

THIS DOCUMENT AND THE ACCOMPANYING FORM OF INSTRUCTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the Acquisition or the contents of this document or what action you should take, you are recommended to seek your own personal financial, tax and legal 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 in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

A copy of this letter is also available at www.eckoh.com/investors.

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To: Participants (“**Participants**”) in the Eckoh PLC Share Option Scheme (1999 Amended) (the “**LTIP**”)

4 December 2024

Dear Participant

Recommended cash acquisition of Eckoh by Bidco

On 30 October 2024, the boards of Bidco, an indirect, wholly-owned subsidiary of certain funds (together, the “**Bridgepoint Fund**”) managed by Bridgepoint Advisers II Limited (“**BAIIL**”), and Eckoh announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of the entire issued and to be issued share capital of Eckoh (except for the shares to be acquired subject to a rollover and reinvestment deed entered into between Bidco and certain managers of Eckoh on 30 October 2024) (the “**Acquisition**”).

More information on the terms of the Acquisition is set out in the Scheme Document which is available at: www.eckoh.com/investors. Terms not otherwise defined in this letter are defined in the Scheme Document, and this letter should be read in conjunction with the Scheme Document, the appendix to this letter and the enclosed Form of Instruction.

Under the terms of the Acquisition, which are subject to the full terms and conditions set out in the Scheme Document, Scheme Shareholders will be entitled to receive for each Eckoh Share **54 pence in cash** (the “**Offer Price**”).

The Acquisition is expected to be effected by means of a Court-sanctioned scheme of arrangement between Eckoh and Scheme Shareholders under Part 26 of the Companies Act (“**Scheme**”).

The Acquisition is conditional on various approvals and consents including: (i) approval by Eckoh Shareholders at a meeting to be held on 6 January 2025; (ii) the satisfaction of certain other conditions to the Scheme; and (iii) the sanction of the Court. **You should note that there is no certainty that Eckoh Shareholders will approve the Acquisition and/or that the Court will sanction the Scheme.**

Why are we writing to you?

We are writing to you because you hold options granted under the LTIP (“**Options**”) and the Acquisition will affect your Options.

This letter sets out a proposal from Bidco and Eckoh in respect of your Options which you may choose to accept.

It also sets out what will happen if you choose not to accept that proposal.

It is important that you take action as soon as possible as your Options may otherwise lapse and cease to have any value.

What is the proposal?

The Company and Bidco are proposing that you exercise all of your Options conditional upon the Court sanctioning the Scheme (“**Court Sanction**”) (the “**Exercise Proposal**”).

Provided you duly and timely exercise all of your Options, such exercise will take effect immediately upon the Court Sanction, at which point you will be issued with the number of Eckoh Shares underlying your Options (“**Option Shares**”).

The Option Shares will then be automatically acquired by Bidco on the Effective Date at **54 pence in cash** per Option Share.

As part of the exercise process, you will be required to pay the aggregate exercise price due in respect of the exercise of your Options (the “**Aggregate Exercise Price**”).

You will also have to pay any income tax and employees’ National Insurance contributions (or overseas equivalent) (“**NIC**”) arising in connection with your Options for which Eckoh, or your employing company, if different, is required to withhold and account to HM Revenue & Customs (“**HMRC**”) (or overseas equivalent) (the “**Tax Liability**”).

However, if you accept the Exercise Proposal, you will not be required to fund the Aggregate Exercise Price or Tax Liability from your own resources prior to exercise. Instead, Eckoh and Bidco will operate a “cashless exercise facility” under which the Aggregate Exercise Price and any Tax Liability will be withheld from the aggregate Offer Price payable to you by Bidco under the terms of the Scheme (the “**Cashless Exercise Facility**”).

The Company will then arrange for the net amount to be paid to you in cash in accordance with the terms of the Scheme, and for the withheld Tax Liability to be remitted to HMRC (or overseas equivalent). If you are in any doubt as to your tax position, you should seek your own independent, professional tax advice immediately.

Accordingly, if you elect to accept the Exercise Proposal you do not need to send any money to the Company.

What do you need to do if you wish to accept the Exercise Proposal?

