the Voting Instruction Form, in the Court Meeting and in the General Meeting the Trustee will abstain from casting the votes attaching to your Jointly Owned Shares.

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**").

## **10. When will I receive the cash for my CareTech Shares?**

If you accept the Proposal, you will receive the cash and/or Rollover Securities due to you for your CareTech Shares as soon as possible once your CareTech Shares have been acquired by Bidco. The Trustee will provide you with the cash consideration, however in order to ensure this can happen, you must provide your (or, if relevant, your spouse's or civil partner's) bank details on the Form of Instruction where indicated. Please refer to the Scheme Document for the terms on which settlement will be made. Payment will be after deduction of the entitlement of the Trustee pursuant to the ExSOP.

## **11. ACTION REQUIRED**

If you wish to, under the Proposal, (i) elect jointly with the Trustee to accept the Cash Offer under the Scheme and sell the Jointly Owned Shares to Bidco for cash consideration or (ii) under the Partial Alternative Offer, elect to receive all or part of the consideration in Rollover Securities, you should do this by returning the Form of Instruction as soon as possible and in any event by 5 p.m. (UK time)

on 15 August 2022. If you are choosing to take up the Spousal Transfer, you must also (i) request a Deed of Amendment by contacting Fahrina Maharaj at [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com) as soon as possible and you must complete, execute and return this to [CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je) and (ii) provide the Trustee ([CPMjersey@computershare.co.je](mailto:CPMjersey@computershare.co.je)) with copies of certain of your spouse or civil partner's documents for customer due diligence purposes – please see Appendix 2 for acceptable documentation.

If you wish to instruct the Trustee as to how the votes attaching to your Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting, you should do this by returning the Voting Instruction Form by 5 p.m. (UK time) on 15 August 2022.

## **12. Recommendation**

The CareTech Independent Board recommends that, as set out in the Proposal, you elect jointly with the Trustee to sell your Jointly Owned Shares for cash under the Scheme (being the first choice under the Proposal). You should, however, consider your own personal circumstances, including your tax position, when deciding your course of action.

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 first option under the Proposal set out in this letter (i.e. that you elect jointly with the Trustee to accept Bidco's offer under the Scheme and sell the Jointly Owned Shares to Bidco and receive Cash Consideration) 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 Part II and Part VIII of 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.**

**As such, the CareTech Independent Directors cannot form an opinion as to whether or not the second option under the Proposal (namely, to either receive all of your entitlement as Rollover Securities, or part of your entitlement as Rollover Securities and part of your entitlement as Cash Consideration) is fair and reasonable and are not making any**



**recommendation as to whether any ExSOP Participant should elect for the second option of the Proposal.**

**13. What if you have questions?**

If you have any questions about the Scheme and your possible courses of action in relation to the ExSOP (not requiring the giving of financial or investment advice), please contact Fahrina Maharaj at [centurion.participants@caretech-uk.com](mailto:centurion.participants@caretech-uk.com).

**14. 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, the Trustee 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](mailto: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 Consideration"** has the meaning given to it in paragraph 3 of this letter.

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

**"Court Meeting"** means the meeting of CareTech shareholders (including any adjournment of it) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act 2006 (notice of which is set out in Part VIII (Notice of Court Meeting) of the Scheme Document) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme.

**"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?"*.

**"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?"*.

**"ExSOP"** means the CareTech Executive Shared Ownership Plan 2012.

**"ExSOP Participants"** means the recipients of the letter above (each an **"ExSOP Participant"**).

**"Form of Instruction"** means the enclosed form by which an ExSOP Participant should indicate: (a) whether they elect to sell the Jointly Owned Shares to Bidco (which shall be a joint election with the Trustee) and (b) whether they elect to take up the Partial Alternative Offer.

**"General Meeting"** means the general meeting of CareTech shareholders (including any adjournment therefore) to be convened in connection with the Scheme.

**"Joint Owners"** means the Trustee and the ExSOP Participant, in relation to each ExSOP Participant's ExSOP agreement.

**"Jointly Owned Shares"** means the CareTech Shares acquired by the Joint Owners pursuant to the ExSOP.

**"Numis"** means Numis Securities Limited.

**"Panmure"** means Panmure Gordon (UK) Limited.

**"Partial Alternative Offer"** has the meaning given to it in the section of the letter above entitled *"How does the Acquisition affect my Jointly Owned Shares under the ExSOP?"*.

