

IRREVOCABLE UNDERTAKING

To: THCP Advisory Limited
THCS IV GP S.a. r.l
Sheikh Holdings Group (Investments) Limited
Kensington Capital Limited
Belgravia Investments Limited
(together, the "**Consortium**")

13 April 2022

Offer for CareTech Holdings PLC ("Target")

We, Lombard Odier Asset Management (Europe) Limited, acting in our capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by us and / or agent of Lombard Odier Asset Management (USA) Corp ("**LOAM USA**") acting in its capacity as discretionary investment manager for and on behalf of certain funds and accounts managed by it, understand that the Consortium is considering the Acquisition substantially on the terms and conditions set out or referred to in the draft of the Press Announcement attached at Appendix 1 to this undertaking and/or such other terms and conditions as required by (i) any applicable law or regulation; and (ii) the Code. Unless otherwise defined in this undertaking or unless the context requires otherwise, capitalised terms have the meaning given to them in the Press Announcement. References to paragraphs are to paragraphs in this undertaking.

1. WARRANTIES AND UNDERTAKINGS

1.1 We represent, warrant and undertake to the Consortium that:

- (a) Appendix 2 to this undertaking contains complete and accurate details of all Target Shares in which we are interested ("**interest**" having the meaning set out Appendix 3 to this undertaking);
- (b) other than as set out in Appendix 2 to this undertaking, we do not have any interest (as defined in the Code) in any securities of the Target, or any rights to subscribe for, purchase or otherwise acquire any such securities, or any short positions (within the meaning of the Code) in any such securities;
- (c) we are the discretionary investment manager or agent for the discretionary investment manager able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of, the Shares.
- (d) we are able to transfer, or procure the transfer of, the Shares free from all liens, charges, options, equities, encumbrances and other third party rights and interests of any nature and together with all rights now or hereafter attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid hereafter subject to the matters referred to in the Press Announcement;

- (e) save as may be otherwise provided in this undertaking, we will not and, where applicable, will procure that the registered holder (if different) of the Shares will not, prior to the earlier of the Acquisition becoming unconditional in all respects or, as the case may be, effective in accordance with its terms, or lapsing:
- (i) sell, transfer, charge, pledge, encumber, grant any options over or otherwise dispose of, or permit the sale, transfer, charging, pledge, encumbrance, granting of any option over or other disposal of any interest in the Shares;
 - (ii) solicit or encourage any other offer or scheme of arrangement or accept or agree to accept in respect of all or any of the Shares, any offer or other transaction made in competition with, or which might otherwise frustrate, the Acquisition;
 - (iii) convene any meeting of the members of the Target in our capacity as a shareholder, nor exercise or permit the exercise of the voting rights attaching to the Shares in any manner which would or might frustrate the Acquisition or prevent the Acquisition from completing;
 - (iv) carry out any dealing or otherwise acquire (whether conditionally or unconditionally) any shares or other interests in relevant securities of the Target unless the Panel has determined and confirmed to us that we are not acting in concert with the Consortium;
 - (v) vote in favour of or otherwise consent to any matter for the purposes of Rule 21 of the Code;
 - (vi) (except pursuant to the Acquisition) enter into any agreement or arrangement, incur any obligation (other than any obligation imposed by law) or give any indication of intent:
 - (A) to do any of the acts referred to in paragraphs 1.1(e)(i) to (v); or
 - (B) which in relation to the Shares would or might restrict or impede us accepting the Offer or voting in favour of the Scheme, or which would otherwise preclude us from complying with any obligations in this undertaking,and, for the avoidance of doubt, references in this paragraph 1.1(e) to any agreement, arrangement, obligation or indication of intent include any agreement, arrangement, obligation or indication of intent whether or not legally binding or subject to any condition or which is to take effect upon or following the lapsing of the Acquisition, the ceasing of this undertaking to be binding or any other event);
- (f) we will take any action (or refrain from taking any action) not otherwise contemplated by this undertaking and which is reasonably requested by the Consortium to give effect to our obligations in this undertaking or otherwise reasonably requested by the Consortium to ensure the completion of the Acquisition;
- (g) other than anyone presumed to be acting in concert with us by virtue of the definition of "acting in concert" in the Code, we are not knowingly acting in concert with any person in relation to the Target for the purposes of Rule 9.1 of the Code disregarding for this purpose any person giving an irrevocable undertaking to implement the Acquisition and each of the Consortium and the Target and all persons acting in concert with any of them; and

(h) we will take all steps in our power and, where applicable, will take all steps in our power to procure that any registered holder of the Shares also takes all steps in their power, to comply with the obligations in this undertaking.