In order to exercise your Options under the Exercise Proposal, benefit from the Cashless Exercise Facility, and sell your Option Shares under the Acquisition, you must send, by email, a PDF copy or photograph of the whole of the signed and dated Form of Instruction to **Chrissie Herbert** at chrissie.herbert@eckoh.com **as soon as possible but in any event so as to be received by no later than 11:59am on 5 January 2025.**

Once you have emailed that copy or photograph, you must also return the original hard copy of the whole of the signed and dated Form of Instruction by post or by hand delivery to **Chrissie Herbert**, at **Eckoh PLC, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire, HP3 9HN.**

By signing and returning the Form of Instruction before the deadline above, you will be:

- giving notice to exercise your Options in full, conditional upon Court Sanction;
- agreeing to pay the Aggregate Exercise Price in respect of your Options, and the Tax Liability, through the Cashless Exercise Facility;
- agreeing to be bound to the terms of the Scheme and committing to sell to Bidco, under the terms of the Acquisition, your Option Shares; and
- appointing the Company, and any director of the Company, as your attorney to take the following actions on your behalf:
 - take all further steps necessary to exercise your Options in full (such exercise to take effect immediately upon Court Sanction);
 - sell your Option Shares to Bidco under the terms of the Acquisition; and
 - sign any other documents or take any actions on your behalf necessary to effect the exercise of your Options, the sale of your Option Shares to Bidco under the Acquisition, and the arrangements for the payment of the Aggregate Exercise Price and Tax Liability through the Cashless Exercise Facility.

What happens if you do not accept the Exercise Proposal?

If you do not wish to accept the Exercise Proposal, there are two alternative courses of action.

Alternative A

As your Options are already vested and exercisable, you may choose to exercise your Options yourself, without signing and returning the Form of Instruction, at any time before 12 noon on 5 January 2025.

If you do not exercise your Options before this time, they will become unexercisable and will lapse automatically in accordance with their terms upon Court Sanction being obtained. You will receive no value for them.

If you choose to exercise your options without accepting the Exercise Proposal, the Cashless Exercise Facility will not be available to you. This means that you will have to pay the Aggregate Exercise Price and Tax Liability yourself by transferring sufficient funds to Eckoh in advance to cover the cost of the Aggregate Exercise Price and Tax Liability.

If you duly exercise your Options in time and Court Sanction is obtained, your Option Shares will then be acquired by Bidco at the Offer Price on the Effective Date.

If you do not accept the Exercise Proposal and wish to exercise your Options, then before such exercise becomes effective you will need to pay both the income tax/NIC liabilities and the Aggregate Exercise Price, up-front.

Alternative B

You may choose to do nothing. Your Options will not be exercised and will lapse automatically in accordance with their terms upon Court Sanction being obtained. **You will receive no value for them.**

What is the view of the Eckoh Independent Directors?

The Eckoh Independent Directors, who have been so advised by Stifel and Singers as to the financial terms of the Exercise Proposal, consider the terms of the Exercise Proposal set out in this Letter to be fair and reasonable in the context of the Acquisition. In providing their advice to the Eckoh Independent Directors, Stifel and Singers have taken into account the commercial assessments of the Eckoh Independent Directors. Stifel and Singers are providing independent financial advice to the Eckoh Independent Directors for the purposes of Rule 3 of the Code.

The Eckoh Independent Directors recommend that you exercise your Options and take advantage of the Cashless Exercise Facility. You should consider your own personal circumstances, including your tax position, when deciding what action to take, whether under the Exercise Proposal or otherwise.

What happens if the Court does not sanction the Scheme?

If you have accepted the Exercise Proposal and the Court does not sanction the Scheme, your Options will not be exercised and will continue as before.

If you have chosen not to accept the Exercise Proposal, you exercise your Options and the Court does not sanction the Scheme, you will hold shares in Eckoh and they will not be sold as part of the Scheme.

If you have chosen not to accept the Exercise Proposal, you do nothing and then the Court does not sanction the Scheme, your Options will continue as before.

Can I change my choice?

The Form of Instruction is irrevocable. Once you have completed and returned your Form of Instruction, you cannot change your mind.

Tax

A general summary of the tax treatment of the exercise of your Options is set out in the appendix to this letter. If you have any doubt about the tax treatment of your Options, you should obtain your own independent tax advice.

Further information

If you have any queries regarding the contents of this letter, the Acquisition or the enclosed Form of Instruction that do not require the giving of financial, tax or investment advice, you should contact **Chrissie Herbert** at chrissie.herbert@eckoh.com.

Remember, if you take no action and the Court sanctions the Scheme, your unexercised Options will lapse and you will receive no value for them.

Yours faithfully



**For and on behalf of
Eckoh PLC**



**For and on behalf of
Eagle UK Bidco Limited**

Notes

Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint Rule 3 adviser and lead financial adviser for Eckoh and for no one else in connection with the matters described in this letter and will not be responsible to anyone other than Eckoh for providing the protections offered to clients of Stifel nor for providing advice in relation to the Acquisition or any other matter referred to in this letter. Neither Stifel nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Stifel in connection with this letter, any matter or statement set out or referred to herein or otherwise.

