

**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** This document contains a proposal which, if implemented, will result in the cancellation of the listing of Dignity Shares on the Official List and of trading of Dignity Shares on the LSE. It should be read in conjunction with the accompanying Form of Acceptance, and with the Castelnaud Prospectus dated 1 February 2023 relating to the New Castelnaud Placing Shares and New Castelnaud Consideration Shares (which is available to view, subject to certain restrictions, on [www.castelnaugroup.com](http://www.castelnaugroup.com)). If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (if you are located in the United Kingdom) or an appropriately authorised independent financial adviser (if you are located outside the United Kingdom).

If you have sold or otherwise transferred all of your Dignity Shares, please send this document, together with the accompanying reply-paid envelope (for use in the United Kingdom only), but not the personalised Form of Acceptance, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred some (but not all) of your Dignity Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document, the Form of Acceptance and/or the Castelnaud Prospectus and any accompanying document (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any 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.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

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## **RECOMMENDED CASH OFFER**

by

## **YELLOW (SPC) BIDCO LIMITED**

**(a newly formed company indirectly owned or controlled by a consortium comprised of joint offerors SPWOne V Limited, Castelnaud Group Limited and Phoenix Asset Management Partners Limited)**

for

## **DIGNITY PLC**

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This document should be read as a whole and in conjunction with the Form of Acceptance (if you hold Dignity Shares in certificated form).

The procedure for acceptance of the Offer and for making Alternative Offers Elections is set out in paragraph 13 of the letter from Bidco in Part II of this document and, in respect of certificated Dignity Shares, in the Form of Acceptance. To accept the Offer and make any Alternative Offers Elections in respect of certificated Dignity Shares, you must complete and

**return the Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received by Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on the Unconditional Date. Acceptances and Alternative Offers Elections in respect of uncertificated Dignity Shares should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. on the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.**

Morgan Stanley & Co. International plc ("**Morgan Stanley**"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively to Bidco and the members of the Consortium and for no one else and will not be responsible to anyone other than Bidco and the members of the Consortium for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document. Neither Morgan Stanley, 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 Morgan Stanley in connection with the Acquisition, any statement contained in this document or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Dignity and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Dignity for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to the document or any other matters referred to in this document. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, 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 Rothschild & Co in connection with this document, any statement contained in this document, the Acquisition or otherwise. No representation or warranty, express or implied, is made by Rothschild & Co as to the contents of this document.

Liberum, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as corporate broker to Castelnau and no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Castelnau for providing the protections afforded to clients of Liberum, nor for providing advice in relation to the Acquisition or any other matters referred to in this document. Neither Liberum nor any of its affiliates (nor their respective directors, 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 Liberum in connection with this document, any statement contained in this document, the Acquisition or otherwise. No representation or warranty, express or implied, is made by Liberum as to the contents of this document.

Investec, which is authorised by the PRA and regulated by the FCA and the PRA, is acting as corporate broker exclusively to Dignity and for no one else in connection with the Acquisition or other matters referred to in this document and will not be responsible to anyone other than Dignity for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this document or any other matters set out in this document. Further, Investec accepts no responsibility whatsoever and makes no representations or warranty, express or implied, for or in respect of the contents of this document. Investec and its affiliates accordingly disclaim, to the fullest extent permitted by law, any and all responsibility and liability whatsoever, arising in tort or otherwise, which it might otherwise have in respect of this document, any statement contained in this document, the Acquisition or otherwise.

## IMPORTANT NOTICES

### Overseas jurisdictions

The release, publication or distribution of this document and/or the Castelnau Prospectus and any accompanying document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver a Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any 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 document and the Form of Acceptance have been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

The availability of the Acquisition to Dignity Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the LSE and the FCA.

### Notice to US investors

The Offer relates to the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. Financial information included in this document and the Castelnau Prospectus has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Offer is being made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of Dignity Shares will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Dignity Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

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

The securities to be issued in connection with either of the Alternative Offers pursuant to the Offer have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Valderrama D Shares and New Castelnau Consideration Shares will only be made available outside of the US to non-US Persons in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S.

**US HOLDERS OF DIGNITY SHARES ACCEPTING THE CASH OFFER SHOULD NOTE THAT US INFORMATION REPORTING AND BACKUP WITHHOLDING AT A RATE OF 24% MAY APPLY TO THE GROSS CASH CONSIDERATION PAYABLE TO THEM, UNLESS THE RELEVANT DIGNITY SHAREHOLDER PROVIDES A PROPERLY COMPLETED IRS FORM W-9 OR IRS FORM W-8 (AS APPROPRIATE), OR OTHERWISE ESTABLISHES AN APPLICABLE EXEMPTION FROM INFORMATION REPORTING AND BACKUP WITHHOLDING. COPIES OF THE IRS FORM W-9 AND IRS FORM W-8 ARE AVAILABLE ON THE IRS'S WEBSITE AT WWW.IRS.GOV/FORMS-INSTRUCTIONS. DIGNITY SHAREHOLDERS IN THE US ACCEPTING THE CASH OFFER SHOULD THEREFORE RETURN THE APPROPRIATE IRS FORM W-9 OR FORM W-8 WITH THEIR FORM OF ACCEPTANCE AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE RECEIVED BY POST OR (DURING NORMAL BUSINESS HOURS ONLY) BY HAND BY THE RECEIVING AGENT, LINK GROUP, AT CORPORATE ACTIONS, 10TH FLOOR, CENTRAL SQUARE, 29 WELLINGTON STREET, LEEDS LS1 4DL BY NO LATER THAN 1.00 P.M. ON THE UNCONDITIONAL DATE.**

#### **Cautionary note regarding forward-looking statements**

This document (including information incorporated by reference into this document), oral statements regarding the Acquisition and other information published by Bidco, the members of the Consortium and Dignity contain statements which are, or may be deemed to be, "forward-looking statements" with respect to the financial condition, results of operations and business of Dignity and certain plans and objectives of Bidco. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Dignity about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "is subject to", "budget", "scheduled", "forecast", "intend", or other words of similar meaning. These statements are based on assumptions and assessments made by Bidco, the relevant member of the Consortium and/or Dignity in light of their experience and their perception of historical trends, current conditions, likely future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to Dignity, refer to the annual report and accounts of Dignity for the financial year ended 31 December 2021.

Each forward-looking statement speaks only as at the date of this document. Neither Bidco nor Dignity, nor any member of their respective groups, assumes any obligation to update or revise any forward-looking statements contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

### **Profit forecasts and estimates**

The Dignity Security Group Profit Estimate is an ordinary course profit estimate for the purposes of Rule 28 of the Takeover Code. The Dignity Security Group Profit Estimate, the assumptions and basis of preparation on which it is based and the Dignity Directors' confirmation, as required by Rule 28.1(c)(i) of the Takeover Code, are set out in Part 1 of Appendix K.

The Dignity Trading Update Profit Estimates are profit estimates for the purposes of Rule 28 of the Takeover Code. The Dignity Trading Update Profit Estimates, and the reports required by Rule 28.1 of the Takeover Code to be provided on the Dignity Trading Update Profit Estimates, are set out in Parts 2 to 4 of Appendix K.

Save as referred to above, no statement in this document is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no such statement in this document should be interpreted to mean that earnings or earnings per share or dividend per share for Dignity, Castelnau or any other company involved in the Acquisition for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Dignity, Castelnau or any other company involved in the Acquisition.

### **Rounding**

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

### **Information relating to Dignity Shareholders**

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

### **Publication on website and availability of hard copies**

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Castelnau's website at [www.castelnaugroup.com](http://www.castelnaugroup.com) and on Dignity's website at [www.dignityplc.co.uk](http://www.dignityplc.co.uk). For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

### **Dealing Disclosure Requirements under the Takeover Code**

Under Rule 8.3(a) of the Takeover 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 p.m. on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 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 p.m. 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](http://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.

The date of publication of this document is 14 February 2023.

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**PROCEDURE TO ACCEPT THE OFFER  
AND/OR  
MAKE ALTERNATIVE OFFERS ELECTIONS**

**1 Holding Dignity Shares in certificated form**

If you hold your Dignity Shares in certificated form (that is, not in CREST), you should complete, sign and return the enclosed Form of Acceptance, along with your valid share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent, Link Group, at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL **by no later than 1.00 p.m. on the Unconditional Date.**

Further details on the procedures for acceptance of the Offer and for making Alternative Offers Elections if you hold your Dignity Shares in certificated form are set out in paragraph 13.1 of Part II of this document and in the accompanying Form of Acceptance. A reply-paid envelope for use within the UK only is enclosed for your convenience and may be used by holders of Dignity Shares in certificated form in the UK for returning their Form of Acceptance.

**2 Holding Dignity Shares in uncertificated form**

If you hold your Dignity Shares in uncertificated form (that is, in CREST), you should follow the procedure for Electronic Acceptance through CREST, so that the TTE instruction settles as soon as possible and, in any event, by **no later than 1.00 p.m. on the Unconditional Date.**

If you hold any of your Dignity Shares through a CREST sponsored member, you should contact your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Further details on the procedures for acceptance of the Offer and for making Alternative Offers Elections if you hold your Dignity Shares in uncertificated form are set out in paragraph 13.2 of Part II of this document.

**3 Alternative Offers Elections**

As an alternative to the Cash Offer, you may, provided that you are an Eligible Dignity Shareholder and certain other requirements are met, make Alternative Offers Elections in respect of some or all of your Dignity Shares. Further details regarding the Alternative Offers, and the procedures for making Alternative Offers Elections, are set out in paragraphs 13.1.2 and 13.2.3 of Part II of this document.

**In addition, if you are an Eligible Dignity Shareholder and you wish to make an election for the Unlisted Share Alternative, you must, regardless of whether you hold your Dignity Shares in certificated or uncertificated form, complete and return the Valderrama KYC Form as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent, Link Group, at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on the Unconditional Date.**

**Failure to return the Valderrama KYC Form and to provide the required preliminary KYC information will result in elections for the Unlisted Share Alternative being invalid and Eligible Dignity Shareholders who made such an invalid election will instead receive the Cash Offer for the number of Dignity Shares in respect of which they purported to make an election for the Unlisted Share Alternative.**

**THE LATEST TIME AND DATE BY WHICH THE OFFER CAN BE ACCEPTED OR ALTERNATIVE OFFERS ELECTIONS CAN BE MADE IS 1.00 P.M. ON THE UNCONDITIONAL DATE.**



If you have any questions relating to this document, or the completion and return of the Form of Acceptance or the Valderrama KYC Form, or if you want to request a hard copy of any information incorporated by reference into this document by reference to another source, please telephone Link Group on +44 (0)371 664 0321. Calls from within the United Kingdom are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

This section should be read in conjunction with the rest of this document. Your attention is drawn, in particular, to paragraph 13 of Part II of this document, which sets out in detail the procedures for acceptance of the Offer and for making Alternative Offers Elections, and to the conditions and further terms of the Offer set out in Appendix A and, if you hold your Dignity Shares in certificated form, in the Form of Acceptance.

If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (if you are located in the United Kingdom) or an appropriately authorised independent financial adviser (if you are located outside the United Kingdom).

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Time and/or date<sup>(1)</sup></b>
Publication of the Castelnau Prospectus	1 February 2023
Publication and posting of this document, the Form of Acceptance and the Valderrama KYC Form	14 February 2023
Latest time and date by which the Offer can be accepted and Alternative Offers Elections can be made	1.00 p.m. on 15 April 2023 <sup>(2)(3)</sup>
Latest time and date by which the Offer may be declared or become unconditional (referred to in this document as the “Unconditional Date”) <sup>(4)</sup>	5.00 p.m. on 15 April 2023 <sup>(5)</sup>
Settlement of cash consideration to Dignity Shareholders who accept the Cash Offer <b>only</b> and who do not make Alternative Offers Elections (in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional)	No later than 14 calendar days after the date on which the Offer has become or been declared unconditional
Date on which Bidco intends to close the Alternative Offers (referred to in this document as the “Scale Back Date”) <sup>(6)</sup>	The 14 <sup>th</sup> day after the date on which the Offer has become or been declared unconditional
<b>Admission of, and dealings (for normal settlement) commence in, New Castelnau Consideration Shares on the LSE</b>	<b>8.00 a.m. on or around the fifth Business Day after the Scale Back Date</b>
Settlement of consideration to Dignity Shareholders who elected for either or both Alternative Offers only or a combination of the Cash Offer and either or both Alternative Offers (including issuing New Castelnau Consideration Shares, crediting New Castelnau Consideration Shares to CREST accounts, issuing Valderrama D Shares and despatching share certificates for Valderrama D Shares and New Castelnau Consideration Shares (where applicable))	As soon as possible after 8.00 a.m. on or around the fifth Business Day after the Scale Back Date

Notes:

- (1) Certain dates and times given are indicative only and are based on current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be announced via a Regulatory Information Service. All times referred to are to London time.
- (2) Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code) at any time or from time to time to extend the Offer after such time.
- (3) As 15 April 2023 is not a Business Day, Dignity Shareholders should ensure their Forms of Acceptance or Electronic Acceptance (as the case may be), as well as their Valderrama KYC Forms in the case of Eligible Dignity Shareholders who wish to make an election for the Unlisted Share Alternative, are submitted in sufficient time so as to be received by the Receiving Agent prior to this date.
- (4) The Offer shall lapse unless all of the Conditions have been fulfilled (or, where permitted, waived) by midnight on the earlier of the Unconditional Date and the Longstop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel).
- (5) If the Offer becomes or is declared unconditional and Bidco receives acceptances of the Offer in respect of, and/or otherwise acquires, 90% or more in nominal value of the Dignity Shares to which the Offer relates, Bidco intends to exercise its rights pursuant to the statutory squeeze-out provisions of sections 974 to 991 of the Companies Act to acquire compulsorily, on the same terms as the Offer, the remaining Dignity Shares to which the Offer relates in respect of which the Offer has not at such time been accepted. If the Offer becomes or is declared unconditional, Bidco will keep the Cash Offer open for acceptances for at least 21 days and the Alternative Offers open for elections for at least 14 days following, in each case, the date on which the Offer becomes or is declared unconditional.
- (6) Any closure of the Alternative Offers will be announced by Bidco via a Regulatory Information Service.

## PART I

### LETTER OF RECOMMENDATION FROM THE CHAIR OF DIGNITY

*(Incorporated and registered in England and Wales with registered number 04569346)*

*Directors:*

Giovanni (John) Castagno *(Non-Executive Chair)*  
Kate Davidson MBE *(Chief Executive Officer)*  
Graham Ferguson *(Senior Independent Director)*  
Kartina Tahir Thomson *(Independent Non-Executive Director)*  
Dean Moore *(Interim Chief Financial Officer)*

*Registered Office:*

4 King Edwards Court  
King Edwards Square  
Sutton Coldfield  
West Midlands  
B73 6AP

14 February 2023

*To Dignity Shareholders and for information only, to participants in the Dignity Share Schemes and persons with information rights*

Dear Dignity Shareholder,

### RECOMMENDED CASH OFFER FOR DIGNITY PLC BY BIDCO

#### 1 Introduction

The boards of directors of Dignity and Bidco announced on 23 January 2023 that they had reached agreement on the terms of a recommended cash offer to be made by Bidco to acquire the entire issued and to be issued share capital of Dignity, other than the Dignity Shares already owned or controlled by Castelnaud and PAMP. As at the close of business on the Latest Practicable Date, Castelnaud and PAMP owned or controlled in aggregate 14,876,159 Dignity Shares, representing approximately 29.08% of Dignity's fully diluted share capital.

I am writing to you on behalf of the Dignity Directors to explain the background to and terms of the Offer and to explain why the Dignity Directors are unanimously recommending that Dignity Shareholders accept the Cash Offer.

Please also see the letter from Bidco set out in Part II of this document, which gives further information about the Offer and the additional information set out in Appendix A.

#### 2 Summary of the terms and structure of the Offer

##### **Cash Offer**

Bidco is offering to acquire, on the terms and subject to the Conditions and further terms set out in Appendix A and, in respect of certificated Dignity Shares, the Form of Acceptance, the entire issued and to be issued share capital of Dignity (other than the Consortium Rollover Shares) on the following basis:

##### **550 pence in cash for each Dignity Share (the "Cash Offer")**

Based on the Cash Offer, the Acquisition values the entire issued and to be issued share capital of Dignity at approximately £281 million on a fully diluted basis and implies an enterprise value of approximately £789 million.

The Cash Offer implies an enterprise value that represents a multiple of no less than:

- 39.5x Dignity's estimated maximum underlying operating profit for the 52 weeks ended 30 December 2022 on a post-IFRS 16 basis; and
- 21.3x Dignity's estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis,

in each case as reported in Dignity's trading update of 23 January 2023.

Dignity's estimated maximum underlying operating profit for the 52 weeks ended 30 December 2022 on a post-IFRS 16 basis of £20 million and estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis of £37 million constitute profit estimates for the purposes of Rule 28 of the Takeover Code. These profit estimates, and the reports required by Rule 28.1 of the Takeover Code in respect of them, are set out in Parts 2 to 4 of Appendix K.

The Cash Offer represents a premium of approximately:

- 29.3% to the Closing Price of 425.5 pence per Dignity Share on 3 January 2023, being the last Business Day before the start of the Offer Period;
- 44.2% to the volume-weighted average Closing Price of 381.4 pence per Dignity Share for the 30 days ended on 3 January 2023, being the last Business Day before the start of the Offer Period; and
- 39.2% to the volume-weighted average Closing Price of 395.2 pence per Dignity Share for the 90 days ended on 3 January 2023, being the last Business Day before the start of the Offer Period.

### **Alternative Offers**

As alternatives to the Cash Offer, Eligible Dignity Shareholders may elect to receive:

- **for each Dignity Share, 5.50** unlisted non-voting D shares in the capital of Valderrama (the indirect parent company of Bidco) (the "**Valderrama D Shares**") (the "**Unlisted Share Alternative**"); and/or
- **for each Dignity Share, 7<sup>1</sup>/<sub>3</sub>** listed voting ordinary shares in the capital of Castelnaud (the "**New Castelnaud Consideration Shares**") (the "**Listed Share Alternative**" and, together with the Unlisted Share Alternative, the "**Alternative Offers**"),

in each case in exchange for all or part of their holding of Dignity Shares, subject to the terms and conditions of the Unlisted Share Alternative and/or the Listed Share Alternative (as applicable) set out in Appendix A, including the scale back arrangements summarised in paragraph 7 below.

## **3 Background to and reasons for the recommendation**

### **Background**

Since its listing on the Premium Segment in April 2004, Dignity has grown to become one of the leading providers within the UK end-of-life services sector, providing care and support for customers respectfully, compassionately, and to a high standard. With its history dating back to 1812, Dignity has developed a skilled and committed workforce, and an enviable portfolio of crematoria and funeral directors with a strong presence in key local markets.