1.2 Notwithstanding the provisions in paragraph 1.1 above, as we hold the Shares as an investment manager on behalf of underlying investors, we do not have absolute discretion over the Shares. If at any time we notify you that we are no longer able to comply with the terms of this undertaking because the investors whose funds we manage have withdrawn their mandates to us or have adjusted their investment instructions to us, the number of Shares subject to the terms of this undertaking will be reduced accordingly. If all Shares are affected in this way, the terms of this undertaking will automatically terminate and be of no further force or effect.

2. **UNDERTAKING TO VOTE IN FAVOUR OF THE SCHEME**

2.1 We hereby irrevocably and unconditionally undertake that if the Consortium elects to implement the Acquisition by way of the Scheme we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares:

(a) vote in person or by proxy (whether on a show of hands or via a poll) in accordance with the procedure set out in the formal document containing details of the Scheme (the "**Scheme Document**") in favour of any resolutions at any shareholder or court meeting required for the implementation of the Acquisition and any matter ancillary thereto within seven days after posting of the Scheme Document or, if later, within seven days of acquiring the Shares (including, without limitation, to approve the Scheme and amend the Target's articles of association) and approve the passing of the resolution to approve the arrangements for the purposes of Rule 16 of the Code (if applicable); and

(b) vote in person or by proxy (whether on a show of hands or via a poll) against any resolution at any general or court meeting of the Target shareholders (including any adjournment thereof) which might reasonably be expected to (i) result in a condition of the Acquisition not being fulfilled; or (ii) impede or frustrate the Acquisition (which will include any resolution to approve an alternative scheme of arrangement, merger or acquisition of any shares in the Target by a third party) or which would otherwise impact adversely on the success of the Acquisition,

and without prejudice to the foregoing, for the purpose of voting on any resolution referred to in this paragraph 2, we will or, where applicable, will procure that the registered holder will, if required by the Consortium, execute any form of proxy appointing any person nominated by the Consortium to attend and vote on our behalf at the relevant general or court meetings.

2.2 We further agree that the Consortium will acquire the Shares with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking save as set out in the Press Announcement.

3. **UNDERTAKING TO ACCEPT**

We hereby irrevocably and unconditionally undertake that if the Consortium elects to implement the Acquisition by way of the Offer we will and, where applicable, we will procure that any registered holder will in respect of all of our Shares at the relevant time:

(a) accept the Offer in respect of the Shares in accordance with the procedure for acceptance set out in the formal document containing such Offer (the "**Offer Document**") no later than seven days after the Consortium posts the Offer

Document to the Target shareholders or, if later, within seven days of us or our nominee becoming the registered holder of any Shares; and

- (b) not withdraw any acceptances of the Offer in respect of the Shares (provided that we may withdraw or procure the withdrawal of any acceptance of the Offer in respect of the Shares in accordance with the rights of withdrawal conferred under the terms of the Offer Document),

and we further agree that the Consortium will acquire the Shares under the Offer with full title guarantee and free from any Encumbrance of any nature whatsoever and together with all rights of any nature attaching to those shares including the right to all dividends declared or paid after the date of this undertaking save as set out in the Press Announcement.

4. **LAPSE OF UNDERTAKING**

4.1 Subject to paragraph 4.2, this undertaking will lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- (a) the Consortium announces that it does not intend to make an offer for the Target in accordance with Rule 2.8 of the Code;
- (b) in accordance with the Code, a third party makes a general offer pursuant to Rule 2.7 of the Code (howsoever structured) to acquire the whole of the issued and to be issued share capital of the Target for an offer price of more than 10 per cent. above the offer price of 750 pence for each Target Share; or
- (c) the Acquisition has not completed by 11.59 p.m. on 31 December 2022.