Singer Capital Markets Advisory LLP (“**Singer Capital Markets**”), which is authorised and regulated by the FCA in the United Kingdom, is acting as joint Rule 3 adviser, financial adviser and nominated adviser exclusively for Eckoh and no one else in connection with the matters described in this letter and will not be responsible to anyone other than Eckoh for providing the protections afforded to clients of Singer Capital Markets nor for providing advice in relation to the Acquisition or any other matters referred to in this letter. Neither Singer Capital Markets nor any of its affiliates (nor any of their respective directors, partners, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Singer Capital Markets in connection with this letter, any statement contained herein, the Acquisition or otherwise. No representation or warranty, express or implied, is made by Singer Capital Markets as to the contents of this letter.

Each of Stifel and Singer Capital Markets has given and not withdrawn its written consent to the issue of this letter with the inclusion of references to its name in the form and context in which they are included.

The contents of this letter are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this letter, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial and tax advice.

The statements contained in this letter are made as at the date of this letter, unless some other time is specified in relation to them, and service of this letter will not give rise to any implication that there has been no change in the facts set out in this letter since such date. Nothing in this letter shall be deemed to be a forecast, projection or estimate of the future financial performance of Eckoh except where otherwise stated.

The release, publication or distribution of this letter in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This letter does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this letter or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The Eckoh Directors, whose names are set out in paragraph 2.1 of Part VII of the Scheme Document, accept responsibility for the information contained in this letter, including expressions of opinion, other than information for which responsibility is taken by the Bidco Directors and the Responsible Persons pursuant to paragraph 2 of Part VII of the Scheme Document. To the best knowledge and belief of the Eckoh Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors and the BAIIIL Responsible Persons, whose names are listed in paragraphs 2.3 and 2.5 of Part VII of the Scheme Document, respectively, accept responsibility for the information contained in, or incorporated by reference into, this document (including any expressions of opinion and statements of intention) relating to Bidco, the Wider Bidco Group, the Bidco Directors and their close relatives, related trusts and other connected persons and persons acting in concert (as such term is defined in the Code) with Bidco. To the best knowledge and belief of the Bidco Directors and the BAIIIL Responsible Persons (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Appendix – Tax Summary

The tax summary below sets out the general UK tax implications for holders of Options. The summary assumes you work and are tax resident (and domiciled) in and only in the UK and have worked and been so resident (and domiciled) from the date of grant of your Options up to the date of exercise.

The summary is based on current legislation and published HMRC guidance. It is provided for your guidance only and cannot be relied on as tax advice by any person. The precise tax consequences for you will depend on your particular circumstances.

If you are in any doubt as to the tax treatment of your Options, you should consult an appropriate independent professional tax adviser as soon as possible.

If you are resident, domiciled or work in a jurisdiction other than the UK, you should consult a suitably qualified professional adviser to determine your tax position.

Will I have to pay income tax or NIC when I exercise my Options?

You will be liable to pay income tax and employees' NIC on the difference between:

- the market value of the Option Shares you receive on the exercise of your Options (which we expect to be 54p multiplied by the number of your Option Shares); and
- the Aggregate Exercise Price for your Options.

Your employer will be responsible for dealing with these income tax and employees' NIC liabilities through PAYE. However, the rules of the LTIP require you to reimburse Eckoh and/or your employer (if different) for these liabilities. Failure to do so will cause you to incur additional tax and NIC liabilities.

The Exercise Proposal includes a procedure so you do not have to fund the reimbursement in advance by making a transfer out of your own resources. Acceptance of the Exercise Proposal will authorise Eckoh, on your behalf, to

- (1) withhold from the sale proceeds of your Option Shares, an amount equal to the tax and NIC liabilities and the Aggregate Exercise Price; and
- (2) to pay the net amount due to you as cash.

If you do not accept the Exercise Proposal and wish to exercise your Options, then before such exercise becomes effective you will need to pay both the income tax/NIC liabilities and the Aggregate Exercise Price, up-front.

Will there be any tax to pay when I sell the Option Shares resulting from the exercise of my Options?

When your Option Shares are acquired by Bidco, that is a 'disposal' for capital gains tax ("CGT") purposes.

A capital gain arises if the cash consideration of 54p per Option Share is less than the market value per Option Share subject to income tax/NIC.

The cash consideration per Option Share is expected to be equal to the market value of the Shares at exercise, which would mean that no capital gain and no liability to pay CGT is expected.