Dignity now operates a national network of 725 funeral branches, each assisting families to arrange funerals when someone has passed away. Dignity also operates 46 crematoria and 28 cemeteries, a coffin manufacturing operation and one of the UK's largest pre-need funeral businesses, which is now authorised and regulated by the FCA.

The FCA's new rule book for pre-paid funeral plans came into effect on 29 July 2022 and imposed, *inter alia*, a new minimum solvency requirement for pre-paid trusts (assets to be a minimum of 110% of liabilities), thereby providing greater protections for customers. As disclosed in Dignity's 2021 annual report and accounts, the board of Dignity Funerals Limited has agreed that this minimum solvency requirement should, however, be maintained at 120% of liabilities, to provide a further buffer over the regulatory minimum. Dignity and Dignity Funerals Limited have maintained a constructive and open dialogue with the FCA since the FCA's authorisation process was introduced, including in relation to the Acquisition.

In recent years, Dignity has transitioned from an M&A-led growth strategy to a strategy focused on rationalising operations and service offerings that has solidified Dignity's position and market shares in both the funeral services and crematoria markets.

### ***Performance of Dignity***

As reported in its trading update on 23 January 2023, Dignity's estimated maximum underlying operating profit (on a post-IFRS 16 basis) and underlying operating profit before depreciation and amortisation (on a pre-IFRS 16 basis) will be no more than £20 million and £37 million, respectively, for the 52 weeks ended 30 December 2022 (versus underlying operating profit (on a post-IFRS 16 basis) and underlying operating profit before depreciation and amortisation (on a pre-IFRS 16 basis) of £55.8 million and £72.5 million, respectively, for the financial year ended 31 December 2021).

Dignity's strategy, which aims to strengthen the Dignity Group in the medium- to long-term and to maximise market share across pre-need funeral plans, at-need funerals, cremations and burials, and both unattended and attended funerals, focuses on building strong local brands and businesses, driven to provide exceptional services, and empowered with the ability to compete locally, as well as on addressing technological challenges in the market and modernising Dignity's customer proposition.

The Dignity Group continues to make good progress in the implementation of its new strategy through new initiatives. This is delivering early signs of increases in market share growth and progress in addressing operational challenges.

Despite those early signs of market share growth and higher-than-average deaths which have continued into 2023, financial performance continues to be affected by a combination of factors. These include increased competition (driven by new entrants and products emerging), changes in pricing strategy (driven by the influence of the CMA), and the introduction of a direct cremation service (unattended) through Dignity's funeral network, all of which have combined to reduce average revenue per funeral by approximately 11.6% (£2,116 in 2022 versus £2,394 in 2021).

The Covid-19 restrictions helped to establish a trend towards fewer attended funerals. Whilst there has been some recovery in the number of attended funerals from a low point seen during the pandemic, Dignity believes this lower level is now a feature of the market, as is the volatility (against the historical five year average) in the death rate.

The Dignity Board believes that the above represent structural changes in the sector.

Dignity continues to face cost pressures in relation to required capital expenditure, employee costs, and energy prices, some of which Dignity is having to absorb directly given price competition in the market and Dignity's desire to continue to offer real value for customers. Additionally, FCA regulation of the sector (which Dignity believes will over time provide greater protections for customers) represents a permanent and structural shift in its cost base.

Dignity continues to operate within the covenants of the whole business securitisation (excluding those that fall within the scope of the covenant waiver process, as discussed below), including the requirement to spend minimum amounts on maintenance and other capital expenditure-related activities (which amounts to approximately £13 million indexed to the Consumer Prices Index).

However, operationally, Dignity has significant need for capital expenditure to maintain its existing asset base as well as to invest in future growth above the approximately £13 million required by the covenants of the whole business securitisation. Given current cash generation, Dignity is presently limited in terms of further additional capital expenditure and, as a result, its ability to invest in advertising and promotions in order to accelerate growth. The covenant waiver process and consent solicitation programme (discussed below) are partially aimed at addressing these needs.

As reported in its trading update on 23 January 2023, the Dignity Group expects approximately £8.5 million in cash on the balance sheet outside of the Dignity securitisation group as at the end of the 52 weeks ended 30 December 2022 (implying a net debt position of approximately £508.0 million, versus £471.2 million as at end of the financial year ended 31 December 2021). The debt-to-EBITDA ratio for the Dignity Group at the end of the 52 weeks ended 30 December 2022 was therefore 13.7x (versus 5.6x at the end of the 53 weeks ended 31 December 2021), as reported in Dignity's trading update of 23 January 2023. The Dignity Group will continue to draw upon available facilities (when required) to invest in the business and manage liquidity in the short and medium term.

The statements by Dignity in this document regarding its underlying operating profit and underlying operating profit before depreciation and amortisation (pre-IFRS 16), in each case for the 52 weeks ended 30 December 2022 are profit estimates for the purposes of Rule 28 of the Takeover Code. These profit estimates, and the reports required by Rule 28.1 of the Takeover Code in respect of them, are set out in Parts 2 to 4 of Appendix K.

### ***Covenant waiver and consent solicitation***

In order to provide financial headroom to address some of the aforementioned challenges, the Dignity Board secured a covenant waiver on 11 March 2022, which remains in place for 12 months.

Dignity's securitised group EBITDA (inclusive of equity cure amounts and other cash paid into the securitisation group) for the 12 months preceding the relevant covenant test date is assessed against various covenant tests. This means that, in covenant testing terms, Dignity will benefit from equity cures made for 12 months following the date that those equity cures were made. As the most recent equity cure was made in December 2022, Dignity's EBITDA for covenant testing purposes will benefit from an uplift from that equity cure up to and including the September 2023 covenant testing date.

The Dignity Group's primary financial covenant under its secured notes requires securitisation group EBITDA to total debt service to be above 1.5x.

The Dignity Board has considered the fact that the covenant waiver secured on 11 March 2022 remains in place for a period of 12 months only.

The Dignity Board has also continued to work on plans to improve the Dignity Group's capital structure in pursuit of long-term value for shareholders. The successful consent solicitation programme with bondholders relating to securitisation arrangements, including (amongst other things) the potential sale of certain crematoria and subsequent de-leveraging of the group, has been agreed for implementation by 29 September 2023. Although the Dignity Board is confident of successfully achieving its publicly announced strategy of de-leveraging the business, there is execution risk with regard to this.

### ***The Acquisition***

The Dignity Board was first approached by the Consortium regarding a possible offer for Dignity on 13 October 2022, which included the option for Dignity Shareholders to receive unlisted shares in Valderrama and/or listed shares in Castelnau. This first proposal was unanimously rejected by the Dignity Board following careful evaluation, together with its financial adviser, Rothschild & Co. Subsequent improved proposals were then received from the Consortium, which were similarly rejected by the Dignity Board.

On 13 November 2022, Dignity received a revised proposal at a price of 525 pence per Dignity Share, further details of which were set out in Dignity's announcement on 4 January 2023 of advanced discussions regarding a potential recommended cash offer. Following further discussion, on 20 January 2023, Dignity received a revised proposal from the Consortium at a price of 550 pence per Dignity Share.

The Dignity Directors note that the Acquisition gives Dignity Shareholders flexibility to take the Cash Offer or, if they are Eligible Dignity Shareholders, to elect to receive the Unlisted Share Alternative and/or the Listed Share Alternative and to determine the proportions in which they want to receive them (subject to the scale back arrangements described in this document).

The Dignity Directors believe that the Cash Offer represents an opportunity for Dignity Shareholders to crystallise the value of their holdings in cash at a significant premium to the undisturbed share price and to avoid the execution risks associated with delivering the further steps envisaged by the Dignity Board's strategy against a very uncertain and challenging macro-economic and market backdrop.

Furthermore, the Acquisition also enables Eligible Dignity Shareholders who wish to continue to benefit from having exposure to the Dignity Group to do so via either or both of the Alternative Offers.

#### **4 Information relating to Dignity**

Dignity is a leading end-of-life services business, serving thousands of customers across the United Kingdom.

Dignity is a major provider of funeral services and is the largest single operator of crematoria in Great Britain, with a significant portfolio of well-established and state-of-the-art crematoria that meet the needs of the local communities it serves. Dignity is also one of the United Kingdom's largest providers of prearranged funeral plans, allowing clients to prearrange their funeral through their national network of funeral locations.

Dignity has over 3,375 employees in 725 branches across the United Kingdom.

#### **5 Intentions of Bidco, and strategic plans and intentions with regard to Dignity's business, directors, management, employees, pensions and locations**

Your attention is drawn to paragraph 5 of the letter from Bidco in Part II of this document, which sets out the intentions of Bidco in relation to Dignity.

The Dignity Board notes that Bidco has stated its intention to support Dignity's current strategy and its continued development and implementation following the Acquisition becoming Effective. In particular, the Dignity Board notes that Bidco has referred to the strategy update published by Dignity at its annual general meeting on 9 June 2022, which contains a shared philosophy of generating cash to re-invest in the business. The Dignity Board further notes the statement from Bidco that it intends to continue to support Dignity's estate optimisation programme following the Effective Date, including the intended disposals of non-core/unmanned funeral branches already announced. The Dignity Board further notes that Bidco does not intend to significantly change Dignity's current business composition of "Funerals", "Crematoria" and "Pre-need Trusts".

The Dignity Board notes the statement that Bidco intends, following the Acquisition becoming Effective, to procure that Dignity continues to operate within the terms of its current securitisation arrangements, including the implementation of the recent amendments agreed with bondholders as announced by Dignity, and not to seek to amend them further without the consent of bondholders or, as applicable, the agreement of the bond trustee.

The Dignity Board notes Bidco's statement that it intends that the existing personnel of Dignity will continue to contribute to the success of Dignity following the Acquisition becoming Effective. Building on Dignity's current strategy, Bidco has stated its intention to support the management team in executing its strategic objectives, and the Dignity Board welcomes Bidco's statement that, other than as noted in paragraph 5 of Part II of this document, it does not, as a result of the Acquisition, intend to initiate any material headcount reductions within the current Dignity organisation.

The Dignity Board notes that Bidco has stated that it intends to hold discussions with the non-executive Dignity Directors pursuant to which some of them may be offered the opportunity to continue as directors within the Dignity Group following the Acquisition becoming Effective. It is currently expected that the remaining non-executive Dignity Directors who are not offered the possibility of continuing as directors within the Dignity Group, or who do not accept such an offer, will resign upon the Acquisition becoming Effective.

The Dignity Board welcomes the confirmation from Bidco that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Dignity employees will be safeguarded in accordance with applicable law and that, save as set out in this document, it does not intend to make any material changes to the conditions of employment, or to the balance of skills and functions, of the employees or management of Dignity.

With respect to the Dignity DB Scheme, including as regards members in the LPGS Sections and other defined contribution arrangements, the Dignity Board welcomes Bidco's statement that it does not intend to (i) change the level of employer contributions to the Dignity DB Scheme under current arrangements, being the contributions payable under the current recovery plan and schedule of contributions for the purposes of the Pensions Act 2004,

(ii) reopen the Dignity DB Scheme to new members or the future accrual of benefits or (iii) change the current arrangements for the accrual of benefits for existing members of the LGPS Sections of the Dignity DB Scheme.

The Dignity Board further notes that, upon the Acquisition becoming Effective, it is expected that Dignity's headquarters will remain in Sutton Coldfield. The Dignity Board welcomes Bidco's statement that it does not intend to make any material changes to the locations of Dignity's places of business beyond ordinary course investments, divestments or transfers consistent with Dignity's existing estate optimisation programme and the amendments to the securitisation arrangements previously announced by Dignity and referred to above. The Dignity Board notes that Bidco does not intend to make any material changes with respect to the deployment of Dignity's fixed asset base and welcomes the statement that Bidco intends that Dignity will continue to operate as a standalone business group and will retain the current company name.

In considering the recommendation of the Cash Offer to Dignity Shareholders, the members of the Dignity Board have given due consideration to Bidco's strategic plans for Dignity, and to the assurances given by Bidco in relation to the assets, directors, employees, management, pensions and location of the places of business of Dignity.

## **6 Cash Offer – Recommendation**

The Dignity Directors believe that the Cash Offer represents an opportunity for Dignity Shareholders to realise an immediate cash sum at a fair price for all of their Dignity Shares.

The Dignity Directors, who have been so advised by Rothschild & Co as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing its financial advice to the Dignity Directors, Rothschild & Co has taken into account the commercial assessments of the Dignity Directors. Rothschild & Co is providing independent financial advice to the Dignity Directors for the purposes of Rule 3 of the Takeover Code.

In considering the terms of the Cash Offer and their recommendation of the Cash Offer to Dignity Shareholders, the Dignity Directors have taken into account various factors, including:

- the Cash Offer is at a significant premium to Dignity's historical share price;
- the Cash Offer implies an enterprise value that represents a multiple of no less than 21.3x Dignity's estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis, as reported in Dignity's trading update of 23 January 2023;
- the Cash Offer provides shareholders with an opportunity to realise their investment in Dignity wholly for cash at a time when, notwithstanding the Dignity Directors' continued belief in Dignity's long-term strategy, the business is facing a number of uncertainties, which may contribute to continued share price volatility;
- whilst good progress has been made in the implementation of Dignity's new strategy, and whilst there are early signs of market share growth and progress in addressing operational challenges, the Dignity Directors recognise that the speed of recovery remains slow and uncertain; some of the challenges which have been reported in recent trading updates (including macro-economic uncertainty and the possible impact on disposable incomes, market structure dynamics such as pricing competition, and the introduction of lower-value products, as well as increases to the operational and regulatory cost base of Dignity) are expected to continue;
- Dignity's publicly stated long-term strategy to improve the Dignity Group's capital structure and to reduce leverage from its current level of indebtedness of 13.7x estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis, as reported in Dignity's trading update of 23 January 2023;
- whilst mitigations to covenant headroom tightness are in place, including the covenant waiver and consent to partially de-leverage through the sale of certain crematoria, the sale process is subject to execution risk and as a result Dignity's capital structure is



subject to further market and performance volatility. The current level of leverage limits both Dignity's ongoing investment in its existing asset base as well as its ability to fund further opportunities to invest for growth; and

- Bidco's intentions regarding management, employees and locations of Dignity: the Dignity Directors have given careful consideration to the assurances given by Bidco regarding the safeguarding of the existing employment rights of Dignity employees and existing pension obligations of Dignity, its plans for the business of Dignity and that it has no current intentions to change the locations of Dignity's business or redeploy its fixed assets.

**Accordingly, the Dignity Directors unanimously recommend that Dignity Shareholders accept or procure the acceptance of the Cash Offer (or, if the Acquisition is implemented by way of a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at a Dignity General Meeting).**

## 7 Alternative Offers

Subject to the scale back arrangements described below, Eligible Dignity Shareholders will be able to choose freely which of the Cash Offer, the Unlisted Share Alternative and/or the Listed Share Alternative they want to elect to receive and the proportions in which they elect to receive them.

The Alternative Offers are limited to an aggregate maximum of 18,143,544 Dignity Shares, representing approximately 50% of Dignity's fully diluted share capital (excluding the Consortium Rollover Shares) as at 20 January 2023 (the "**Alternative Offers Maximum**"). The Alternative Offers will be scaled back on a *pro rata* basis as between validly electing Dignity Shareholders if valid Alternative Offers Elections are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum and, in such circumstances, Eligible Dignity Shareholders whose elections are scaled back will receive the Cash Offer in respect of their Dignity Shares which are not exchanged for Valderrama D Shares or New Castelnau Consideration Shares (as applicable). As a result, Eligible Dignity Shareholders who make valid elections for the Alternative Offers may not know the exact number of Valderrama D Shares or New Castelnau Consideration Shares they will receive until settlement of the consideration due to them under the terms of the Acquisition. Appendix J sets out illustrative examples of how the scale back mechanism would apply if valid Alternative Offers Elections are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum.

Upon the Acquisition becoming Effective, Eligible Dignity Shareholders will, as a result of the Acquisition, hold:

- approximately 29.01% of the economic rights attaching to the total number of Valderrama Shares in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Unlisted Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Valderrama A Shares and Valderrama B Shares are issued at £1.00 per share to raise proceeds of £162.4 million in connection with the Acquisition and (iii) other than as referred to in (i) and (ii) above, no further shares in Valderrama have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective);
- approximately 26.43% of the economic rights attaching to the total number of ordinary shares in Castelnau in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Castelnau raises net proceeds of £112.4 million in aggregate pursuant to the Castelnau Placing at a placing price equal to Castelnau's NAV per share most recently reported prior to the date of the Rule 2.7 Announcement (being £0.7502) and (iii) other than as referred to in (i) and (ii) above, no further shares in Castelnau have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective); and
- approximately 38.07% of the economic rights attaching to the total number of ordinary shares in Castelnau in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such

elections are scaled back, (ii) Castelnau does not raise any proceeds pursuant to the Castelnau Placing and (iii) other than as referred to in (i) above, no further shares in Castelnau have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective).

Eligible Dignity Shareholders who accept the Offer but who do not positively elect for the Unlisted Share Alternative and/or the Listed Share Alternative and Eligible Dignity Shareholders who make an election for the Unlisted Share Alternative only but fail to provide certain KYC information by returning the completed Valderrama KYC Form in accordance with its terms, will in each case receive the Cash Offer only as consideration for the sale of all of their Dignity Shares.

Similarly, if you are a Restricted Dignity Shareholder, you will not be eligible to elect for any of the Alternative Offers and will, notwithstanding any elections made by you, only receive the Cash Offer as consideration for the sale of your Dignity Shares.

Further information about the Alternative Offers (including the rollover mechanics), Castelnau, Valderrama and the Bidco Group (including Valderrama's capital structure, the Valderrama Articles and the Valderrama JVA), the Valderrama D Shares and the New Castelnau Consideration Shares is set out in paragraphs 4, 7 and 8 of Part II and in Appendix G, Appendix H and Appendix I.

Rule 24.11 of the Takeover Code requires that, when a takeover offer involves the issue of securities of a class which is not admitted to trading, the offer document must contain an estimate of the value of such securities by an appropriate adviser. In fulfilment of that requirement, Appendix E contains the full text of a letter from Morgan Stanley, in its capacity as financial adviser to Bidco, and sets out its estimate of value of the net present value of a notional future exit valuation range of 5.50 Valderrama D Shares, based on the assumptions, qualifications and caveats set out in Appendix E. The estimate of value set out in Appendix E is addressed to the Bidco Directors only. It is not therefore addressed to Dignity, the Dignity Board or to Dignity Shareholders and no such person is therefore entitled to rely on it.

The Dignity Board notes in particular that the estimate of value set out in Appendix E is the net present value of a notional future exit value of 5.50 Valderrama D Shares and is not a current valuation of Dignity or a Dignity Share.