4.2 In the event that the Consortium elects to implement the Acquisition by way of a structure other than an Offer or a Scheme, the parties agree that all provisions of this undertaking will be adapted so as to apply to such acquisition mutatis mutandis.

4.3 If this undertaking lapses, we will have no claim against the Consortium or Bidco.

4.4 We accept, acknowledge and confirm that we have been given adequate opportunity to consider whether or not to enter into this undertaking and to obtain independent advice accordingly.

5. **GENERAL**

5.1 The definitions in Appendix 3 to this undertaking apply throughout this undertaking unless the context requires otherwise.

5.2 Nothing in this undertaking obliges the Consortium to announce or make the Offer.

5.3 We understand that the information provided to us in relation to the Acquisition is given in confidence and must be kept confidential until the Rule 2.7 Announcement containing details of the Acquisition is released or the information has otherwise been made public. Before this time, we will not deal in the Shares or improperly disclose the information in contravention of the insider dealing or market abuse regimes.

5.4 Prior to this undertaking being published as referred to in paragraph 5.5(c) below, we agree not to disclose to any third party (other than our professional advisers) the existence or subject matter of this document or of any of the arrangements or proposed arrangements to which it relates unless such disclosure is required by law, the Panel, the London Stock Exchange, the Financial Conduct Authority or pursuant to any other legal or regulatory requirement.

5.5 We consent to:

- (a) this undertaking being disclosed to the Panel;
- (b) references to us and particulars of this undertaking and our interests being included in the Press Announcement, the Rule 2.7 Announcement and the Offer Document or Scheme Document as applicable, and any other announcement made, or related or ancillary document issued, by or on behalf of the Consortium and/or the Target in connection with the Acquisition, provided that any such reference is required by applicable law or regulation; and
- (c) this undertaking being published as required by the Code and any other applicable law or regulation.

5.6 We agree to provide you promptly with all such further information at our disposal in relation to our interests in the Shares as you may require in order to comply with the Code and any other legal or regulatory requirement and to notify you in writing as soon as reasonably practicable of any material change in the accuracy or import of any such information previously supplied to you by us.

5.7 We recognise and acknowledge that if we should fail to comply with our obligations in this undertaking, damages may not be an adequate remedy and that an order for specific performance or other equitable remedy may be the only adequate remedy for such breach.

5.8 Any time, date or period mentioned in this undertaking may be extended by mutual agreement but as regards any time, date or period originally fixed or extended, time is of the essence.

5.9 No variation of this undertaking will be effective except by mutual agreement.

6. **POWER OF ATTORNEY**

In order to secure the performance of, and in the event that we have not complied with, our obligations under this undertaking, we irrevocably appoint, severally, the Consortium and any director of the Consortium as our attorney to execute and deliver the form of acceptance or form of proxy and to sign, execute and deliver all other documents and do all such other acts and things as may be necessary for, or incidental to, the performance of our obligations under this undertaking on our behalf in the event of our failure to comply with any provision of this undertaking within the specified period and we irrevocably undertake to ratify such act if called upon to do so.

7. **GOVERNING LAW AND JURISDICTION**

This undertaking (and any dispute, controversy, proceedings of whatever nature arising out of or in any way relating to this undertaking or its formation or claim or any act performed or claimed to be performed under it) shall be governed by and construed in accordance with English law and we submit to the exclusive jurisdiction of the English courts for all purposes in connection with this undertaking.

8. **THIRD PARTY RIGHTS**

8.1 Bidco shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce the terms of this undertaking (as amended from time to time), with effect from the date of its incorporation subject to and in accordance with:

- (a) the terms of paragraph 7 (Governing law and jurisdiction); and
- (b) the term that the parties to this undertaking may by agreement terminate or rescind or vary it in any way without the consent of the Bidco.

8.2 A person who is not a party to this undertaking shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

IN WITNESS whereof this undertaking has been executed and delivered as a deed on the date first above written.