**"PDMR"** has the meaning given to it in the section of the letter above entitled *"What if I am a PDMR or on an insider list?"*.

**"Proposal"** means the proposal set out in paragraph 3 of this letter.

**"Remuneration Committee"** means the remuneration committee of the board of directors of CareTech or such other committee comprising a majority of non-executive directors of CareTech to which the directors delegate responsibility for the operation of the ExSOP.

**"Rollover Securities"** has the meaning given to it in the section of the letter above entitled *"How does the Acquisition affect my Jointly Owned Shares under the ExSOP?"*.

**"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.

**"Spousal Transfer"** has the meaning given to it in the section of the letter above entitled *"How does the Acquisition affect my Jointly Owned Shares under the ExSOP?"*.

**"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 the section of the letter above entitled *"How does the Acquisition affect my Jointly Owned Shares under the ExSOP?"*.

**"Trustee"** means Computershare Trustees (Jersey) Limited.

**"Vested Percentage of the Employee's Interest"** or **"VPEI"** means at any given time such percentage of the ExSOP Participant's interest in the Jointly Owned Shares as has become vested

under the ExSOP or which has been deemed by the Remuneration Committee to have become vested.

**"Votes"** has the meaning given to it in the section of the letter above entitled *"How do I choose how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and the General Meeting relating to the Scheme?"*.

**"Voting Instruction Form"** means the enclosed form by which an ExSOP Participant should indicate how the votes attaching to the Jointly Owned Shares are to be cast at the Court Meeting and/or the General Meeting.

**"2016 Award"** means the Jointly Owned Shares granted pursuant to the ExSOP on 24 March 2016 (which vested on 25 March 2019).

**"2019 Award"** means the Jointly Owned Shares granted pursuant to the ExSOP on 7 November 2019 (which would have vested on 8 November 2022).

## **APPENDIX 1**

### **United Kingdom Taxation – ExSOP**

**The following is a summary of the likely UK tax implications in relation to the Jointly Owned Shares granted under the ExSOP 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 ExSOP awards up to the Scheme Effective Date.**

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

#### **Disposal of CareTech Shares**

If you and the Trustee jointly dispose of your CareTech Shares for cash and/or Topco shares under the Scheme, capital gains tax will be chargeable on the whole gain in respect of your VPEI for the Jointly Owned Shares.

## APPENDIX 2

### Spousal Transfer – CDD Documents to be provided to the Trustee

If you are choosing to take up the Spousal Transfer, you must provide copies of certain of your spouse or civil partner's documents to the Trustee for customer due diligence purposes. The following is a list of acceptable documentation:

<b>PERSONAL IDENTITY</b>	<b>HOME ADDRESS</b>
<ul style="list-style-type: none"> <li>• Valid signed Passport</li> <li>• Valid UK or EEA photo card Driving Licence</li> <li>• Valid (old-style) full UK Driving Licence (without a photograph)</li> <li>• Current council tax demand letter or statements</li> <li>• State or local authority funded benefit (e.g., housing benefit, council tax benefit, tax credit, pensions, educational or another grant).</li> <li>• Instrument of a court appointment (e.g., a liquidator or grant of probate)</li> </ul>	<ul style="list-style-type: none"> <li>• Current council tax demand letter or statement</li> <li>• State or local authority funded benefit (e.g., housing benefit, council tax benefit, tax credit, pension, educational or other grant, if not used to confirm identity)</li> <li>• Valid (old style) Full UK Driving Licence (if not used to confirm identity)</li> <li>• Recent utility bill, such as water, gas, electricity or telephone (dated within 90 days) – mobile phone bills not acceptable.</li> <li>• Current bank statements, or debit/credit card statements.</li> <li>• Instrument of a court appointment (e.g., a liquidator or grant of probate - if not used to confirm identity).</li> </ul>

## 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 Independent Directors of CareTech (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 Independent Directors of CareTech (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.