Further, the Dignity Board expresses no view as to Bidco's or Valderrama's projections or forecasts or the other assumptions on which the estimate of value was based, including the envisaged follow-on capital raise to be undertaken by Valderrama to fund the Valderrama business plan, as it has not seen those financial projections, or the business plan which underpins them, and has had no role in the preparation or production of the estimate of value set out in Appendix E.

The Dignity Board therefore considers that the estimate of value set out in Appendix E is not comparable, and is not intended to be comparable, with the Cash Offer amount.

If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dignity Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Dignity Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced.

Subject to the Conditions and further terms set out in this document, the Dignity Shares will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, on or after 23 January 2023.

**The Dignity Directors consider that, in deciding whether or not to elect for either or both of the Alternative Offers, Eligible Dignity Shareholders should take their own independent advice and consider carefully the advantages and disadvantages of electing for either or both of the Alternative Offers (including, but not limited to, those set out below) in light of their own financial circumstances and investment objectives.**

In considering the terms of the Alternative Offers, the Dignity Directors and Rothschild & Co have considered the advantages and disadvantages of electing for the Listed Share Alternative and/or the Unlisted Share Alternative, as outlined below. The inclusion in this document of such comments on those advantages and disadvantages should not be taken as an endorsement of them by the Dignity Directors.

#### ***Advantages of the Listed Share Alternative***

- The Listed Share Alternative allows Eligible Dignity Shareholders to invest in Castelnaud, providing economic exposure not only to Dignity (which currently represents approximately 35.7% of the overall value of Castelnaud's portfolio and which will, if the Acquisition becomes Effective, become Castelnaud's most significant holding, representing over 50% of its NAV, assuming no changes to the NAV values attributed to Castelnaud's other assets published most recently prior to the date of this document) and the opportunities that exist within the UK end-of-life market but also to other assets in the Castelnaud investment portfolio, and to participate in future value creation.
- Castelnaud's investment policy, which is summarised in Appendix H, is to seek to achieve a high rate of compound return over the long term by carefully selecting investments using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes. The Listed Share Alternative allows Eligible Dignity Shareholders to gain exposure to the benefits of this investment strategy.
- The New Castelnaud Consideration Shares will be admitted to trading on the Specialist Fund Segment, offering greater liquidity than the Valderrama D Shares which an Eligible Dignity Shareholder would receive as a result of validly electing for the Unlisted Share Alternative and greater certainty as to value through a publicly available share price.
- The Listed Share Alternative provides Eligible Dignity Shareholders the opportunity to participate in an investment portfolio managed by PAMP, an investment manager with the investment objective of compounding shareholders' capital at a higher rate of return than the FTSE All-Share Total Return Index over the long term and that has delivered on that objective in its Phoenix UK Fund by outperforming that index since inception in 1998.
- The Listed Share Alternative also provides Eligible Dignity Shareholders with the opportunity to have exposure to a business that will be jointly controlled by Castelnaud and SPWOne. SPWOne is owned by Sir Peter Wood, a business leader with a track record of creating successful, customer-focused businesses, with support provided from a broader SPWOne team that has significant operational experience and the capabilities to support Dignity's return to growth and achieve its long-term strategic objectives.
- The Listed Share Alternative also allows Eligible Dignity Shareholders to remain invested in a vehicle led by Gary Channon, PAMP's co-founder and Chief Investment Officer, allowing investors to benefit from his prior leadership of Dignity.

#### ***Disadvantages of the Listed Share Alternative***

- Eligible Dignity Shareholders who elect for the Listed Share Alternative and receive New Castelnaud Consideration Shares will have economic exposure to assets other than Dignity in the Castelnaud investment portfolio.
- PAMP, as the discretionary investment manager of Castelnaud, is entitled to a performance fee under its investment management agreement with Castelnaud if certain performance criteria are met. Subject to certain exceptions, this performance fee will be settled through the issue of new ordinary shares in Castelnaud to PAMP. Whilst this

performance fee aligns PAMP's economic interests with those of Castelnu's shareholders, the issue of any new ordinary shares in Castelnu to PAMP pursuant to these performance fee arrangements will (unless an Eligible Dignity Shareholder purchases further Castelnu shares) have a dilutive effect on other shareholders in Castelnu, including on any Eligible Dignity Shareholders who receive New Castelnu Consideration Shares pursuant to the Listed Share Alternative. Further details regarding this performance fee are set out in paragraph 6.2 of Part 11 of the Castelnu Prospectus and a summary of the performance fee is set out in Appendix H.

- Dignity Shares are currently listed on the Premium Segment. Certain standards and protections afforded to shareholders in a premium listed company are substantially different to those which apply to a shareholding in a company admitted to trading on the Specialist Fund Segment, such as that which an Eligible Dignity Shareholder would receive as a result of validly electing for the Listed Share Alternative, though Castelnu has resolved, as a matter of best practice and good corporate governance, voluntarily to comply with certain Listing Rules which apply to closed-ended investment companies which are listed on the Premium Segment (details of which are set out on pages 37 to 38 of the Castelnu Prospectus).
- Eligible Dignity Shareholders will have no certainty as to the number of New Castelnu Consideration Shares they would receive because (i) the Alternative Offers will be limited to the Alternative Offers Maximum and (ii) to the extent that elections for the Alternative Offers cannot be satisfied in full, the number of Valderrama D Shares and/or New Castelnu Consideration Shares (as applicable) will be scaled back on a *pro rata* basis as between validly electing Eligible Dignity Shareholders, and the balance of the consideration for each relevant Eligible Dignity Shareholder will be paid in cash in accordance with the terms of the Cash Offer.

#### ***Advantages of the Unlisted Share Alternative***

- The Unlisted Share Alternative allows Eligible Dignity Shareholders to invest directly in Valderrama, providing continued economic exposure to Dignity and the opportunities that exist within the UK end-of-life market, and to participate in possible future value creation.
- The Unlisted Share Alternative provides Eligible Dignity Shareholders with the opportunity to invest in a business that will be jointly controlled by Castelnu and SPWOne, which is owned by Sir Peter Wood, a business leader with a track record of creating successful, customer-focused businesses, with support provided from a broader SPWOne team that has significant operational experience and the capabilities to support Dignity's return to growth and achieve its long-term strategic objectives.
- The Unlisted Share Alternative also allows Eligible Dignity Shareholders potentially to benefit from remaining invested in a vehicle led by Gary Channon, PAMP's co-founder and Chief Investment Officer, allowing investors to benefit from his prior leadership of Dignity.
- Valderrama D Shareholders will, subject to certain limited exceptions summarised in paragraph 4 of Appendix G, have the benefit of pre-emption rights on any new issue of Valderrama Shares.

#### ***Disadvantages of the Unlisted Share Alternative***

- The Valderrama D Shares will not be admitted to trading on any stock exchange and will therefore be illiquid. In addition, the Valderrama D Shares will be subject to transfer restrictions, pursuant to which they can be transferred only with the prior written consent of SPWOne and Castelnu or in certain other limited circumstances. Eligible Dignity Shareholders should, therefore, be prepared to potentially hold Valderrama D Shares for a significant period of time.
- The Valderrama D Shares will be of uncertain value and there can be no assurance that they will be capable of being sold in the future.

- As the Valderrama D Shares do not have voting rights, their holders will have no influence over decisions made by Valderrama in relation to its investment in Dignity or in any other business decision.
- When Valderrama C Shares are issued to the persons referred to in paragraph 1 of Appendix G, holders of all other Valderrama Shares (except the holders of Valderrama E Shares, being Castelnau and those PAMP Affiliates who have agreed to receive Valderrama E Shares under the Consortium Rollover SPA) will see their economic returns diluted proportionately, albeit that the holders of Valderrama C Shares will not be entitled to any return of proceeds until the holders of Valderrama A Shares, Valderrama B Shares, Valderrama D Shares and Valderrama E Shares have received proceeds equal to their invested capital. The Valderrama E Shares are not subject to this dilution because (i) the PAMP Affiliates already pay PAMP investment management fees under existing arrangements with PAMP and (ii) Castelnau pays a performance fee to PAMP under its investment management agreement, as described in more detail below.
- Dignity Shares are currently listed on the Premium Segment. Certain standards and protections afforded to shareholders in a premium listed company are substantially different to those which apply to a shareholding in an unlisted company, such as that which an Eligible Dignity Shareholder would receive as a result of validly electing for the Unlisted Share Alternative.
- Eligible Dignity Shareholders will have no certainty as to the number of Valderrama D Shares they would receive because (i) the Alternative Offers will be limited to the Alternative Offers Maximum and (ii) to the extent that elections for the Alternative Offers cannot be satisfied in full, the number of Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) will be scaled back on a *pro rata* basis as between validly electing Eligible Dignity Shareholders, and the balance of the consideration for each relevant Eligible Dignity Shareholder will be paid in cash in accordance with the terms of the Cash Offer.
- Valderrama D Shareholders will, subject to certain limited exceptions summarised in paragraph 4 of Appendix G, have the benefit of pre-emption rights on any new issue of Valderrama Shares. However, prior to the date falling twelve months after the Acquisition becoming Effective, those protections will not apply in a number of circumstances, including on an issue of Valderrama B Shares to raise up to £100 million of capital unless the issue price is less than £1.00 per Valderrama B Share.

**The Dignity Directors cannot form a clear opinion on the terms of the Alternative Offers and are not making any recommendation to Eligible Dignity Shareholders as to whether or not they should elect for either or both of the Alternative Offers. Eligible Dignity Shareholders are encouraged to take into account the advantages and disadvantages highlighted above when deciding whether or not to elect for either or both of the Alternative Offers. Eligible Dignity Shareholders should also ascertain whether acquiring or holding either or both Valderrama D Shares and/or New Castelnau Consideration Shares is affected by the laws of the relevant jurisdiction in which they reside and consider whether Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) are a suitable investment in light of their own personal circumstances. Any decision to elect for either or both of the Alternative Offers should be based on independent financial, tax and legal advice as well as full consideration of this document and the Castelnau Prospectus.**

For the purposes of providing independent financial advice to the Dignity Directors as required by Rule 3 of the Takeover Code, Rothschild & Co has considered the financial terms of each Alternative Offer. Rothschild & Co has advised the Dignity Directors that the financial terms of each Alternative Offer are fair and reasonable as at the date of this document. In providing this advice to the Dignity Directors, Rothschild & Co has taken into account the commercial assessments of the Dignity Directors. In relation to the Listed Share Alternative, Rothschild & Co has also had regard to, and the attention of Eligible Dignity Shareholders is drawn to, Kroll's report in respect of Castelnau's NAV attributable to its unquoted investments as at

31 January 2023 (prepared for the purposes of Rule 29 of the Takeover Code), which is set out in Appendix D. In relation to the Unlisted Share Alternative, Rothschild & Co has also had regard to, and the attention of Eligible Dignity Shareholders is drawn to, Morgan Stanley's estimate of the value of the Valderrama D Shares (prepared for the purposes of Rule 24.11 of the Takeover Code), which is set out in Appendix E.

**Rothschild & Co has not provided advice to the Dignity Directors in relation to the advantages and disadvantages of electing for either or both of the Alternative Offers, which are matters on which, as noted above, Eligible Dignity Shareholders should take their own independent advice in the light of their own financial circumstances and investment objectives. As noted above, any decision to elect for either or both of the Alternative Offers should be based on independent financial, tax and legal advice as well as full consideration of this document and the Castelnau Prospectus.**

For these purposes, Rothschild & Co is acting exclusively for Dignity and no one else and will not be responsible to anyone other than Dignity for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to the Acquisition or any other matters referred to in this document.

## **8 Dignity Share Schemes**

Participants in the Dignity Share Schemes will be contacted with further detail on the effect of the Offer on their individual rights under those schemes and their right to accept the Offer conditional on the vesting of their awards. Details of the proposals will be set out in separate letters to be sent to participants in the Dignity Share Schemes in accordance with Rule 15 of the Takeover Code.

Participants in the Dignity Share Schemes should also refer to paragraph 9.2.1 of Appendix C.

## **9 United Kingdom taxation**

Your attention is drawn to Appendix F relating to United Kingdom taxation. Dignity Shareholders who are in any doubt about their position or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom should contact an independent professional tax adviser immediately.

## **10 Action to be taken**

The procedure for acceptance of the Offer and for making Alternative Offers Elections is set out in paragraph 13 of Part II of this document and, in respect of certificated Dignity Shares, in the Form of Acceptance.

### ***Summary***

To accept the Offer and make any Alternative Offers Elections in respect of certificated Dignity Shares, you must complete and return the Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received by Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on the Unconditional Date.

Acceptances and Alternative Offers Elections in respect of uncertificated Dignity Shares should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. on the Unconditional Date. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Yours faithfully

**Giovanni (John) Castagno**

Chair

For and on behalf of  
Dignity plc

**PART II**  
**LETTER FROM BIDCO**  
**YELLOW (SPC) BIDCO LIMITED**

*(Incorporated and registered in England and Wales with registered number 14417289)*

*Directors:*  
Nick Edwards (*Director*)  
Steve Tatters (*Director*)

*Registered Office:*  
64-66 Glenthams Road  
London  
SW13 9JJ

14 February 2023

*To Dignity Shareholders and, for information only, to participants in the Dignity Share Schemes and persons with information rights*

Dear Dignity Shareholder,

**RECOMMENDED CASH OFFER FOR DIGNITY BY BIDCO**

**1 Introduction**

On 23 January 2023, the boards of directors of Dignity and Bidco announced that they had reached agreement on the terms of a recommended cash offer to be made by Bidco to acquire the entire issued and to be issued share capital of Dignity, other than the Dignity Shares already owned or controlled by Castelnaud and PAMP. As at the close of business on the Latest Practicable Date, Castelnaud and PAMP owned or controlled in aggregate 14,876,159 Dignity Shares, representing approximately 29.08% of Dignity's fully diluted share capital (the "**Consortium Rollover Shares**").

This document and, if you hold certificated Dignity Shares, the Form of Acceptance, together contain the formal Offer (including its terms and conditions).

**Your attention is drawn to the letter of recommendation from the Chair of Dignity in Part I of this document, which sets out the reasons why the Dignity Directors, who have been so advised by Rothschild & Co, consider the terms of the Cash Offer to be fair and reasonable and unanimously recommend that all Dignity Shareholders accept the Cash Offer.**

Please read carefully paragraph 13 below, which sets out the procedures for acceptance of the Offer and for making Alternative Offers Elections. Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in Appendix A and, if you hold certificated Dignity Shares, in the Form of Acceptance.

**2 The Acquisition**

***Cash Offer***

Bidco is offering to acquire, on the terms and subject to the Conditions and further terms set out in Appendix A and, in respect of certificated Dignity Shares, the Form of Acceptance, the entire issued and to be issued share capital of Dignity (other than the Consortium Rollover Shares) on the following basis:

**550 pence in cash for each Dignity Share (the "Cash Offer")**

Based on the Cash Offer, the Acquisition values the entire issued and to be issued share capital of Dignity at approximately £281 million on a fully diluted basis and implies an enterprise value of approximately £789 million.

The Cash Offer implies an enterprise value that represents a multiple of no less than:

- 39.5x Dignity's estimated maximum underlying operating profit for the 52 weeks ended 30 December 2022 on a post-IFRS 16 basis; and

- 21.3x Dignity's estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis, in each case as reported in Dignity's trading update of 23 January 2023.

Dignity's estimated maximum underlying operating profit for the 52 weeks ended 30 December 2022 on a post-IFRS 16 basis of £20 million and estimated maximum underlying operating profit before depreciation and amortisation for the 52 weeks ended 30 December 2022 on a pre-IFRS 16 basis of £37 million constitute profit estimates for the purposes of Rule 28 of the Takeover Code. Please refer to Appendix K for the reports required by Rule 28.1 of the Takeover Code in respect of these profit estimates.

The Cash Offer represents a premium of approximately:

- 29.3% to the Closing Price of 425.5 pence per Dignity Share on 3 January 2023, being the last Business Day before the start of the Offer Period;
- 44.2% to the volume-weighted average Closing Price of 381.4 pence per Dignity Share for the 30 days ended on 3 January 2023, being the last Business Day before the start of the Offer period; and
- 39.2% to the volume-weighted average Closing Price of 395.2 pence per Dignity Share for the 90 days ended on 3 January 2023, being the last Business Day before the start of the Offer period.

### **Alternative Offers**

As alternatives to the Cash Offer, Eligible Dignity Shareholders may elect to receive:

- **for each Dignity Share, 5.50** unlisted non-voting D shares in the capital of Valderrama (the indirect parent company of Bidco) (the "**Valderrama D Shares**") (the "**Unlisted Share Alternative**"); and/or
- **for each Dignity Share, 7<sup>1</sup>/<sub>3</sub>** listed voting ordinary shares in the capital of Castelnaud (the "**New Castelnaud Consideration Shares**") (the "**Listed Share Alternative**" and, together with the Unlisted Share Alternative, the "**Alternative Offers**"),

in each case in exchange for all or part of their holding of Dignity Shares, subject to the terms and conditions of the Unlisted Share Alternative and/or the Listed Share Alternative (as applicable) set out in Appendix A.

Subject to the possibility of being scaled back in accordance with the arrangements described below, Eligible Dignity Shareholders will be able to elect which of the Cash Offer, the Unlisted Share Alternative and/or the Listed Share Alternative they want to receive and the proportions in which they want to receive them. By way of illustrative example, Eligible Dignity Shareholders could elect to receive the Cash Offer in respect of 10% of their holding of Dignity Shares, the Unlisted Share Alternative in respect of 50% of their holding of Dignity Shares and the Listed Share Alternative in respect of the remaining 40% of their holding of Dignity Shares.

Eligible Dignity Shareholders who accept the Offer but who do not positively elect for the Unlisted Share Alternative and/or the Listed Share Alternative, Restricted Dignity Shareholders and Eligible Dignity Shareholders who make an election for the Unlisted Share Alternative only but fail to provide certain KYC information by returning the completed Valderrama KYC Form in accordance with its terms, will in each case receive the Cash Offer only as consideration for the sale of all of their Dignity Shares.

The Alternative Offers are limited to an aggregate maximum of 18,143,544 Dignity Shares, representing approximately 50% of Dignity's fully diluted share capital (excluding the Consortium Rollover Shares) as at 20 January 2023 (the "**Alternative Offers Maximum**"). The Alternative Offers will be scaled back on a *pro rata* basis as between validly electing Dignity Shareholders if valid Alternative Offers Elections are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum and, in such circumstances, Eligible Dignity Shareholders whose elections are scaled back will receive the Cash Offer in respect of their Dignity Shares which are not exchanged for Valderrama D Shares or New Castelnaud Consideration Shares (as applicable). As a result, Eligible Dignity Shareholders who



make valid elections for the Alternative Offers may not know the exact number of Valderrama D Shares or New Castelnau Consideration Shares they will receive until settlement of the consideration due to them under the terms of the Acquisition. Appendix J sets out illustrative examples of how the scale back mechanism would apply if valid Alternative Offers Elections are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum.