Executed as a deed by)
LOMBARD ODIER ASSET)
MANAGEMENT (EUROPE) LIMITED)
)

acting in its capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by it and/or as agent of Lombard Odier Asset Management (USA) Corp acting in its capacity as discretionary investment manager for and on behalf of certain funds and accounts managed by it:

Signature of authorised signatory



Signature of authorised signatory



APPENDIX 1
PRESS ANNOUNCEMENT

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

13 April 2022

Revised possible offer to acquire CareTech Holdings PLC ("CareTech" or the "Company")

Following the announcement on 1 April 2022 regarding a possible offer for CareTech (the "Transaction"), Sheikh Holdings Group (Investments) Limited ("Sheikh Holdings"), together with Belgravia Investments Limited ("Belgravia"), Kensington Capital Limited ("Kensington") and funds managed by THCS IV GP S.a.r.l and advised by THCP Advisory Limited ("THCP") (together, the "Consortium") has continued to engage with the independent directors of CareTech, being Jamie Cumming, Moira Livingston and Adrian Stone (the "CareTech Independent Board") and is progressing its due diligence. Further, the Consortium is pleased to announce that it has today submitted a revised and improved proposal (the "Revised Proposal") to the CareTech Independent Board.

Terms of the Revised Proposal

- **Cash Offer**

- Holders of ordinary shares in CareTech ("CareTech Shares") would receive 750 pence per CareTech Share in cash (the "Cash Offer").
- The Revised Proposal represents:
 - an increase of 25 pence (or 3.4 per cent.) relative to the previous proposal of 725 pence per CareTech Share, which the CareTech Independent Board indicated that they were minded to recommend;
 - 28.0 per cent. premium to the CareTech closing share price of 4 March 2022 (the "undisturbed date");
 - 29.7 per cent. premium to the volume weighted average price for the one month ending on the undisturbed date; and
 - 31.6 per cent. premium to the volume weighted average price for the three months ending on the undisturbed date.

The Consortium believes that the Revised Proposal provides holders of CareTech Shares ("CareTech Shareholders") with a substantial premium, in cash, while also offering a full and fair valuation for the Company's successes to date and commensurate compensation for its future prospects.

- **Partial Alternative Offer**

- As an alternative to the Cash Offer, for each CareTech Share held, eligible CareTech Shareholders may elect to receive a class of non-voting ordinary shares in the indirect parent of the new entity to be incorporated for the purposes of the Transaction ("Topco") ("Rollover Securities") (the "Partial Alternative Offer").
- The Rollover Securities would not be listed and would rank economically *pari passu* with the Consortium's ordinary shares.
- Eligible CareTech Shareholders would be able to elect for the Partial Alternative Offer in relation to all or part of their holding of CareTech Shares.
- The Partial Alternative Offer would be limited to a maximum of approximately 22 per cent. of the issued ordinary share capital of Topco. This would represent approximately 5 per cent. of the fully diluted equity value of the Company. The availability of the Partial Alternative Offer is conditional on elections being made such that total elections exceed approximately 0.6 per cent. of the fully diluted equity value of the Company.
- The Rollover Securities would carry no voting rights.

- There would be no right of transfer of the Rollover Securities other than in accordance with customary permitted transfer provisions or by operation of the drag and tag rights described below.
- The Rollover Securities would have customary pre-emption and drag and tag rights. In the event of the sale of less than 50 per cent. of the shares in Topco, the tag would be pro rata. In the event of a sale of more than 50 per cent. of the shares in Topco, the tag could be exercised in respect of all Rollover Securities. The Rollover Securities will be independently valued and an estimate of the value of the Rollover Securities will be included in the offer document circulated to CareTech Shareholders in due course.

In accordance with the terms of the Cash Offer and the Partial Alternative Offer, CareTech Shareholders are entitled to receive the previously declared final dividend of 9.5 pence per CareTech Share, which is payable in May 2022 (the "FY21 Dividend").