Upon the Acquisition becoming Effective, Eligible Dignity Shareholders will, as a result of the Acquisition, hold:

- approximately 29.01% of the economic rights attaching to the total number of Valderrama Shares in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Unlisted Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Valderrama A Shares and Valderrama B Shares are issued at £1.00 per share to raise proceeds of £162.4 million in connection with the Acquisition and (iii) other than as referred to in (i) and (ii) above, no further shares in Valderrama have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective);
- approximately 26.43% of the economic rights attaching to the total number of ordinary shares in Castelnau in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Castelnau raises net proceeds of £112.4 million in aggregate pursuant to the Castelnau Placing at a placing price equal to Castelnau's NAV per share most recently reported prior to the date of the Rule 2.7 Announcement (being £0.7502) and (iii) other than as referred to in (i) and (ii) above, no further shares in Castelnau have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective); and
- approximately 38.07% of the economic rights attaching to the total number of ordinary shares in Castelnau in issue (assuming (i) all Eligible Dignity Shareholders validly elect for the Listed Share Alternative up to the Alternative Offers Maximum and no such elections are scaled back, (ii) Castelnau does not raise any proceeds pursuant to the Castelnau Placing and (iii) other than as referred to in (i) above, no further shares in Castelnau have been issued from the date of the Rule 2.7 Announcement to the Acquisition becoming Effective).

Please refer to Appendix D for a report on Castelnau's NAV attributable to its unquoted investments as at 31 January 2023, prepared by Kroll for the purposes of Rule 29 of the Takeover Code.

For the purposes of Rule 24.11 of the Takeover Code, Morgan Stanley, as financial adviser to Bidco, has provided an estimate of the value of the 5.50 Valderrama D Shares that an Eligible Dignity Shareholder would receive for each Dignity Share held if they made a valid election for the Unlisted Share Alternative, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter set out in Appendix E.

Further information about the Alternative Offers (including the rollover mechanics), Castelnau, Valderrama and the Bidco Group (including Valderrama's capital structure, the Valderrama Articles and the Valderrama JVA) and the Valderrama D Shares and the New Castelnau Consideration Shares is set out in paragraphs 4, 7 and 8 below and in Appendix G, Appendix H and Appendix I.

If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dignity Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Dignity Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced.

The Offer extends to all Dignity Shares unconditionally allotted or issued and fully paid on the date of this document and any Dignity Shares which are unconditionally allotted or issued and fully paid (including pursuant to the vesting of awards under the Dignity Share Schemes) before the Acceptance Condition is satisfied (excluding any treasury shares, except to the extent these cease to be held in treasury before that date).

The Acquisition is subject to a number of Conditions, set out in full in Appendix A, including valid acceptances being received (and not, where permitted, withdrawn) in respect of Dignity Shares which, together with any Dignity Shares acquired or agreed to be acquired, will result in Bidco holding Dignity Shares carrying, in aggregate, more than 75% of the voting rights carried by the Dignity Shares then normally exercisable at a general meeting of Dignity (referred to in this document as the "Acceptance Condition" and set out in full as Condition 1 in Part 1 of Appendix A).

Further details of the terms of the Offer are set out in Part 2 and Part 3 of Appendix A.

### **3 Background to and reasons for the Acquisition**

Dignity is an established business in the end-of-life market, with dedicated employees, providing a vital service to customers in often difficult circumstances. The Consortium's combined experience in the end-of-life-market, as well as its skill in creating market-leading providers and transforming industries through disruptive operating models, gives it belief that it can enhance Dignity's offering as a trusted provider with high standards and quality and unlock Dignity's potential to be the leading end-of-life business in the United Kingdom.

Since inception, Dignity has developed into an important player in the industry, operating 46 crematoria and with 725 funeral branches and over 389,000 pre-need funeral plans held in trust. Bidco recognises Dignity's track record and strongly believes in its current strategy, including its transition to a more competitive pricing model. Bidco believes that, under private ownership, Dignity will not only have access to patient, long-term capital, but also a supportive environment for management to implement its current strategy, ahead of an envisaged medium-term exit.

In particular, Bidco believes that Dignity's strategy will be enhanced through access to a significant level of investment to expand organically through increased marketing investment in its new funeral plan products, upgrading and modernising of physical infrastructure, further investment in its workforce and technology, and strategic expansion of its crematoria portfolio. Bidco will also provide Dignity with the financial support to grow inorganically by taking advantage of acquisition opportunities as they arise at attractive prices, given the current uncertain market environment. Bidco believes that these investments will lead to a higher quality estate, growth in market share and better profitability.

Bidco believes that recent regulatory changes across the funeral services sector provide Dignity with an opportunity to compete fairly on merit going forward, thereby improving its growth potential. Bidco believes that the deep expertise of Sir Peter Wood and his team in working with regulated businesses, combined with a greater involvement of the PAMP and Castelnau teams, will position Dignity to successfully navigate the improved regulatory environment.

Bidco supports the current long-term strategy, as set out in Dignity's presentation at its 2021 Annual General Meeting, to invest in Dignity and return it to a path of continued and sustainable growth.

### **4 Information relating to the Bidco Group, Valderrama and the Consortium**

#### ***SPWOne***

SPWOne was established by British entrepreneur and businessman Sir Peter Wood, to invest in and support a range of innovative businesses across their lifecycle. Sir Peter has founded seven companies in the UK, Europe and US, including Direct Line and esure Group, and was a founding investor in GoCompare. He has a track record of founding, building and investing in disruptive businesses and brands, spanning nearly four decades.

Sir Peter Wood and the SPWOne team are an experienced group of operators with successful track records in building market leading brands, transforming industries through digitisation, operating in regulated environments, and creating substantial value.

### ***PAMP***

PAMP is a specialist fund management company founded in 1998, based in Barnes, London, that manages the Phoenix UK Fund (launched in 1998) and other funds and segregated accounts, including Aurora Investment Trust plc. PAMP has been investing in UK listed equities for over 24 years using a long-term approach. It was co-founded by Mr Gary Channon, who is PAMP's Chief Investment Officer and brings over 33 years of business and financial services experience, with extensive knowledge of the end-of-life market. Between April 2021 and July 2021, Mr Channon served as Dignity's Executive Chair and, between July 2021 and June 2022, he was Dignity's Chief Executive Officer. Although he is no longer a director of Dignity, Mr Channon still supports Dignity's business as a senior adviser on a range of strategic matters.

As at the Latest Practicable Date, PAMP had approximately £1.33 billion of assets under management.

### ***Castelnau***

Castelnau is a closed-ended investment company incorporated in Guernsey and was founded by PAMP. It was admitted to trading on the Specialist Fund Segment in October 2021 and specialises in companies that it believes it can improve through its involvement, with the ultimate objective of compounding shareholders' capital at a higher rate of return than the FTSE All-Share Total Return Index over the long term. Castelnau is under the discretionary management of PAMP.

As at the Latest Practicable Date, Castelnau's investment portfolio consisted of holdings in the following companies (in addition to cash and cash equivalents):

- Dignity;
- Hornby plc;
- Cambium International Limited (through which Castelnau holds a stake in The Cambium Group UK Holdings Limited);
- Phoenix SG Limited (through which Castelnau holds a stake in Stanley Gibbons Group plc);
- Rawnet Limited;
- Silverwood Brands plc;
- Showpiece Technologies Limited; and
- Ocula Technologies Limited.

A summary of Castelnau's investment objective and policy, and the performance fee which may be payable to PAMP, is set out in Appendix H. Further information in respect of both these matters is set out in the Castelnau Prospectus.

As at the Latest Practicable Date, Castelnau's share price was £0.7650 per share and it had a market capitalisation of approximately £140.8 million. Its NAV as at 31 January 2023 was approximately £149.4 million.

## **5 Bidco's strategic plans and intentions with regard to Dignity's business, directors, management, employees, pensions and locations**

### ***Strategic plans for Dignity***

Bidco supports Dignity's current strategy and intends to continue developing and implementing it following the Acquisition becoming Effective. Bidco notes that Dignity published its strategy update at its annual general meeting on 9 June 2022, which contains a shared philosophy of generating cash to re-invest in the business. As part of this strategy update, Dignity disclosed that it intended to dispose of non-core/unmanned funeral branches as part of its ongoing

estate optimisation programme, and Bidco intends to continue to support this programme following the Effective Date. Bidco does not intend to significantly change Dignity's current business composition of "Funerals", "Crematoria" and "Pre-need Trusts".

Following the Acquisition becoming Effective, Bidco intends to procure that Dignity continues to operate within the terms of its current securitisation arrangements and not to seek to amend them without the consent of bondholders or, as applicable, the agreement of the bond trustee. Bidco intends to implement recent amendments to the securitisation arrangements that have been agreed with bondholders. As previously announced, those amendments involve the sale of seven crematoria in exchange for a partial paydown of the securitisation debt.

### ***Directors, management and employees***

Bidco intends that the existing personnel of Dignity will continue to contribute to the success of Dignity following the Acquisition becoming Effective. Building on Dignity's current strategy, Bidco will support the management team in executing its strategic objectives, and does not, as a result of the Acquisition, intend to initiate any material headcount reductions within the current Dignity organisation.

As noted in paragraph 17 below, if Bidco reaches the requisite acceptance threshold, an application will be made to the LSE for the cancellation of the trading of the Dignity Shares on the Main Market, and to the FCA to request cancellation of the listing of the Dignity Shares on the Official List. In that case, there will no longer be a need for certain central support functions that currently support Dignity's status as a publicly listed company, although any impact of this on employees is expected to be limited. Where appropriate, employees may be offered the opportunity to relocate or be reassigned to other appropriate roles within Dignity and any engagement and consultation process would be undertaken sufficiently in advance of any final decisions being taken to implement job reductions, so as to ensure compliance with applicable legal obligations.

Bidco intends to hold discussions with the non-executive Dignity Directors pursuant to which some of them may be offered the opportunity to continue as directors within the Dignity Group following the Acquisition becoming Effective. The remaining non-executive Dignity Directors who are not offered the possibility of continuing as directors within the Dignity Group, or who do not accept such an offer, are expected to resign upon the Acquisition becoming Effective.

### ***Existing rights and pensions***

Bidco confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Dignity employees will be safeguarded in accordance with applicable law. Save as set out in this document, Bidco does not intend to make any material changes to the conditions of employment, or to the balance of skills and functions, of the employees or management of Dignity.

The Dignity Group operates the Dignity Pension and Assurance Scheme (the "**Dignity DB Scheme**"), which is an occupational UK defined benefit scheme. The Dignity DB Scheme is funded and governed by a trustee board independent of Dignity's management. The Dignity DB Scheme is closed to new entrants and is also closed to future accrual in respect of all members, except for a small number of members in the Local Government Pension Scheme ("**LGPS**") Sections who continue to accrue benefits.

Members of the Dignity Group also operate or participate in a number of other pension arrangements that are defined contribution arrangements, including, amongst others, the People's Pension, a defined contribution master trust. In addition, the Dignity Group also participates in the LGPS in respect of a small number of Dignity Group employees who accrue defined benefits directly in the LGPS.

Bidco does not intend to (i) change the level of employer contributions to the Dignity DB Scheme under current arrangements, being the contributions payable under the current recovery plan and schedule of contributions for the purposes of the Pensions Act 2004, (ii) reopen the Dignity DB Scheme to new members or the future accrual of benefits or (iii) change the current arrangements for the accrual of benefits for existing members of the LGPS Sections of the Dignity DB Scheme.

Bidco has had preliminary engagement with the trustees of the Dignity DB Scheme in relation to the Acquisition and looks forward to further engagement in due course following the publication of this document, and to developing a positive and supportive relationship with the trustees in the period prior to and following the Acquisition becoming Effective.

#### ***Management incentivisation arrangements***

Bidco has not entered into, and has not had discussions regarding proposals to enter into, any form of incentivisation or any other arrangements with members of Dignity's management. It is the intention of Bidco to put in place appropriate arrangements for management of Dignity following the Acquisition becoming Effective.

#### ***Locations, fixed assets, branding and research and development***

Upon the Acquisition becoming Effective, it is expected that Dignity's headquarters will remain in Sutton Coldfield and Bidco does not intend to make any material changes in the locations of Dignity's places of business beyond ordinary course investments, divestments or transfers consistent with Dignity's existing estate optimisation programme and the amendments to the securitisation arrangements referred to above.

Bidco does not intend to make any material changes with respect to the deployment of Dignity's fixed asset base.

Bidco intends that Dignity will continue to operate as a standalone business group and will retain the current company name.

Dignity does not currently have a research and development function and Bidco has no plans in this regard.

#### ***Trading facilities***

Dignity is currently listed on the Official List. If Bidco reaches the requisite acceptance thresholds referred to in paragraph 17 below, an application will be made to the LSE for the cancellation of the trading of the Dignity Shares on the Main Market, and to the FCA to request cancellation of the listing of the Dignity Shares on the Official List.

## **6 Financing of the Acquisition**

The cash consideration payable by Bidco to Dignity Shareholders under the terms of the Acquisition will be jointly financed by equity capital invested by SPWOne and Castelnaud in Valderrama, which will be made available by Valderrama to Bidco pursuant to a series of intercompany loans.

SPWOne will fund its equity investment in Valderrama through funds to be lent to it by Sir Peter Wood pursuant to a loan agreement dated 20 January 2023 (the "**SPWOne Loan Agreement**"). In connection with the SPWOne Loan Agreement, SPWOne has granted Sir Peter Wood a charge over all of its Valderrama A1 Shares from time to time pursuant to a Guernsey law governed security interest agreement dated 20 January 2023 (the "**SPWOne Share Charge**").

Following the publication of the Castelnaud Prospectus on 1 February 2023, Castelnaud has launched a placing of new ordinary shares of no par value in the capital of Castelnaud (the "**New Castelnaud Placing Shares**") to raise net proceeds of up to approximately £112.4 million (the "**Castelnaud Placing**"), which it intends to use to fund its equity investment in Valderrama. If the proceeds that Castelnaud raises under the Castelnaud Placing are insufficient to fund its equity investment in Valderrama, Castelnaud will, to the extent required to make up any such shortfall, draw down funds under two loan agreements entered into, in each case, between it and Phoenix UK Fund Ltd dated 20 January 2023 and amended and restated on 1 February 2023 (the "**Castelnaud/Phoenix Loan Agreements**"). Phoenix UK Fund Ltd, an affiliate of PAMP, would use existing cash resources to advance funds to Castelnaud under the Castelnaud/Phoenix Loan Agreements, if required.

The Consortium's financing arrangements in connection with the Acquisition are not expected to have an adverse impact on the Dignity Group (including on the Dignity pension schemes).

The Acquisition is not conditional on the Castelnau Placing, further details in respect of which are set out in the Castelnau Prospectus. The New Castelnau Placing Shares will not be issued at a discount to Castelnau's NAV per share most recently reported prior to the publication of the Castelnau Prospectus. The Castelnau Board intends to provide Castelnau shareholders with a partial realisation opportunity in 2026. The exact timing of this partial realisation opportunity during the year will be at the discretion of the Castelnau Board, in consultation with PAMP (in its capacity as Castelnau's investment manager). The mechanism which will be used to provide Castelnau shareholders with this partial realisation opportunity will depend upon the level of uptake anticipated and the relevant laws and regulations at the time, although it is expected that it would be achieved through a tender offer.

SPWOne and Castelnau intend to syndicate part of their equity funding commitments after the date of this document and prior to the Acquisition becoming Effective, by procuring that Valderrama issues Valderrama B Shares to third party investors.

Morgan Stanley, financial adviser to the Consortium and Bidco, confirms that it is satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Dignity Shareholders under the terms of the Acquisition.

## **7 Alternative Offers**

As an alternative to the Cash Offer, Eligible Dignity Shareholders may, subject to terms of the Offer (including the scale back arrangements set out below):

- elect for the Unlisted Share Alternative (equating to 5.50 Valderrama D Shares for every Dignity Share so elected) in respect of some or all of their Dignity Shares; or
- elect for the Listed Share Alternative (equating to 7½ New Castelnau Consideration Shares for every Dignity Share so elected) in respect of some or all of their Dignity Shares,

and Eligible Dignity Shareholders may elect for any combination of the Unlisted Share Alternative, the Listed Share Alternative and/or the Cash Offer.

Alternative Offers Elections will be accepted only in respect of a whole number of Dignity Shares. Any Alternative Offers Election which is made in respect of a number of Dignity Shares which is not a whole number shall be deemed to be made in respect of the nearest whole number of Dignity Shares rounded down. The number of Dignity Shares in respect of which Alternative Offers Elections is made represents the number of Dignity Shares in respect of which an Eligible Dignity Shareholder wishes to receive either Valderrama D Shares (if electing for the Unlisted Share Alternative) and/or New Castelnau Consideration Shares (if electing for the Listed Share Alternative), in each case as set out in such Dignity Shareholder's Form of Acceptance or Electronic Acceptance, as consideration under the terms of the Offer.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative is available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative is not available to any Dignity Shareholder whose registered address is in an EEA Member State.

The Alternative Offers are limited to a number of Dignity Shares not exceeding the Alternative Offers Maximum. If valid Alternative Offers Elections are received from Eligible Dignity Shareholders in respect of a number of Dignity Shares that exceeds the Alternative Offers Maximum, such elections will be unable to be satisfied in full. In these circumstances, the number of Dignity Shares that each such Eligible Dignity Shareholder is entitled to exchange for Valderrama D Shares or New Castelnau Consideration Shares (as applicable) will be scaled back on a *pro rata* basis as between validly electing Eligible Dignity Shareholders, and the balance of the consideration for each Dignity Share will be paid in cash in accordance with the terms of the Cash Offer. As a result, Eligible Dignity Shareholders who make valid

elections for the Alternative Offers may not know the exact number of Valderrama D Shares or New Castelnau Consideration Shares they will receive until settlement of the consideration due to them under the terms of the Acquisition. For the avoidance of doubt, in such a scenario, the ratio at which each Dignity Share is exchanged for Valderrama D Shares or New Castelnau Consideration Shares (as applicable) will remain unchanged. Appendix J sets out illustrative examples of how the scale back mechanism would apply if valid Alternative Offers Elections are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum.

**Bidco will assess if valid Alternative Offers Elections have been received from Eligible Dignity Shareholders in respect of a number of Dignity Shares that exceeds the Alternative Offers Maximum, and, therefore, the extent of any need to scale back such elections, on or around the Scale Back Date, based on valid Alternative Offers Elections received by 1.00 p.m. on that date.**

**Bidco intends to close the Alternative Offers on the Scale Back Date. If Bidco chooses to leave the Offer open for acceptance following the Scale Back Date, Dignity Shareholders will no longer be able to make Alternative Offers Elections and any Dignity Shareholders who purport to make such elections after the Alternative Offers have been closed will not receive any Valderrama D Shares or New Castelnau Consideration Shares, as applicable, but will instead receive the Cash Offer only.**

If Bidco applies the provisions of sections 974 to 991 of the Companies Act to compulsorily acquire any outstanding Dignity Shares in respect of which the Offer has not been accepted (as described in paragraph 17 below), the Alternative Offers will be available to those Eligible Dignity Shareholders affected by the compulsory acquisition on the same terms as described in this paragraph 7.

**In order to comply with Guernsey law, Eligible Dignity Shareholders who wish to make an election for the Unlisted Share Alternative will be required, as a condition to their election being treated as valid and to Valderrama D Shares being issued to them, to provide certain preliminary KYC information to Valderrama's Resident Agent by completing and returning the Valderrama KYC Form, a copy of which is enclosed with this document. Please refer to paragraph 13.1.4 below for details on how to complete and return the Valderrama KYC Form. Failure to provide the required information will result in elections for the Unlisted Share Alternative being invalid and Eligible Dignity Shareholders who made such an invalid election will instead receive the Cash Offer for the number of Dignity Shares in respect of which they purported to make an election for the Unlisted Share Alternative. Furthermore, Eligible Dignity Shareholders who receive Valderrama D Shares will be required to provide Valderrama's Resident Agent with further KYC information following the issue of Valderrama D Shares to them and information regarding this is set out in paragraph 13.1.5 below. Failure to provide such further information will result in the directors of Valderrama placing such restrictions as they think fit on the relevant holders of the Valderrama D Shares pursuant to the Valderrama Articles. These restrictions include suspending a person's ability to transfer the Valderrama D Shares or to receive dividends or other distributions in respect of them, as well as cancelling the relevant Valderrama D Shares.**

**The fractional entitlements of each Eligible Dignity Shareholder who validly elects for Valderrama D Shares under the Unlisted Share Alternative, and/or for New Castelnau Consideration Shares under the Listed Share Alternative, will be reduced to the nearest number of whole Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) per Eligible Dignity Shareholder. Fractional entitlements to Valderrama D Shares or New Castelnau Consideration Shares will not be allotted or issued to such Eligible Dignity Shareholders and the balance of any such fractional entitlements will not be settled in cash. Bidco will instead donate the cash value of such fractional entitlements to a charity to be chosen by Dignity.**

Dignity Shareholders who are Restricted Dignity Shareholders in respect of both Alternative Offers will receive the Cash Offer only as consideration for the sale of their Dignity Shares. Dignity Shareholders who are Restricted Dignity Shareholders in respect of the Listed Share Alternative only may, subject to making a valid election for the Unlisted Share Alternative and

the scale back arrangements referred to above, elect which of the Cash Offer and/or the Unlisted Share Alternative they want to receive and the proportions in which they want to receive them. Details regarding the treatment of Restricted Dignity Shareholders are also set out in Part 3, Part 4 and Part 5 of Appendix A.

The default consideration for Dignity Shareholders that accept the Offer will be the Cash Offer. Eligible Dignity Shareholders who accept the Offer but who do not validly elect for either of the Alternative Offers will automatically receive the full amount of the Cash Offer for their entire holding of Dignity Shares.

No Alternative Offers Election will be valid unless, by the time and date on which Bidco closes the Alternative Offers:

- in respect of Dignity Shares held in certificated form, both a valid acceptance of the Offer and (a) valid Alternative Offers Election(s), duly completed in all respects and accompanied by all relevant share certificate(s), and/or other document(s) of title, is received; or
- in respect of Dignity Shares held in uncertificated form, settlement of an Alternative Offers TTE instruction in relation to those Dignity Shares occurs,

and, in the case of an election for the Unlisted Share Alternative, the Valderrama KYC Form has also been returned to Link Group. Please refer to paragraph 13 below for details on how to accept the Offer and to make Alternative Offers Elections.

**IMPORTANT: ELIGIBLE DIGNITY SHAREHOLDERS WHO WANT TO MAKE ANY ALTERNATIVE OFFERS ELECTIONS ARE STRONGLY ENCOURAGED TO MAKE THEIR ALTERNATIVE OFFERS ELECTIONS AS SOON AS POSSIBLE AND IN ANY EVENT BY NO LATER THAN 1.00 P.M. ON THE SCALE BACK DATE. ANY ELIGIBLE DIGNITY SHAREHOLDERS WHO PURPORT TO MAKE ANY ALTERNATIVE OFFERS ELECTIONS AFTER BIDCO HAS CLOSED THE ALTERNATIVE OFFERS MAY, AS REFERRED TO ABOVE, RECEIVE THE CASH OFFER ONLY AND MAY THUS BE DISADVANTAGED COMPARED TO ELIGIBLE DIGNITY SHAREHOLDERS WHO MAKE A VALID ALTERNATIVE OFFERS ELECTION AND RECEIVE VALDERRAMA D SHARES AND/OR NEW CASTELNAU CONSIDERATION SHARES (AS APPLICABLE) AS PART OF THE COMPULSORY ACQUISITION PROCEDURE REFERRED TO ABOVE, DURING WHICH THE ALTERNATIVE OFFERS WILL BE MADE AVAILABLE AGAIN.**

Eligible Dignity Shareholders who validly elect for either or both of the Alternative Offers will receive their Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) pursuant to a rollover mechanism whereby, on or around the fifth Business Day after the Scale Back Date and subject to any scaling back as described above:

- **First exchange** – first, any Dignity Shares in respect of which an Eligible Dignity Shareholder validly elects for:
  - the Unlisted Share Alternative will be exchanged for Bidco D Loan Notes to be issued by Bidco; and
  - the Listed Share Alternative will be exchanged for Bidco CG1 Loan Notes to be issued by Bidco;
- **Second exchange** – second, and immediately following the first exchange:
  - the Bidco D Loan Notes will be exchanged for a corresponding equivalent amount of Midco D Loan Notes to be issued by Midco; and
  - the Bidco CG1 Loan Notes will be exchanged for a corresponding equivalent amount of Midco CG1 Loan Notes to be issued by Midco;
- **Third exchange** – third, and immediately following the second exchange:
  - the Midco D Loan Notes will be exchanged for a corresponding equivalent amount of Topco D Loan Notes to be issued by Topco; and
  - the Midco CG1 Loan Notes will be exchanged for a corresponding equivalent amount of Topco CG1 Loan Notes to be issued by Topco;



- **Fourth exchange** – fourth, and immediately following the third exchange, the Topco D Loan Notes and the Topco CG1 Loan Notes will be exchanged for the relevant number of Valderrama D Shares to which Eligible Dignity Shareholders are entitled in accordance with the terms of the Unlisted Share Alternative and/or the Listed Share Alternative (as applicable); and
- **Fifth exchange** – fifth, and immediately following the fourth exchange, the Valderrama D Shares held by Dignity Shareholders who validly elect for the Listed Share Alternative will be exchanged for the corresponding number of New Castelnau Consideration Shares. Any such Valderrama D Shares acquired by Castelnau will automatically be converted into Valderrama E Shares on a 1:1 basis pursuant to the operation of a conversion mechanism set out in the Valderrama Articles.

Pursuant to the Power of Attorney, Eligible Dignity Shareholders who validly elect for either or both of the Alternative Offers will irrevocably appoint Bidco, and any director of, or person authorised, by Bidco, as their attorney and/or agent to execute on their behalf all documents necessary or desirable to effect the rollover mechanics summarised above and, in the case of Eligible Dignity Shareholders who validly elect for the Unlisted Share Alternative, to deliver on their behalf a fully executed deed of adherence pursuant to which they will be bound by the Valderrama JVA.

Further information about the Alternative Offers (including the rollover mechanics), Castelnau, Valderrama and the Bidco Group (including Valderrama’s capital structure, the Valderrama Articles and the Valderrama JVA) and the Valderrama D Shares and the New Castelnau Consideration Shares is set out in paragraph 8 below and in Appendix G, Appendix H and Appendix I.

## **8 Summary of Castelnau, Valderrama and the Bidco Group**

A summary of Castelnau (including the New Castelnau Consideration Shares) is set out in paragraphs 2 and 3 of the “Summary” section on pages 5 to 9 of the Castelnau Prospectus and in Part 1 of the Castelnau Prospectus. A summary of the Castelnau articles of incorporation is set out in paragraph 4 of Part 11 of the Castelnau Prospectus.

A summary of Valderrama and the Bidco Group (including Valderrama’s capital structure, the Valderrama Articles and the Valderrama JVA) is set out in Appendix G.

**The attention of Eligible Dignity Shareholders who may be considering electing for the Unlisted Share Alternative or the Listed Share Alternative is drawn to paragraph 19 of Appendix C, which sets out certain risk factors and other investment considerations in respect of the Alternative Offers.**

## **9 Irrevocable undertaking and letters of intent**

Kate Davidson MBE, Dignity’s Chief Executive Officer and the sole Dignity Director to have an interest in any Dignity Shares (all of which are represented by options and awards to be granted under the Dignity Share Schemes), has irrevocably undertaken to accept the Offer (or, if the Acquisition is implemented by way of a Scheme, to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Dignity General Meeting, as necessary) in respect of her entire interest in Dignity Shares, representing approximately 0.02% of Dignity’s fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 0.03% of Dignity’s fully diluted share capital as at the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares. Kate Davidson MBE intends to accept the Cash Offer in respect of her entire interest in Dignity Shares.

Bidco has also received letters of intent, confirming its intention to accept the Offer (or, if the Acquisition is implemented by way of a Scheme, to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Dignity General Meeting, as necessary) from:

- Artemis Investment Management LLP (acting in its capacity as investment adviser for and on behalf of Artemis Strategic Assets Fund and Artemis Alpha Trust plc) in respect of a total of 4,627,107 Dignity Shares, representing approximately 9.04% of Dignity’s fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 12.75% of Dignity’s fully diluted share capital as at

the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares. Artemis Investment Management LLP has also confirmed its intention to elect for the Listed Share Alternative in respect of a significant proportion of its holding of Dignity Shares; and

- Ravenscroft Group in respect of a total of 500,000 Dignity Shares, representing approximately 0.98% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 1.38% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares.

Kate Davidson MBE's irrevocable undertaking will remain binding if a higher competing offer for Dignity is made. Further details of this irrevocable undertaking (including the circumstances in which it will lapse) and the letters of intent are set out in paragraph 5 of Appendix C.

**As a result, Bidco and the members of the Consortium own or control, or have received an irrevocable undertaking and letters of intent in respect of, a total of 20,015,199 Dignity Shares, representing approximately 39.12% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date.**

## **10 Dignity Share Schemes**

Participants in the Dignity Share Schemes will be contacted with further detail on the effect of the Offer on their individual rights under those schemes and their right to accept the Offer, conditional on the vesting of their awards. Details of the proposals will be set out in separate letters to be sent to participants in the Dignity Share Schemes in accordance with Rule 15 of the Takeover Code.

Participants in the Dignity Share Schemes should also refer to paragraph 9.2.1 of Appendix C.

## **11 United Kingdom taxation**

Your attention is drawn to Appendix F relating to United Kingdom taxation. Dignity Shareholders who are in any doubt about their taxation position or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom should contact an appropriate independent professional tax adviser immediately.

## **12 Overseas Shareholders**

The attention of Overseas Shareholders (and any person, including any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Offer outside the United Kingdom) is drawn to Part 3, Part 4 and Part 5 of Appendix A and, in respect of certificated Dignity Shares, to the relevant provisions of the Form of Acceptance.

In addition, the release, publication or distribution of this document and/or the Castelnau Prospectus and any accompanying document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver a Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any 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 document and the Form of Acceptance have been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or

instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.

**US HOLDERS OF DIGNITY SHARES ACCEPTING THE CASH OFFER SHOULD NOTE THAT US INFORMATION REPORTING AND BACKUP WITHHOLDING AT A RATE OF 24% MAY APPLY TO THE GROSS CASH CONSIDERATION PAYABLE TO THEM, UNLESS THE RELEVANT DIGNITY SHAREHOLDER PROVIDES A PROPERLY COMPLETED IRS FORM W-9 OR IRS FORM W-8 (AS APPROPRIATE), OR OTHERWISE ESTABLISHES AN APPLICABLE EXEMPTION FROM INFORMATION REPORTING AND BACKUP WITHHOLDING. COPIES OF THE IRS FORM W-9 AND IRS FORM W-8 ARE AVAILABLE ON THE IRS'S WEBSITE AT [WWW.IRS.GOV/FORMS-INSTRUCTIONS](http://WWW.IRS.GOV/FORMS-INSTRUCTIONS). DIGNITY SHAREHOLDERS IN THE US ACCEPTING THE CASH OFFER SHOULD THEREFORE RETURN THE APPROPRIATE IRS FORM W-9 OR FORM W-8 WITH THEIR FORM OF ACCEPTANCE AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE RECEIVED BY POST OR (DURING NORMAL BUSINESS HOURS ONLY) BY HAND BY THE RECEIVING AGENT, LINK GROUP, AT CORPORATE ACTIONS, 10TH FLOOR, CENTRAL SQUARE, 29 WELLINGTON STREET, LEEDS LS1 4DL BY NO LATER THAN 1.00 P.M. ON THE UNCONDITIONAL DATE.**

### **13 Procedure for acceptance of the Offer and making Alternative Offers Elections**

Bidco will make an appropriate announcement if any of the details contained in this paragraph 13 change for any reason.

This section should be read in conjunction with Appendix A and, in respect of certificated Dignity Shares, the notes on the Form of Acceptance.

Holders of Dignity Shares in certificated form (that is, not in CREST) may accept the Offer and, if they are Eligible Dignity Shareholders, make Alternative Offers Elections in respect of such shares only by completing and returning the Form of Acceptance in accordance with the procedure set out in paragraph 13.1 below. Holders of Dignity Shares held in certificated form, but under different designations, should complete a separate Form of Acceptance for each designation. Additional Forms of Acceptance are available from Link Group by calling the number set out below or by writing to Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Holders of Dignity Shares in uncertificated form (that is, in CREST) may accept the Offer and, if they are Eligible Dignity Shareholders, make Alternative Offers Elections in respect of such shares only by TTE instruction in accordance with the procedure set out in paragraph 13.2 below. If those Dignity Shares are held under different member account IDs, you should send a separate TTE instruction for each member account ID.

Normal CREST procedures (including timings) apply in relation to any Dignity Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Dignity Shares or otherwise). Holders of Dignity Shares who are proposing so to convert any such Dignity Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Dignity Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer and/or making Alternative Offers Elections (in particular, as regards delivery of share certificate(s) or other documents of title or transfers to an escrow balance as described below) prior to 1.00 p.m. on the Unconditional Date.

**If you are in any doubt as to the procedure for acceptance, please telephone Link Group on +44 (0)371 664 0321. Calls from within the United Kingdom are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Link Group cannot provide any financial, legal or tax**

**advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

### 13.1 Dignity Shares held in certificated form (that is, not in CREST)

#### 13.1.1 *Cash Offer*

You must complete Box 1.1 of the Form of Acceptance by inserting the total number of certificated Dignity Shares held by you in respect of which you wish to accept the Cash Offer, whether or not you wish to make any Alternative Offers Elections. Note this must be in respect of a whole number of Dignity Shares.

In addition:

13.1.1.1 an individual must sign the Form of Acceptance in accordance with the instructions set out in Step 5.1 in the presence of a witness, who must also sign the Form of Acceptance in accordance with the instructions set out in Step 5.1; or

13.1.1.2 a company must execute the Form of Acceptance in accordance with the instructions set out in Step 5.2.

If you fail to enter a number in any of Box 1.1, Box 1.2 or Box 1.3, you will be deemed, by virtue of having otherwise completed and returned the Form of Acceptance, to have accepted the Cash Offer in respect of the number of Dignity Shares printed in Box 1 or (if this is a lesser number) the number of Dignity Shares which is represented by the share certificate(s) and/or other document(s) of title that you have provided.

If you enter a number in Box 1.1 and that number is greater than the number of Dignity Shares printed in Box 1, you will be deemed to have accepted the Cash Offer in respect of your entire holding of Dignity Shares and to have entered the corresponding number of Dignity Shares in Box 1.1.

If you complete Box 1.1 and if the total number of Dignity Shares in Box 1.1 is less than the number of Dignity Shares printed in Box 1, **you will be deemed to have rejected the Offer in respect of that shortfall and you will not receive any consideration under the Offer in respect of that shortfall.**

If you enter in Box 1.1 a number of Dignity Shares which is not a whole number, you will be deemed to have entered in Box 1.1 the nearest whole number of Dignity Shares when rounded down.

#### 13.1.2 *Alternative Offers Elections*

**Only Eligible Dignity Shareholders are able to make Alternative Offers Elections and, in respect of any election for the Unlisted Share Alternative, the Eligible Dignity Shareholder must also return the Valderrama KYC Form (as to which see paragraph 13.1.4) and any further KYC information requested by Valderrama's Resident Agent (as to which see paragraph 13.1.5).**

To make Alternative Offers Elections you must complete Box 1.2 of the Form of Acceptance (in order to elect for the Unlisted Share Alternative) and/or Box 1.3 of the Form of Acceptance (in order to elect for the Listed Share Alternative) of the Form of Acceptance. You may, subject always to the terms of the Offer as set out in this document (including the Alternative Offer Maximum) elect to receive any combination of the Cash Offer, the Unlisted Share Alternative and/or the Listed Share Alternative for the sale of your Dignity Shares.

##### 13.1.2.1 **To elect for the Unlisted Share Alternative**

If you wish to elect for the Unlisted Share Alternative in consideration for the sale of some or all of your Dignity Shares, you must enter the relevant number of Dignity Shares (which must be a whole number) in respect of which you wish to receive Valderrama D Shares in Box 1.2 of the Form of Acceptance.

#### 13.1.2.2 To elect for the Listed Share Alternative

If you wish to elect for the Listed Share Alternative in consideration for the sale of some or all of your Dignity Shares, you must enter the relevant number of Dignity Shares (which must be a whole number) in respect of which you wish to receive New Castelnau Consideration Shares in Box 1.3 of the Form of Acceptance.

#### 13.1.2.3 To receive a combination of the Cash Offer, Valderrama D Shares and/or New Castelnau Consideration Shares

If you wish to receive a combination of the Cash Offer and/or elect for one or both of the Alternative Offers, you must enter the relevant number of Dignity Shares (which must be a whole number) in respect of which you want to receive:

- (i) the Cash Offer, in Box 1.1;
- (ii) Valderrama D Shares, in Box 1.2; and/or
- (iii) New Castelnau Consideration Shares, in Box 1.3.