Shareholder support for the Revised Proposal

The Consortium has received irrevocable undertakings to vote, or procure a vote, in favour of the resolutions relating to the Revised Proposal or to accept or procure acceptance of the Revised Proposal from the following CareTech Shareholders:

- Lombard Odier Asset Management (Europe) Limited in respect of a total of 13,750,256 CareTech Shares, representing, in aggregate, approximately 12.1 per cent. of the issued ordinary share capital of CareTech on 12 April 2022 (the "Latest Practicable Date"); and
- Richard Griffiths in respect of 5,233,870 CareTech Shares, representing approximately 4.6 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date. Richard Griffiths has also elected to receive the Partial Alternative Offer in respect of his holding of 5,233,870 CareTech Shares.

In total, therefore, the Consortium has received irrevocable undertakings in respect of a total of 18,984,126 CareTech Shares representing, in aggregate, approximately 16.8 per cent. of the issued ordinary share capital of CareTech on the Latest Practicable Date. In addition, Sheikh Holdings, together with persons "acting in concert" (for the purposes of the Code) with Sheikh Holdings, holds 13,804,206 shares in CareTech, representing 12.2 per cent. of CareTech's voting rights, which when taken together with the irrevocable undertakings represents, in aggregate, approximately 28.9 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date.

In addition to the irrevocable undertakings referred to above, the Consortium has received non-binding letters of intent to vote or procure a vote, in favour of the resolutions relating to the Revised Proposal or to accept or procure acceptance of the Revised Proposal from the following CareTech Shareholders:

- Stichting Value Partners Family Office in respect of a total of 8,832,784 CareTech Shares representing approximately 7.8 per cent. of the issued ordinary share capital of CareTech on the Latest Practicable Date; and
- Hargreave Hale Limited in respect of 8,032,415 CareTech Shares representing approximately 7.1 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- Amati Global Investors Limited in respect of 2,455,762 CareTech Shares representing approximately 2.2 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- OVMK Asset Management NV in respect of 1,838,367 CareTech Shares representing approximately 1.6 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- Tellworth Investments in respect of 1,606,496 CareTech Shares representing approximately 1.4 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- Kernow Asset Management in respect of 797,196 CareTech Shares representing approximately 0.7 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- His Excellency Ahmad Ali Al Sayegh in respect of 220,047 CareTech Shares representing approximately 0.2 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date; and
- Shafqat Malik in respect of 211,418 CareTech Shares representing approximately 0.2 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date.

The Consortium has, therefore, received irrevocable undertakings and non-binding letters of intent in respect of a total of 42,978,611 CareTech Shares representing, in aggregate, approximately 37.9 per cent. of the issued ordinary share capital of CareTech on the Latest Practicable Date. When taken together with the Sheikh Holdings shares described above, the Sheikh Holdings shares, irrevocable undertakings and non-binding letters of intent represent, in aggregate, approximately 50.1 per cent. of the ordinary share capital of CareTech on the Latest Practicable Date.

Further details of the irrevocable undertakings and non-binding letters of intent are set out in Appendix 1.

About the Consortium

Sheikh Holdings is a UK-based private family office, founded by Haroon Sheikh and Farouq Sheikh OBE, the founders of CareTech. 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 excellence and high-quality services, as evidenced by its CQC and Ofsted ratings, which are ahead of sector averages. 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, together with any person "acting in concert" (for the purposes of the Code) with it, holds 13,804,206 shares in CareTech, representing 12.2 per cent. of CareTech's voting rights.

THCP is an innovative investment house with over \$2 billion of assets under management providing flexible structured capital solutions to successful entrepreneurs and management teams in the European mid-market. THCP prides itself on partnering with ambitious teams – who strive 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. The firm has completed more than 20 investments since its founding in 2013.

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 entities are managed by Hansard Trust Company Limited, which is a regulated company based in Guernsey. The beneficiaries of the discretionary trusts include Farouq Sheikh OBE and Haroon Sheikh and their respective families.

Commenting on the Transaction, Farouq Sheikh, Co-founder and Chairman of CareTech, said:

"For almost 30 years we have built CareTech into a highly respected and well-run business that puts our service users at the heart of everything we do, however, we believe that an alternative ownership structure is now appropriate to enable the business to continue to grow and to fully serve the long-term needs of all its stakeholders. Our duty of care to our service users remains our number one priority and we believe that our proposed offer is the best way of delivering this by ensuring the continuity of CareTech's highly experienced management team and by accessing secure and appropriate financing. I am humbled by the overwhelming support shown by shareholders at this stage of the Transaction."