If you fail to enter a number in any of Box 1.1, Box 1.2 or Box 1.3, you will be deemed, by virtue of having otherwise completed and returned the Form of Acceptance, to have accepted the Cash Offer in respect of the number of Dignity Shares printed in Box 1 or (if this is a lesser number) the number of Dignity Shares which is represented by the share certificate(s) and/or other document(s) of title that you have provided.

If you enter a number in one only of Box 1.1, Box 1.2 or Box 1.3 and that number is greater than the number of Dignity Shares printed in Box 1, you will be deemed to have (i) as regards Box 1.1, accepted the Cash Offer, (ii) as regards Box 1.2, elected for the Unlisted Share Alternative and (iii) as regards Box 1.3, elected for the Listed Share Alternative, in each case in respect of your entire holding of Dignity Shares and to have entered the corresponding number of Dignity Shares in Box 1.1, Box 1.2 or Box 1.3 (as applicable).

If you complete any combination of Box 1.1, Box 1.2 and/or Box 1.3, and if the total number of Dignity Shares in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) is greater than the number of Dignity Shares printed in Box 1, your acceptance/elections will be scaled back *pro rata* as between your acceptance/elections in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) (rounded down to the nearest whole Dignity Share).

If you complete any combination of Box 1.1, Box 1.2 and/or Box 1.3, and if the total number of Dignity Shares in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) is less than the number of Dignity Shares printed in Box 1, **you will be deemed to have rejected the Offer in respect of that shortfall and you will not receive any consideration under the Offer in respect of that shortfall.**

If you enter in any of Box 1.1, Box 1.2 or Box 1.3 a number of Dignity Shares which is not a whole number, you will be deemed to have entered in the relevant Box the nearest whole number of Dignity Shares when rounded down.

A Form of Acceptance received after the date on which the Alternative Offers have been closed by Bidco (which is expected to be on the Scale Back Date) and in which an Eligible Dignity Shareholder purports to make valid Alternative Offers Elections will be taken to constitute an acceptance of the Cash Offer.

The invalidity of Alternative Offers Elections will not affect the validity of an acceptance of the Offer. Eligible Dignity Shareholders tendering a valid acceptance of the Offer but an invalid Alternative Offers Election will be taken to have accepted the Cash Offer.

Additional Forms of Acceptance are available from Link Group by calling the number above or by writing to the address above. The instructions for completing a Form of Acceptance below apply, where relevant, to each separate Form of Acceptance to be completed by you.

### 13.1.3 Return of Form of Acceptance

To accept the Offer and make Alternative Offers Elections in respect of Dignity Shares held in certificated form, the completed, signed and (where applicable) witnessed Form of Acceptance should be returned by post or (during normal business hours only) by hand to the Receiving Agent, Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, together (subject to paragraph 13.1.6 below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received no later than 1.00 p.m. on the Unconditional Date. A reply-paid envelope (valid for posting in the UK only) is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance containing an election for either or both of the Alternative Offers in an envelope post-marked in a Restricted Jurisdiction or, in the case of an election for the Listed Share Alternative, an EEA Member State, or otherwise appearing to have been sent by any Restricted Dignity Shareholder may be rejected, unless the requirements for eligibility to make an Alternative Offers Election have, in Bidco's sole judgement, been met.

For further information on Overseas Shareholders, see paragraph 12 above.

### 13.1.4 Return of Valderrama KYC Form

13.1.4.1 If you are an Eligible Dignity Shareholder and you want to elect for the Unlisted Share Alternative, you must complete the Valderrama KYC Form, regardless of whether you hold your Dignity Shares in certificated or uncertificated form. You must complete and return a copy of the Valderrama KYC Form (and, to the extent you hold Dignity Shares in certificated form, the Form of Acceptance) as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent, Link Group, at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on the Unconditional Date.

13.1.4.2 Eligible Dignity Shareholders will need to complete different sections of the Valderrama KYC Form depending on whether they are natural persons, bodies corporate or nominee companies:

- (i) Eligible Dignity Shareholders that are natural persons should refer to paragraph (A) of the Valderrama KYC Form for information on how to complete it;
- (ii) Eligible Dignity Shareholders that are bodies corporate should refer to paragraph (B) of the Valderrama KYC Form for information on how to complete it; and
- (iii) Eligible Dignity Shareholders that are nominee companies should refer to paragraph (C) of the Valderrama KYC Form for information on how to complete it.

### 13.1.5 Further KYC

The Valderrama KYC Form is solely for the purpose of confirming preliminary KYC information regarding Eligible Dignity Shareholders electing for the Unlisted Share Alternative and (if applicable) their beneficial owners. Following receipt of the Valderrama KYC Form, Valderrama's Resident Agent will contact the relevant Eligible Dignity Shareholder to request further KYC information. Eligible Dignity Shareholders that wish to elect for the Unlisted Share Alternative and that are natural persons will be expected to provide certified copies of their passport and a proof of residential address. The type of further KYC information to be provided by Eligible Dignity Shareholders that wish to elect for the Unlisted Share Alternative and that are not natural persons will be confirmed by Valderrama's Resident Agent. Any requested further KYC information should be returned to Valderrama's Resident Agent as soon as possible. **Failure to provide such further information will result in the directors of Valderrama placing such restrictions as they think fit on the relevant holders of**

**the Valderrama D Shares pursuant to the Valderrama Articles. These restrictions include suspending a person's ability to transfer the Valderrama D Shares or to receive dividends or other distributions in respect of them, as well as cancelling the relevant Valderrama D Shares.**

#### 13.1.6 **Share certificates not readily available or lost**

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should still be completed, signed and returned as stated above so as to arrive by no later than 1.00 p.m. on the Unconditional Date. You should send any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should submit the relevant share certificate(s) and/or other document(s) of title as soon as possible. No acknowledgement of receipt of document(s) will be given.

In the case of loss of your share certificates, you should contact Dignity's registrars, Equiniti Limited, as soon as possible by writing to them at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by telephoning +44 (0)371 384 2674, to obtain a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Link Group as set out in paragraph 13.1.3 above. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m. Monday to Friday (excluding public holidays). Please note that Equiniti cannot provide advice on the merits of the Offer, nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

#### 13.1.7 **Validity of acceptances and/or Alternative Offers Elections**

Without prejudice to Part 3 and Part 4 of Appendix A, subject to the provisions of the Takeover Code, Bidco reserves the right to treat as valid in whole or in part any acceptance of the Offer and/or any Alternative Offers Elections which are not entirely in order or which are not accompanied by the relevant share certificate(s) and/or other document(s) of title. In such event, no settlement of the consideration under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Bidco have been received.

### 13.2 **Dignity Shares held in uncertificated form (that is, in CREST)**

#### 13.2.1 **General**

If your Dignity Shares are in uncertificated form, to accept the Offer and to make Alternative Offers Elections you should take (or procure the taking of) the action set out below to transfer the Dignity Shares in respect of which you wish to accept the Offer and/or make Alternative Offers Elections to the appropriate escrow balance(s), specifying Link Group (in its capacity as a CREST participant under the Escrow Agent's Participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE instruction settles no later than **1.00 p.m. on the Unconditional Date. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational), so you should ensure you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph 13.2.1 will (subject to satisfying the requirements set out in Part 3 and Part 5 of Appendix A) constitute an acceptance of the Offer and the making of Alternative Offers Elections (as applicable) in respect of the number of Dignity Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Dignity Shares.

After settlement of a TTE instruction, you will not be able to access the Dignity Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional, the Escrow Agent will transfer the Dignity Shares concerned to itself in accordance with paragraph 1.7 of Part 5 of Appendix A.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Dignity Shares to settle prior to 1.00 p.m. on the Unconditional Date. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

### 13.2.2 Cash Offer

To accept the Cash Offer in respect of Dignity Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a Cash Offer TTE instruction in relation to such shares. A Cash Offer TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN for the Dignity Shares (this is GB00BRB37M78);
- the number of Dignity Shares (in uncertificated form) in respect of which you wish to accept the Cash Offer (i.e. the number of Dignity Shares to be transferred to escrow);
- your member account ID;
- your Participant ID;
- the Participant ID of the Escrow Agent (this is RA10);
- the member account ID of the Escrow Agent for the Cash Offer (this is YELDIG01);
- the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. on the Unconditional Date;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

### 13.2.3 Alternative Offers Elections

**Only Eligible Dignity Shareholders are able to make Alternative Offers Elections and, in respect of any election for the Unlisted Share Alternative, the Eligible Dignity Shareholder must also return the Valderrama KYC Form (as to which see paragraph 13.1.4) and any further KYC information requested by Valderrama's Resident Agent (as to which see paragraph 13.1.5).**

To make Alternative Offers Elections, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) an Alternative Offers TTE instruction to Euroclear in relation to such Dignity Shares, in accordance with paragraphs 13.2.3.1 to 13.2.3.3 below. You may, subject always to the terms of the Offer as set out in this document (including the Alternative Offer Maximum) elect to receive any combination of the Cash Offer, New Castelnau Consideration Shares and/or Valderrama D Shares for the sale of your Dignity Shares.



#### 13.2.3.1 **To elect for the Unlisted Share Alternative**

To submit an Unlisted Share Alternative TTE instruction, you should adopt the same procedures as apply in respect of a Cash Offer TTE instruction (as set out in paragraph 13.2.2 above), but with the following variations:

- (i) in the field relating to the number of Dignity Shares to be transferred to escrow, you should insert the number of Dignity Shares in respect of which you wish to make an election for Valderrama D Shares only; and
- (ii) the member account ID of the Escrow Agent for such election is YELDIG02;

#### 13.2.3.2 **To elect for the Listed Share Alternative**

To submit a Listed Share Alternative TTE instruction, you should adopt the same procedures as apply in respect of a Cash Offer TTE instruction (as set out in paragraph 13.2.2 above), but with the following variations:

- (i) in the field relating to the number of Dignity Shares to be transferred to escrow, you should insert the number of Dignity Shares in respect of which you wish to make an election for New Castelnau Consideration Shares only; and
- (ii) the member account ID of the Escrow Agent for such election is YELDIG03;

#### 13.2.3.3 **To receive a combination of the Cash Offer, Valderrama D Shares and/or New Castelnau Consideration Shares**

If you wish to receive a combination of the Cash Offer, Valderrama D Shares and/or New Castelnau Consideration Shares, you must send (or procure the sending of):

- (i) Alternative Offers TTE instruction(s) in order to receive Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable); and
- (ii) a Cash Offer TTE instruction in respect of the balance of your Dignity Shares in order to receive the Cash Offer in respect of such balance of your Dignity Shares.

#### 13.2.4 **Validity of acceptances and/or Alternative Offers Elections**

A Form of Acceptance which is received in respect of Dignity Shares held in uncertificated form may not constitute a valid acceptance of the Offer and/or a valid Alternative Offers Election and may be disregarded. Holders of Dignity Shares in uncertificated form who wish to accept the Offer and/or make Alternative Offers Elections should note that a TTE instruction will only be a valid acceptance of the Offer as at the Unconditional Date if it has settled on or before 1.00 p.m. on that date.

#### 13.2.5 **Overseas shareholders**

The attention of Dignity Shareholders holding Dignity Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part 3 of Appendix A and paragraphs 1.2 to 1.5 of Part 5 of Appendix A.

### **14 Admission of New Castelnau Consideration Shares**

It is anticipated that Castelnau will submit an application for the admission of the New Castelnau Consideration Shares to trading on the Specialist Fund Segment prior to the date on which the Offer becomes or is declared unconditional. It is expected that admission of the New Castelnau Consideration Shares to trading on the Specialist Fund Segment will become effective at 8.00 a.m. on or around the fifth Business Day following the Scale Back Date.

## 15 Settlement

### Settlement of Cash Offer only

15.1 Subject to the Offer becoming or being declared unconditional and to the other Conditions and further terms set out in Appendix A, settlement of the cash consideration payable to any Dignity Shareholder who has accepted the Cash Offer **only** and not made any Alternative Offers Election will be effected:

15.1.1 in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional, within 14 days of such date; or

15.1.2 in the case of acceptances of the Offer received, complete in all respects, after the date on which the Offer becomes or is declared unconditional but while it remains open for acceptance, within 14 days of such receipt,

in each case in the manner described in paragraphs 15.2 and 15.3;

15.2 Where an acceptance relates to Dignity Shares in certificated form, settlement of any cash due will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Dignity Shareholders or their appointed agents. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

15.3 Where an acceptance relates to Dignity Shares in uncertificated form, the cash consideration to which the accepting Dignity Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Dignity Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Bidco reserves the right to settle all or any part of the cash consideration referred to in this paragraph for all or any accepting Dignity Shareholder(s) in the manner referred to in the preceding paragraph if, for any reason, it wishes to do so.

### Settlement of the Alternative Offers (or a combination of the Cash Offer and either or both Alternative Offers)

15.4 Subject to the Offer becoming or being declared unconditional and to the other Conditions and further terms set out in Appendix A:

15.4.1 Bidco will assess if valid elections have been received from Eligible Dignity Shareholders in respect of a number of Dignity Shares that exceeds the Alternative Offers Maximum, and, therefore, the extent of any need to scale back such elections, on or around the Scale Back Date, based on valid elections received by 1.00 p.m. on that date;

15.4.2 settlement of:

15.4.2.1 the cash consideration payable to any Dignity Shareholder who has accepted the Cash Offer and made Alternative Offers Elections; and

15.4.2.2 the Valderrama D Shares to be allotted and issued to any Eligible Dignity Shareholder who has validly elected for the Unlisted Share Alternative; and/or

15.4.2.3 the New Castelnau Consideration Shares to be allotted and issued to any Eligible Dignity Shareholder who has validly elected for the Listed Share Alternative,

shall be made on the fifth Business Day after the Scale Back Date in the manner described in paragraphs 15.5 and 15.6.

15.5 Where an acceptance and valid Alternative Offers Election relates to Dignity Shares in certificated form:

15.5.1 settlement of any cash due will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Dignity Shareholders or their appointed agents. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank;

- 15.5.2 where Valderrama D Shares are to be issued to Eligible Dignity Shareholders pursuant to the Unlisted Share Alternative, certificates for the Valderrama D Shares will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Eligible Dignity Shareholders or their appointed agents (but not to any address that is in a Restricted Jurisdiction, unless Bidco determines otherwise in its sole discretion); and
- 15.5.3 any New Castelnau Consideration Shares to which the accepting Eligible Dignity Shareholder is entitled will be issued to such Eligible Dignity Shareholder in certificated form. Definitive share certificates for the New Castelnau Consideration Shares will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Eligible Dignity Shareholders or their appointed agents (but not to any address that is in a Restricted Jurisdiction or an EEA Member State, unless Bidco determines otherwise in its sole discretion).
- 15.6 Where an acceptance and valid Alternative Offers Election relates to Dignity Shares in uncertificated form:
- 15.6.1 the cash consideration to which the accepting Dignity Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Dignity Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Bidco reserves the right to settle all or any part of the cash consideration referred to in this paragraph for all or any accepting Dignity Shareholder(s), in the manner referred to in the preceding paragraph, if, for any reason, it wishes to do so;
- 15.6.2 where Valderrama D Shares are to be issued to Eligible Dignity Shareholders pursuant to the Unlisted Share Alternative, certificates for the Valderrama D Shares will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Eligible Dignity Shareholders or their appointed agents (but not to any address that is in a Restricted Jurisdiction, unless Bidco determines otherwise in its sole discretion); and
- 15.6.3 settlement of any New Castelnau Consideration Shares to which the accepting Eligible Dignity Shareholder is entitled will be delivered to Dignity Shareholders through CREST. Bidco shall procure that Euroclear is instructed to credit the relevant stock account in CREST of the relevant Eligible Dignity Shareholder (or its appropriately authorised nominee) with such relevant Eligible Dignity Shareholder's entitlement to the New Castelnau Consideration Shares.

## 15.7 General

If the Offer does not become or is not declared unconditional:

- 15.7.1 in the case of Dignity Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within seven days of the Offer lapsing to the person or agent whose name and address is set out in the Form of Acceptance, or, if appropriate, Box 3 or Box 4 on the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address; and
- 15.7.2 in the case of Dignity Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding seven days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Dignity Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Dignity Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from Dignity Shareholders or their appointed agents will be sent at their own risk.

## 16 Conditions to the Acquisition, indicative timing and Longstop Date

The Acquisition is subject to the Conditions and further terms set out in Appendix A and the Form of Acceptance, including:

- the Acceptance Condition; and
- the FCA Change in Control Condition.

As described further in Appendix A, and subject to the rules of the Takeover Code, the Acceptance Condition shall be satisfied once valid acceptances of the Acquisition have been received by no later than 1.00 p.m. on the Unconditional Date (or such other times and/or dates as Bidco may specify, subject to the rules of the Takeover Code and where applicable with the consent of the Panel) in respect of 75% of the Dignity Shares to which the Offer relates and of the voting rights attached to those shares (when aggregated with any Dignity Shares acquired or agreed to be acquired by Bidco).

Bidco may, in its absolute discretion, decide to waive the Acceptance Condition down to a lesser percentage in accordance with Rule 10 of the Takeover Code, provided that the Acceptance Condition will not be satisfied unless Bidco and/or any of its wholly-owned subsidiaries has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Dignity Shares carrying in aggregate more than 50% of the voting rights then exercisable at a general meeting of Dignity (the “**Minimum Acceptance Threshold**”).

Subject to the satisfaction or (if permitted) waiver of the Conditions and certain further terms set out in Appendix A, it is expected that the Acquisition will become or be declared unconditional during the second quarter of 2023.

The Acquisition shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Bidco to be or remain satisfied, by midnight on the earlier of the Unconditional Date and the Longstop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel). Further details are set out in Part 2 of Appendix A. The Acquisition is not conditional on the Castelnau Placing, or on the admission of the New Castelnau Placing Shares or the New Castelnau Consideration Shares to trading on the Specialist Fund Segment.

## 17 Delisting and compulsory acquisition

If the Offer becomes or is declared unconditional and if Bidco has, by virtue of its shareholdings and acceptances of the Offer acquired, or agreed to acquire, Dignity Shares representing at least 75% of the voting rights of Dignity, Bidco intends to procure the making of an application by Dignity for cancellation, respectively, of the listing of Dignity Shares on the Official List and of the trading in Dignity Shares on the Main Market, and to re-register Dignity as a private limited company. A notice period of 20 business days (as such term is defined in the Listing Rules) before the cancellation will commence on the later of the date on which the Offer becomes or is declared unconditional and, provided that Bidco has, by virtue of its shareholdings and acceptances of the Offer, acquired Dignity Shares carrying 75% or more of the voting rights of Dignity, the date on which Bidco has made an announcement of that fact.

The cancellation of the listing of Dignity Shares on the Official List and to trading on the Main Market will substantially reduce the liquidity and marketability of any Dignity Shares not assented to the Offer at that time.

**If Bidco receives acceptances under the Offer in respect of, or otherwise acquires, 90% or more of the Dignity Shares to which the Offer relates, Bidco will exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Dignity Shares in respect of which the Offer has not been accepted.**

## 18 Further information

The terms and conditions of the Offer are set out in full in Appendix A. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your Dignity Shares are in certificated form, to the Form of Acceptance, which should be read in conjunction with this document.

A copy of this document (and all information incorporated into this document by reference to another source), the Form of Acceptance and the Valderrama KYC Form are and will be available, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, for inspection on Castelnau’s website at [www.castelnaugroup.com](http://www.castelnaugroup.com).

## 19 Action to be taken

If you hold your Dignity Shares in certificated form (that is, not in CREST), to accept the Offer and, if you are an Eligible Dignity Shareholder, to make Alternative Offers Elections you should complete, sign and return the enclosed Form of Acceptance, along with your valid share certificate(s) and/or other document(s) of title by post or (during normal business hours only) by hand to the Receiving Agent, Link Group, at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL **as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on the Unconditional Date.** Further details on the procedures for acceptance of the Offer and making Alternative Offers Elections if you hold any of your Dignity Shares in certificated form are set out in paragraph 13.1 of this Part II and Part 4 of Appendix A and in the accompanying Form of Acceptance. A reply-paid envelope for use within the UK only is enclosed for your convenience and may be used by holders of Dignity Shares in certificated form in the UK for returning their Form of Acceptance.

If you hold your Dignity Shares in uncertificated form (that is, in CREST), to accept the Offer and, if you are an Eligible Dignity Shareholder, to make Alternative Offers Elections you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles **as soon as possible and, in any event, by no later than 1.00 p.m. on the Unconditional Date.** Further details on the procedures for acceptance of the Offer and making Alternative Offers Elections if you hold any of your Dignity Shares in uncertificated form are set out in paragraph 13.2 of this Part II and in Part 5 of Appendix A. If you hold any of your Dignity Shares through a CREST sponsored member, you should contact your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

**In addition, if you are an Eligible Dignity Shareholder and you wish to make an election for the Unlisted Share Alternative, you must, regardless of whether you hold your Dignity Shares in certificated or uncertificated form, complete and return the Valderrama KYC Form as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by the Receiving Agent, Link Group, at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on the Unconditional Date.**

**Failure to return the Valderrama KYC Form and to provide the required preliminary KYC information will result in elections for the Unlisted Share Alternative being invalid and Eligible Dignity Shareholders who made such an invalid election will instead receive the Cash Offer for the number of Dignity Shares in respect of which they purported to make an election for the Unlisted Share Alternative.**

Yours faithfully,

**Nick Edwards**  
For and on behalf of  
Yellow (SPC) Bidco Limited

**Steve Tatters**  
For and on behalf of  
Yellow (SPC) Bidco Limited

## APPENDIX A

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

#### PART 1 – CONDITIONS TO THE ACQUISITION

The Acquisition is conditional upon:

##### Acceptance Condition

- 1 valid acceptances of the Offer having been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Offer) by no later than 1.00 p.m. on the Unconditional Date (or such other times and/or dates as Bidco may specify, subject to the rules of the Takeover Code and, where applicable, with the consent of the Panel) in respect of 75% (or such lesser percentage as Bidco may decide) of the Dignity Shares to which the Offer relates and of the voting rights attached to those shares, provided that: (a) this Condition will not be satisfied unless Bidco and/or any of its wholly-owned subsidiaries has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Dignity Shares carrying in aggregate more than 50% of the voting rights then exercisable at a general meeting of Dignity; and (b) unless the Panel consents otherwise, this Condition shall only be capable of being satisfied when all other Conditions set out in paragraphs 2 to 11 (inclusive) below have been satisfied or, if permitted, waived;

For the purposes of this Condition 1:

- (i) Dignity Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (ii) valid acceptances shall be deemed to have been received in respect of Dignity Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by Bidco, whether by virtue of acceptance of the Offer or otherwise;
- (iii) the expression “**Dignity Shares to which the Offer relates**” shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act; and
- (iv) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue excluding any and all shares held in treasury by Dignity from time to time.

In addition, the Acquisition is conditional upon the following Conditions and, accordingly, the Offer will not become or be declared unconditional unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

##### Official authorisations, regulatory clearances and third party clearances

###### FCA

- 2 the FCA:
  - 2.1 giving notice in writing in accordance with section 189(4)(a) of FSMA that it has determined to approve unconditionally;
  - 2.2 giving notice in writing in accordance with section 189(7) of FSMA that it has determined to approve subject to conditions that are satisfactory to Bidco (acting reasonably); or
  - 2.3 being treated, by virtue of section 189(6) of FSMA, as having approved,  
the acquisition of control (as defined in section 181 of FSMA read in conjunction with the Financial Services and Markets Act 2000 (Controllers) (Exemptions) Order 2009) over Dignity Funerals Limited by Bidco, each parent undertaking (as defined in FSMA) of Bidco and each other person required to give a notice under section 178 of FSMA in connection with the Acquisition or its implementation;

### **Other authorisations, consents and clearances**

- 3 the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Dignity Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, Dignity by Bidco or any member of the Wider Bidco Group;
- 4 all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Bidco Group of any shares or other securities in, or control of, Dignity and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary or appropriate by Bidco or any member of the Wider Bidco Group for or in respect of the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Dignity or any member of the Wider Dignity Group by any member of the Wider Bidco Group having been obtained in terms and in a form satisfactory to Bidco from all appropriate Third Parties or persons with whom any member of the Wider Dignity Group has entered into contractual arrangements and all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider Dignity Group which is material in the context of the Bidco Group or the Dignity Group as a whole or of the financing of the Acquisition remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- 5 no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or might reasonably be expected to:
  - 5.1 require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group or any member of the Wider Dignity Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Bidco Group or the Wider Dignity Group in either case taken as a whole;
  - 5.2 require, prevent or delay the divestiture by any member of the Wider Bidco Group of any shares or other securities in Dignity;
  - 5.3 impose any material limitation on, or result in a delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Dignity Group or the Wider Bidco Group or to exercise voting or management control over any such member;
  - 5.4 otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Bidco Group or of any member of the Wider Dignity Group to an extent which is material in the context of the Wider Bidco Group or the Wider Dignity Group in either case taken as a whole;

- 5.5 make the Acquisition or its implementation or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in, or control of, Dignity void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- 5.6 require any member of the Wider Bidco Group or the Wider Dignity Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Dignity Group or the Wider Bidco Group owned by any third party;
- 5.7 impose any limitation on the ability of any member of the Wider Dignity Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider Dignity Group taken as a whole or in the context of the Acquisition; or
- 5.8 result in any member of the Wider Dignity Group ceasing to be able to carry on business under any name under which it presently does so, and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Dignity Shares having expired, lapsed or been terminated;

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

- 6 save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Dignity Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the proposed acquisition of any shares or other securities (or equivalent) in Dignity or because of a change in the control or management of Dignity or otherwise, could or might result in any of the following to an extent which is material and adverse in the context of the Wider Dignity Group, or the Wider Bidco Group, in either case taken as a whole, or in the context of the Acquisition:
  - 6.1 any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to, any such member being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - 6.2 any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
  - 6.3 any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
  - 6.4 the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
  - 6.5 the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
  - 6.6 the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
  - 6.7 any such member ceasing to be able to carry on business under any name under which it presently does so; or
  - 6.8 the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,



and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Dignity Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs 6.1 to 6.8 of this Condition;

#### **Certain events occurring since Last Accounts Date**

- 7 save as Disclosed, no member of the Wider Dignity Group having, since the Last Accounts Date:
- 7.1 save as between Dignity and wholly-owned subsidiaries of Dignity or for Dignity Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Dignity Share Schemes, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
  - 7.2 save as between Dignity and wholly-owned subsidiaries of Dignity or for the grant of options and awards and other rights under the Dignity Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - 7.3 other than to another member of the Dignity Group, prior to completion of the Acquisition, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
  - 7.4 save for intra-Dignity Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
  - 7.5 save for intra-Dignity Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
  - 7.6 issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-Dignity Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
  - 7.7 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs 7.1 or 7.2 above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
  - 7.8 save for intra-Dignity Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
  - 7.9 entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
  - 7.10 (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or

- any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
- 7.11 entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Dignity Group or the Wider Bidco Group other than of a nature and extent which is normal in the context of the business concerned;
- 7.12 waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Dignity Group taken as a whole;
- 7.13 made any material alteration to its memorandum or articles of association or other incorporation documents;
- 7.14 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- 7.15 entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 7;
- 7.16 (except in relation to changes made or agreed as a result of, or arising from, law or changes to applicable law), made or agreed or consented to any change to:
- 7.16.1 the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Dignity Group for its directors, employees or their dependents;
- 7.16.2 the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
- 7.16.3 the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
- 7.16.4 the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
- in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
- 7.17 proposed, agreed to provide or modified the terms of any of the Dignity Share Schemes or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Dignity Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Dignity Group, save as agreed by the Panel (if required) and by Bidco, or entered into or changed the terms of any contract with any director or senior executive;
- 7.18 taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Dignity Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- 7.19 entered into, or varied in a material way the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider Dignity Group; or
- 7.20 waived or compromised any claim which is material in the context of the Wider Dignity Group taken as a whole, otherwise than in the ordinary course;

**No adverse change, litigation or regulatory enquiry**

8 save as Disclosed, since the Last Accounts Date:

- 8.1 no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Dignity Group which, in any such case, is material in the context of the Wider Dignity Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in such adverse change or deterioration;
- 8.2 no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Dignity Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Dignity Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Dignity Group which in any such case has had or might reasonably be expected to have an adverse effect on the Wider Dignity Group taken as a whole or in the context of the Acquisition;
- 8.3 no contingent or other liability of any member of the Wider Dignity Group having arisen or become apparent to Bidco or increased which has had or might reasonably be expected to have an adverse effect on the Wider Dignity Group taken as a whole, or in the context of the Acquisition;
- 8.4 no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider Dignity Group which in any case is material in the context of the Wider Dignity Group taken as a whole;
- 8.5 no member of the Wider Dignity Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider Dignity Group as a whole or material in the context of the Acquisition; or
- 8.6 no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Dignity Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect on the Wider Dignity Group taken as a whole;

**No discovery of certain matters**

9 save as Disclosed, Bidco not having discovered:

- 9.1 that any financial, business or other information concerning the Wider Dignity Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Dignity Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of the Rule 2.7 Announcement by disclosure either publicly or otherwise to Bidco or its professional advisers, in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole;
- 9.2 that any member of the Wider Dignity Group or partnership, company or other entity in which any member of the Wider Dignity Group has a significant economic interest and which is not a subsidiary undertaking of Dignity, is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of the Dignity Group for the financial year ended 31 December 2021, in each case, to the extent which is material in the context of the Wider Dignity Group taken as a whole; or
- 9.3 any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Dignity Group and which is material in the context of the Wider Dignity Group taken as a whole;

10 save as Disclosed, Bidco not having discovered that:

- 10.1 any past or present member of the Wider Dignity Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider Dignity Group and which is material in the context of the Wider Dignity Group taken as a whole;
- 10.2 there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Dignity Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Dignity Group (or on its behalf) or by any person for which a member of the Wider Dignity Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider Dignity Group taken as a whole or the Acquisition;
- 10.3 circumstances exist (whether as a result of the making of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Bidco Group or any present or past member of the Wider Dignity Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Dignity Group (or on its behalf) or by any person for which a member of the Wider Dignity Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider Dignity Group taken as a whole or the Acquisition; or
- 10.4 circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Dignity Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider Dignity Group and which is material in the context of the Wider Dignity Group taken as a whole or the Acquisition; and

**Anti-corruption, economic sanctions, criminal property and money laundering**

11 save as Disclosed, Bidco not having discovered that:

- 11.1 (i) any past or present member, director, officer or employee of the Wider Dignity Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks or (ii) any person that performs or has performed services for or on behalf of the Wider Dignity Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks;

- 11.2 any asset of any member of the Wider Dignity Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Dignity Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- 11.3 any past or present member, director, officer or employee of the Wider Dignity Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
- 11.3.1 any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue & Customs; or
- 11.3.2 any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable blocking law;
- 11.4 any past or present member, director, officer or employee of the Wider Dignity Group, or any other person for whom any such person may be liable or responsible:
- 11.4.1 has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including the U.S. Anti-Terrorism Act;
- 11.4.2 has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
- 11.4.3 has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
- 11.4.4 is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- 11.5 any member of the Wider Dignity Group is or has been engaged in any transaction which would cause Bidco to be in breach of any law or regulation upon the Acquisition completing, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue & Customs, or any other relevant government authority.

For the purposes of these Conditions the **“Wider Dignity Group”** means Dignity and its subsidiary undertakings, associated undertakings and any other undertaking in which Dignity and/or such undertakings (aggregating their interests) have a significant interest and the **“Wider Bidco Group”** means Bidco and its subsidiary undertakings, associated undertakings and any other undertaking in which Bidco and/or such undertakings (aggregating their interests) have a significant interest. For these purposes **“subsidiary undertaking”** and **“undertaking”** have the meanings given by the Companies Act, **“associated undertaking”** has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations, which shall be excluded for this purpose, and **“significant interest”** means a direct or indirect interest in 20% or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act).

## PART 2 – WAIVER AND INVOCATION OF THE CONDITIONS

- 1 Bidco reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part 1 of this Appendix A, except for Condition 1, which cannot be waived. The Acquisition is subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix A, to the further terms set out in this Appendix A, and to the full terms and conditions set out in this document and the Form of Acceptance.
- 2 The Acquisition shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Bidco to be or remain satisfied, by midnight on the earlier of the Unconditional Date and the Longstop Date (subject to the rules of the Takeover Code, and where applicable, the consent of the Panel).
- 3 Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions 1 to 11 (inclusive) by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.
- 4 Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
- 5 Bidco may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
- 6 Condition 1 is not subject to Rule 13.5(a) of the Takeover Code.
- 7 If Bidco is required by the Panel to make an offer or offers for Dignity Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
- 8 Save as may otherwise be required by the Panel, the Acquisition will not proceed, will lapse or will be withdrawn if by midnight on the Longstop Date:
  - 8.1 sufficient acceptances have not been received so as to enable Condition 1 to be satisfied; or
  - 8.2 where sufficient acceptances have been received so as to enable Condition 1 to be satisfied, one or more of the Conditions relating to an official authorisation or regulatory clearance has not been satisfied or waived and the Panel consents to the Acquisition not proceeding, lapsing or being withdrawn.

## PART 3 – FURTHER TERMS OF THE OFFER

The following further terms and conditions apply to the Offer, unless the contrary is expressed or the context requires otherwise.

Unless the context requires otherwise, any reference in Part 3, Part 4 or Part 5 of this Appendix A and in the Form of Acceptance to:

- (a) an “**Acceleration Statement**” means a statement in which Bidco, in accordance with Rule 31.5 of the Takeover Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived;
- (b) the “**Acceptance Condition**” means the Condition set out in paragraph 1 of Part 1 of this Appendix A;
- (c) the “**Acceptance Condition becoming or being satisfied**” means the Acceptance Condition becoming or being declared satisfied and references to “**satisfaction of the Acceptance Condition**” shall be construed accordingly;
- (d) “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (e) an “**ACIN**” means a notice in which Bidco gives notice of its intention to invoke the Acceptance Condition so as to cause the Offer to lapse in accordance with Rule 31.6 of the Takeover Code;
- (f) “**acting in concert with Bidco**” means any such person acting or deemed to be acting in concert with Bidco for the purposes of the Takeover Code and the Offer;
- (g) “**as may be required by the Takeover Code**” includes as may be required by the Panel;
- (h) “**Business Day**” shall be to that term as defined in the Takeover Code;
- (i) “**Day 39**”, “**Day 46**” and “**Day 60**” mean, respectively, 25 March 2023, 1 April 2023 and 15 April 2023 or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the Takeover Code;
- (j) the “**Longstop Date**” means midnight on 23 January 2024, or such later date (if any) as Bidco may, with the consent of Dignity or with the consent of the Panel, specify;
- (k) the “**Offer**” includes any revision, variation, renewal or extension of the Offer and includes any election available in connection with the Offer;
- (l) the “**Offer Period**” means, in relation to the Offer, the period commencing on 4 January 2023, until the time and date of an announcement that the Offer has either:
  - (i) lapsed in accordance with its terms or been withdrawn; or
  - (ii) become unconditional;
- (m) an “**official authorisation or regulatory clearance**” shall be to that term as referred to in the Takeover Code;
- (n) the Offer becoming “**unconditional**” means the Offer becoming or being declared unconditional in accordance with its terms; and
- (o) the “**Unconditional Date**” means Day 60 or such earlier date as Bidco may specify in any Acceleration Statement unless, where permitted, it has set aside that statement.

### 1 Offer timetable and acceptance period

- 1.1 Save as provided in this paragraph 1 of this Part 3 of this Appendix A, the Offer will initially be open for acceptance until 1.00 p.m. on Day 60.
- 1.2 Bidco reserves the right (but shall not be obliged) at any time to bring forward the date by which all of the Conditions must be satisfied or waived (and therefore shorten the period for which the Offer is open for acceptance) by publishing an Acceleration Statement in accordance with the requirements of the Takeover Code specifying a new Unconditional Date, provided always that such Unconditional Date will not be (i) earlier than 7 March 2023 or (ii) less than 14 days from the date on which the Acceleration Statement is published.