Reservations

Pursuant to Rule 2.5 of the Code, the Consortium reserves the right to vary the form and / or mix of the offer consideration and vary the transaction structure. The Consortium also reserves the right to make an offer at a lower value than 750 pence per share:

- a) with the recommendation or consent of the CareTech Independent Board;
- b) if CareTech announces, declares or pays any dividend or any other distribution or return of value to its shareholders (other than the FY21 dividend) after the date of this announcement, in which case the Consortium reserves the right to make an equivalent adjustment to the Revised Proposal;
- c) following the announcement by CareTech of a whitewash transaction pursuant to the Code; or
- d) if a third party announces a firm intention to make an offer for CareTech at less than 750 pence per CareTech Share.

This announcement does not constitute a firm intention to make an offer and, accordingly, there can be no certainty that an offer will be made.

Rule 2.6(a) of the Code requires that the Consortium, by no later than 5.00 p.m. on 2 May 2022, either announces a firm intention to make an offer for CareTech in accordance with Rule 2.7 of the Code or announces that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeovers and Mergers, in accordance with Rule 2.6(c) of the Code.

Further announcements will be made as appropriate.

Enquiries:

Sheikh Holdings**+44 (0)1707 291599**

Farouq Sheikh

Finsbury (PR Adviser to the Consortium)**+44 (0)20 7251 3801**

Faeth Birch

Charlie Chichester

Richard Webster-Smith

Further information

This announcement contains 'forward-looking statements' concerning the Consortium that are subject to risks and uncertainties. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'targets', 'plans', 'expects', 'aims', 'intends', 'anticipates' or similar expressions or negatives thereof identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond CareTech and the Consortium's ability to control or estimate precisely. CareTech and the Consortium cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. CareTech and the Consortium does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

This announcement is not intended to, and does not, constitute or form part of an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 Code, any person who is, or becomes, interested in 1% 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 pm (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 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 website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at <http://www.sheikhholdings.co.uk/> promptly and in any event by no later than 12 noon on the business day following the date of this announcement. The content of this website is not incorporated into and does not form part of this announcement.

Appendix 1

Irrevocable Undertakings

The following CareTech Shareholders have given irrevocable undertakings to vote, or procure a vote, in favour of the resolutions relating to the Revised Proposal or to accept or procure acceptance of the Revised Proposal in relation to the following CareTech Shares which they or their family members or connected persons are beneficially interested, representing, in aggregate approximately 16.8 per cent. of the issued ordinary share capital of CareTech on the Latest Practicable Date.

Name	Number of CareTech Shares	Percentage of issued ordinary share capital of CareTech on the Latest Practicable Date
LOMBARD ODIER ASSET MANAGEMENT (EUROPE) LIMITED	13,750,256	12.1%
RICHARD GRIFFITHS	5,233,870	4.6%

Richard Griffiths has also elected to receive the Partial Alternative Offer in respect of his holding of 5,233,870 CareTech Shares.

The irrevocable undertakings will cease to be binding if:

- the Consortium announces that it does not intend to make an offer for CareTech in accordance with Rule 2.8 of the Code; or
- in accordance with the Code, a third party makes a general offer pursuant to Rule 2.7 of the Code (howsoever structured) to acquire the whole of the issued and to be issued share capital of CareTech for an offer price of more than 10 per cent. above the offer price of 750 pence per CareTech Share.

The irrevocable undertaking from Lombard Odier Asset Management (Europe) Limited will cease to be binding if the Transaction has not completed by 11.59 p.m. on 31 December 2022.

Non-binding letters of intent

The following CareTech Shareholders have given non-binding letters of intent to vote, or procure a vote, in favour of the resolutions relating to the Revised Proposal or to accept or procure acceptance of the Revised Proposal in relation to the following CareTech Shares which they or their family members or connected persons are beneficially interested, representing, in aggregate approximately 21.2 per cent. of the issued ordinary share capital of CareTech on the Latest Practicable Date.

Name	Number of CareTech Shares	Percentage of issued ordinary share capital of CareTech on the Latest Practicable Date
STICHTING VALUE PARTNERS FAMILY OFFICE	8,832,784	7.8%
HARGREAVE HALE LIMITED	8,032,415	7.1%
AMATI GLOBAL INVESTORS LIMITED	2,455,762	2.2%
OVMK ASSET MANAGEMENT NV	1,838,367	1.6%
TELLWORTH INVESTMENTS	1,606,496	1.4%
KERNOW ASSET MANAGEMENT	797,196	0.7%
HIS EXCELLENCY AHMAD ALI AL SAYEGH	220,047	0.2%
SHAFQAT MALIK	211,418	0.2%

Appendix 2

Sources and bases of information

In this announcement, unless otherwise stated, the following bases and sources have been used.

- 1) The existing issued ordinary share capital of CareTech is based upon 113,336,434 CareTech Shares in issue on 12 April 2022 (being the latest practicable date);
- 2) The premia calculations used in the announcement have been calculated by reference to:
 - a) the closing share price on 4 March 2022 (being the undisturbed date) of 586 pence;
 - b) the one-month volume weighted average closing price of 578 pence per CareTech Share on 4 March 2022 (being the undisturbed date); and
 - c) the three-month volume weighted average closing price of 570 pence per CareTech Share on 4 March 2022 (being the undisturbed date).
- 3) Unless otherwise stated, all prices and volume weighted average prices for CareTech Shares have been derived from FactSet.
- 4) Certain figures included in this announcement have been subject to rounding adjustments.

APPENDIX 2

DETAILS OF ALL TARGET SHARES HELD BY THE SHAREHOLDER

We are the discretionary investment manager or agent for the discretionary investment manager of one or more accounts holding 13,750,256 ordinary shares of 0.5 pence each in the capital of the Target.

APPENDIX 3

INTERPRETATION

In this undertaking, a reference to:

- (a) **"Act"** means the Companies Act 2006 as amended from time to time;
- (b) **"Acquisition"** means the proposed acquisition on the terms set out in the Press Announcement by or on behalf of the Consortium for the issued and to be issued ordinary share capital of the Target, howsoever structured and includes any renewal, revision, variation or extension of the terms of any such acquisition which are, in the reasonable opinion of the Target's financial adviser, no less favourable in any material respect to the Target shareholders than the terms set out in the Press Announcement;
- (c) **"Alternative Offer"** has the meaning given to it in the Press Announcement.
- (d) **"Bidco"** means the entity to be incorporated by the Consortium for the purposes of the Acquisition;
- (e) the **"Code"** means the UK Takeover Code;
- (f) **"Encumbrance"** means a lien, charge, pledge, option, equity, encumbrance, right of pre-emption or any other third party right howsoever arising;
- (g) an **"interest"** in shares or securities:
 - (i) has the same meaning in this undertaking as it does for the purposes of section 820 and sections 822-825 of the Act; and
 - (ii) (to the extent not covered by (i)) means anything that is treated as an interest under the definition in the Code of "interests in securities";
- (h) the **"Offer"** means the Acquisition implemented by contractual takeover offer in accordance with English law;
- (i) the **"Panel"** means the UK Panel on Takeovers and Mergers;
- (j) **"Press Announcement"** means the increased offer announcement to be published in substantially the form attached in Appendix 1 to this undertaking;
- (k) **"Rule 2.7 Announcement"** means the firm intention announcement to be published pursuant to Rule 2.7 of the Code;
- (l) the **"Scheme"** means the Acquisition implemented by scheme of arrangement pursuant to Part 26 of the Act;
- (m) **"Shares"** means the shares, the details of which are set out in Appendix 2 to this undertaking, any Target Shares attributable to or derived from such shares and any interests in Target Shares (as defined in the Code) issued or unconditionally allotted to, or acquired by or on behalf of, ourselves or our nominee(s) after the date of this undertaking;
- (n) **"Target Shares"** means the ordinary shares of 0.5 pence each in the capital of the Target.

References to times are to London time.