- 1.3 Bidco reserves the right (but shall not be obliged) at any time to seek to invoke the Acceptance Condition so as to cause the Offer to lapse by publishing an ACIN in accordance with the requirements of the Takeover Code. The ACIN will specify the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse (provided always that such date will not be: (i) earlier than 7 March 2023 or (ii) less than 14 days after the date on which the ACIN is published) and the level of acceptances which must be received in order for the Offer not to lapse on such date. Except with the Panel's consent, an ACIN shall be irrevocable. If the required level of acceptances has not been received by 1.00 p.m. on the date specified in the ACIN, the Acceptance Condition will be regarded as being incapable of satisfaction and the Offer will lapse. If the required level of acceptances has been received by 1.00 p.m. on the date specified in the ACIN, the Acceptance Condition will not be regarded as having been satisfied at that time unless all other Conditions to the Offer have been either satisfied or waived.
- 1.4 If Bidco publishes an Acceleration Statement or an ACIN, it will make an announcement of the new Unconditional Date or the date on which it intends to seek to invoke the Acceptance Condition, as applicable, in the manner described in paragraph 2 of this Part 3 of this Appendix A and give oral or written notice of such date to Link Group.
- 1.5 Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code) to request at any time that the Panel extend Day 60 (and, therefore, the period for which the Offer is open for acceptance), including by requesting that the Panel suspend the timetable for the Offer under Rule 31.4 of the Takeover Code if one or more Conditions relating to an outstanding official authorisation or regulatory clearance has not been satisfied or waived (which right is also reserved).
- 1.6 If:
  - 1.6.1 Day 60 is extended;
  - 1.6.2 the timetable for the Offer is suspended; or
  - 1.6.3 the timetable for the Offer resumes following a suspension of the timetable for the Offer,

Bidco will, if required by the Panel, make an announcement of such extension, suspension or resumption (as applicable) in the manner described in paragraph 2 of this Part 3 of this Appendix A and give oral or written notice of such extension, suspension or resumption (as applicable) to Link Group (and, in any announcement of an extension of Day 60 or resumption of the timetable for the Offer, will also specify, to the extent applicable, the new Day 39, Day 46 and Day 60 of the timetable for the Offer).
- 1.7 If the timetable for the Offer is suspended by the Panel and a revised date is not immediately specified for any or all of Day 39, Day 46 and/or Day 60, then any relevant requirement under Part 3, Part 4 or Part 5 of this Appendix A or the Form of Acceptance relating to Day 39, Day 46, Day 60 or the Unconditional Date (as applicable) or to any date and/or time specified by reference to such date shall also be suspended pending resumption of the timetable for the Offer.
- 1.8 Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as the Panel may permit or as may be required by the Takeover Code) from the date on which the revised offer document is published. Except with the Panel's consent, no revised offer document may be published after Day 46 or, where Bidco has made an Acceleration Statement, after the date which is 14 days prior to the Unconditional Date.
- 1.9 Bidco may, if it has reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside a "no increase" statement (as referred to in the Takeover Code) and/or an Acceleration Statement if it would otherwise prevent the publication of an increased or improved offer (as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the Dignity Board or in other circumstances permitted by the Panel.



- 1.10 If a competitive situation (as determined by the Panel) arises or further develops after Bidco has made a “no increase” statement (as referred to in the Takeover Code) and/or an Acceleration Statement in relation to the Offer, Bidco may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside that statement, and revise the Offer or extend the Unconditional Date (as appropriate), provided that Bidco complies with the requirements of the Takeover Code and, in particular, that it announces that the statement is set aside and that it is free to revise the Offer or extend the Unconditional Date (as appropriate) as soon as possible (and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation).
- 1.11 If Dignity makes an announcement of material new information of the kind referred to in Rule 31.8 of the Takeover Code after Day 39, Bidco may, if it has reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside a “no increase” statement (as referred to in the Takeover Code) and/or an Acceleration Statement, and revise the Offer or extend the Unconditional Date (as appropriate), provided that Bidco complies with the requirements of the Takeover Code and, in particular, that it announces that the statement is set aside and that it is free to revise the Offer or extend the Unconditional Date (as appropriate) as soon as possible (and in any event within four Business Days of the date of Dignity’s announcement).
- 1.12 If a competitive situation (as determined by the Panel) is continuing on the Business Day immediately preceding Day 60 and the Offer has not been withdrawn or lapsed, Bidco will enable holders of Dignity Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted a competing offer to accept the Offer by a special form of acceptance to take effect on Day 60 (or such other date as may be consented to by the Panel). It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that: (i) it is received by Link Group on or before Day 60 (or such other date as may be consented to by the Panel); (ii) the relevant Dignity Shareholder shall have withdrawn its acceptance of the competing offer but that the Dignity Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to a competing offer before Day 60 (or such other date as may be consented to by the Panel) by the escrow agent to the competing offer; (iii) the Dignity Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60 (or such other date as may be consented to by the Panel), but an undertaking is given that they will be so transferred as soon as possible thereafter; and (iv) such acceptance may be treated as a valid acceptance of the Offer in accordance with the Offer and the Takeover Code. Dignity Shareholders wishing to use such forms of acceptance should apply to Link Group on +44 (0)371 664 0321 on the Business Day immediately preceding Day 60 in order that such forms can be despatched. Calls from inside the United Kingdom are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notwithstanding the right to use such special form of acceptance, holders of Dignity Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purposes of accepting the Offer in respect of such shares.
- 1.13 Save as may otherwise be required or consented to by the Panel, the Offer shall lapse unless all of the Conditions have been satisfied or, where permitted, waived or, where appropriate, have been determined by Bidco to be or remain satisfied, by midnight on the earlier of the Unconditional Date and the Longstop Date, provided that Bidco reserves the right to extend Day 60 and/or the Longstop Date to a later time(s) and/or date(s) in accordance with paragraphs 1.5 and 1.15 of this Part 3 of this Appendix A respectively.
- 1.14 If, as a result of a Takeover Code matter remaining outstanding on the Unconditional Date, the Panel consents to the latest time at which the Offer may become unconditional being extended beyond midnight on the Unconditional Date pending the final determination of that outstanding

Takeover Code matter, for the purpose of determining whether the Acceptance Condition has been satisfied, acceptances received or purchases of Dignity Shares made after 1.00 p.m. on the Unconditional Date may not be taken into account except with the Panel's consent.

- 1.15 Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code), with the consent of Dignity or the consent of the Panel, at any time to extend the Longstop Date. In such event, Bidco will make an announcement in the manner described in paragraph 2 of this Part 3 of this Appendix A and give oral or written notice of such extension to Link Group.
- 1.16 Except with the Panel's consent, Bidco may not, for the purpose of determining whether the Acceptance Condition has been satisfied, take into account acceptances received or purchases of Dignity Shares made after 1.00 p.m. on the Unconditional Date or the Longstop Date (as applicable) or, in the context of an ACIN published by Bidco, 1.00 p.m. on the date specified in the ACIN as being the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse. If Day 60 is extended in circumstances other than those set out in paragraphs (a) to (d) of Rule 31.3 of the Takeover Code, acceptances received and purchases of Dignity Shares made in respect of which relevant electronic instructions or documents are received by Link Group after 1.00 p.m. on the relevant date may (except where the Takeover Code permits otherwise) only be taken into account with the Panel's consent.
- 1.17 If the Offer becomes unconditional, the Cash Offer will remain open for acceptance for not less than 21 days and the Alternative Offers will remain open for elections for not less than 14 days, in each case from the date on which the Offer became unconditional. Bidco will give at least 14 days' notice before the Offer is closed. If the Offer has become unconditional and it is stated by or on behalf of Bidco that the Offer will remain open until further notice, then not less than 14 days' notice in writing will be given, before closing the Offer, to those Dignity Shareholders who have not accepted the Offer (and to persons with information rights).

## **2 Announcements**

- 2.1 Except with the Panel's consent, Bidco shall make an announcement as described in paragraph 2.2 of this Part 3 of this Appendix A by 8.00 a.m. on the Business Day following each of the following dates (or such other time(s) or date(s) as the Panel may require or consent to):
  - 2.1.1 7 March 2023 and every seventh day thereafter (save to the extent that the Panel determines that such announcements are not required for the duration of any suspension of the timetable for the Offer pursuant to Rule 31.4(a) of the Takeover Code);
  - 2.1.2 any day on which the Offer is revised;
  - 2.1.3 each day in the period of seven consecutive days leading up to, and including, the Unconditional Date or the Longstop Date;
  - 2.1.4 any day on which an ACIN expires;
  - 2.1.5 any day on which the Offer becomes or is declared unconditional or lapses;
  - 2.1.6 any day on which, as at 5.00 p.m., the total percentage of shares which Bidco may count towards satisfaction of the Acceptance Condition has increased or decreased to, or through, any of the following thresholds:
    - 2.1.6.1 the percentage threshold to which the Acceptance Condition is at that time subject;
    - 2.1.6.2 75% of the shares carrying voting rights in Dignity; and
    - 2.1.6.3 if the threshold in 2.1.6.1 can be reduced to a specified minimum threshold, that threshold.
- 2.2 The announcements referred to in paragraph 2.1 of this Part 3 of this Appendix A will state (unless otherwise permitted by the Panel):

- 2.2.1 the number of Dignity Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with Bidco or in respect of Dignity Shares which were subject to an irrevocable undertaking or a letter of intent procured by Bidco or any person acting in concert with Bidco);
- 2.2.2 the number of Dignity Shares in respect of which valid Alternative Offers Elections have been received (specifying the number of Dignity Shares that Eligible Dignity Shareholders have elected to sell in exchange for the Listed Share Alternative and the Unlisted Share Alternative and noting that all valid Alternative Offers Elections may be scaled back on the Scale Back Date pursuant to the terms of this document);
- 2.2.3 details of any relevant securities of Dignity in which Bidco or any person acting in concert with it has an interest or in respect of which either of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
- 2.2.4 details of any relevant securities of Dignity in respect of which Bidco or any person acting in concert with it has an outstanding irrevocable undertaking or letter of intent; and
- 2.2.5 details of any relevant securities of Dignity which Bidco or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will in each case specify the percentage of each class of relevant securities of Dignity represented by each of these figures. Any such announcement shall include a prominent statement of the total number of Dignity Shares which Bidco may count towards the satisfaction of the Acceptance Condition and the percentage of Dignity Shares represented by this figure.

- 2.3 In calculating the number of Dignity Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 5 of this Part 3 of this Appendix A, acceptances and purchases which are not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification, save that those which could not be counted towards satisfaction of the Acceptance Condition under Notes 4, 5 and 6 on Rule 10.1 of the Takeover Code shall not (unless otherwise consented to by the Panel) be included.
- 2.4 In this Appendix A, references to the making of an announcement or the giving of notice by or on behalf of Bidco include the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service.
- 2.5 Unless otherwise consented to by the Panel: (i) an announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service; and (ii) an announcement which is published at a time when the relevant Regulatory Information Service is not open for business shall be distributed to not less than two newswire services operating in the UK and submitted for publication as soon as the relevant Regulatory Information Service re-opens.
- 2.6 A copy of any announcement made by Bidco in accordance with paragraph 2 of this Part 3 of this Appendix A will be available, subject to certain restrictions relating to persons outside the UK, for inspection on Bidco's website at [www.castelnaugroup.com](http://www.castelnaugroup.com) promptly after the making of such announcement and in any event by no later than 12 noon on the Business Day following the announcement.

- 2.7 Without limiting the manner in which Bidco may choose to make any public statement and subject to Bidco's obligations under applicable law and regulation and paragraph 2.5 of this Part 3 of this Appendix A, Bidco will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

### **3 Rights of withdrawal**

- 3.1 Acceptances and elections under the Offer are final and binding unless withdrawn in accordance with paragraph 3 of this Part 3 of this Appendix A or save as agreed in writing between Bidco and any particular Dignity Shareholder or as otherwise permitted by Bidco (either generally or for any particular Dignity Shareholder).
- 3.2 An accepting Dignity Shareholder may withdraw its acceptance of the Offer and/or any Alternative Offers Election made by it by written notice received by post or (during normal business hours only) by hand to Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL (or, in the case of Dignity Shares held in uncertificated form, in the manner referred to in paragraph 3.6 of this Part 3 of this Appendix A) at any time before the earlier of:
- 3.2.1 the time when the Acceptance Condition is satisfied; and
  - 3.2.2 the latest time for the receipt of acceptances and elections on the Unconditional Date.
- 3.3 If an accepting Dignity Shareholder withdraws its acceptance in accordance with paragraph 3 of this Part 3 of this Appendix A, or if the Offer lapses, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within seven days) and Link Group will immediately give instructions for the release of securities held in escrow.
- 3.4 In paragraph 3 of this Part 3 of this Appendix A, "**written notice**" (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Dignity Shareholder(s) or their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Bidco) given by post or (during normal business hours only) by hand to Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. E-mail or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Bidco or its agents to have been sent from, a jurisdiction where the giving of written notice or the withdrawal of an acceptance of the Offer in accordance with the provisions of paragraph 3 of this Part 3 of this Appendix A would constitute a violation of the relevant laws of such jurisdiction will be treated as valid, unless Bidco (in its sole discretion) determines otherwise.
- 3.5 To be effective, a written notice of withdrawal must be received by Link Group and must specify the name of the person who has tendered the Dignity Shares to be withdrawn and (if share certificates have been tendered) the name of the holder of the relevant Dignity Shares if different from the name of the person who tendered the Dignity Shares.
- 3.6 In the case of Dignity Shares held in uncertificated form, an accepting Dignity Shareholder may withdraw their acceptance through CREST by sending (or, if a CREST sponsored member, procuring that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- 3.6.1 the number of Dignity Shares to be withdrawn, together with their ISIN (this is GB00BRB37M78);
  - 3.6.2 the member account ID of the accepting Dignity Shareholder, together with their Participant ID;
  - 3.6.3 Link Group's Participant ID (this is RA10);
  - 3.6.4 the member account ID of Link Group included in the relevant Electronic Acceptance, being:
    - 3.6.4.1 for the Cash Offer, YELDIG01;

- 3.6.4.2 for the Unlisted Share Alternative, YELDIG02; and
- 3.6.4.3 for the Listed Share Alternative, YELDIG03;
- 3.6.5 the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
- 3.6.6 the intended settlement date for the withdrawal;
- 3.6.7 the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- 3.6.8 input with a standard delivery instruction priority of 80; and
- 3.6.9 the contact name and telephone number inserted in the shared note field.

Any such withdrawal will be conditional upon Link Group verifying that the withdrawal request is validly made. Accordingly, Link Group will, on behalf of Bidco, either reject the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or accept the withdrawal by transmitting in CREST a receiving agent accept (AEAN) message, as appropriate.

- 3.7 Dignity Shares in respect of which acceptances and/or elections have been validly withdrawn in accordance with paragraph 3 of this Part 3 of this Appendix A may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 13 of Part II of this document at any time while the Offer remains open for acceptance.
- 3.8 Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Bidco, whose determination will be final and binding (save as the Panel otherwise determines). None of Bidco, Dignity, Morgan Stanley, Link Group or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or will incur any liability for failure to do so.

#### **4 Revisions of the Offer**

- 4.1 Although no revision of the Offer is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise), and such revision represents, on the date on which it is announced (on such basis as Morgan Stanley may consider appropriate), an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered or in the overall value received and/or retained by a Dignity Shareholder (under the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4.3, 4.4 and 7 of this Part 3 of this Appendix A, be made available to any Dignity Shareholder who has accepted the Offer in its original or any previously revised form(s) and not validly withdrawn such acceptance in accordance with paragraph 3 of this Part 3 of this Appendix A (a **"Previous Acceptor"**). The acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, save as provided in paragraphs 4.3, 4.4 and 7 of this Part 3 of this Appendix A, be treated as an acceptance of the Offer as so revised and shall also constitute the irrevocable and separate appointment of Bidco and any director of, or any person authorised, by Bidco as such Previous Acceptor's attorney and/or agent with authority:
  - 4.1.1 to accept any such revised Offer on behalf of such Previous Acceptor;
  - 4.1.2 if such revised Offer includes alternative forms of consideration, to make on behalf of such Previous Acceptor such elections for and/or accept such alternative forms of consideration in the proportions such attorney and/or agent in their absolute discretion thinks fit; and
  - 4.1.3 to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such acceptance and/or election, such attorney and/or agent shall be able to take into account the nature of any previous acceptances and/or elections made by or on behalf of the Previous Acceptor and such other facts or matters as the attorney and/or agent

may reasonably consider relevant. The attorney and/or agent shall not be liable to any Dignity Shareholder or any other person in making such acceptance and/or election or in making any determination in respect thereof.

4.2 Subject to paragraph 4.3 and paragraph 4.4 of this Part 3 of this Appendix A, the powers of attorney and authorities conferred by paragraph 4 of this Part 3 of this Appendix A and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the Previous Acceptor duly and validly withdraws their acceptance under paragraph 3 of this Part 3 of this Appendix A.

4.3 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part 3 of this Appendix A shall not apply, and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:

4.3.1 in respect of Dignity Shares in certificated form, lodges with Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, by no later than the date by which elections for alternative forms of consideration must be made (or such other date as Bidco may determine), a Form of Acceptance (or other form validly issued by or on behalf of Bidco) in which the Previous Acceptor validly elects to receive the consideration receivable by them under such revised Offer in some other manner than that set out in their original or any previous acceptance and/or election; or

4.3.2 in respect of Dignity Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied.

Each ESA instruction must, in order for it to be valid and settle, include the following details:

4.3.2.1 the number of Dignity Shares in respect of which the changed election is made, together with their ISIN (this is GB00BRB37M78);

4.3.2.2 the member account ID of the Previous Acceptor, together with their Participant ID;

4.3.2.3 the member account ID of Link Group included in the relevant Electronic Acceptance, being:

(i) for the Cash Offer, YELDIG01;

(ii) for the Unlisted Share Alternative, YELDIG02; and

(iii) for the Listed Share Alternative, YELDIG03;

4.3.2.4 Link Group's Participant ID (this is RA10);

4.3.2.5 the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed, to be inserted at the beginning of the shared note field;

4.3.2.6 the intended settlement date for the changed election;

4.3.2.7 the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST,

and, in order that the desired change of election can be effected, must include:

4.3.2.8 the member account ID of Link Group relevant to the new election;

4.3.2.9 input with a standard delivery instruction priority of 80; and

4.3.2.10 the contact name and telephone number inserted in the shared note field.

Any such change of election will be conditional upon Link Group verifying that the request is validly made. Accordingly, Link Group will, on behalf of Bidco, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message, as appropriate.

- 4.4 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part 3 of this Appendix A shall not apply, and the authorities conferred by that paragraph shall not be exercised if, as a result thereof, the Previous Acceptor would (on such basis as Morgan Stanley may consider appropriate) thereby receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer than they would have received and/or retained (as appropriate) in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted and/or elected for by them or on their behalf (unless the Previous Acceptor has previously agreed in writing to receive and/or retain (as appropriate) less in aggregate consideration). The authorities conferred by paragraph 4.1 of this Part 3 of this Appendix A shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph.
- 4.5 Bidco and Link Group reserve the right to treat an executed Form of Acceptance or TTE instruction in respect of the Offer (in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances and/or elections shall constitute an authority in the terms of paragraph 4.1 of this Part 3 of this Appendix A, *mutatis mutandis*, on behalf of the relevant Dignity Shareholder.
- 4.6 If a competitive situation arises or further develops after the date of this document, Bidco may (with the consent of the Panel) extend or revise the Offer, provided that it complies with the requirements of the Takeover Code.

## **5 Acceptances and purchases**

- 5.1 Notwithstanding the right reserved by Bidco to treat an acceptance of the Offer and/or any Alternative Offers Elections as valid (even though, in the case of Dignity Shares held in certificated form, the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except as otherwise consented to by the Panel:
- 5.1.1 subject to paragraph 5.1.4 of this Part 3 of this Appendix A, an acceptance of the Offer shall not be treated as valid for the purposes of the Acceptance Condition unless the requirements of Note 4 and, if applicable, Note 6 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the Dignity Shares to which such acceptance relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);
- 5.1.2 subject to paragraph 5.1.4 of this Part 3 of this Appendix A, a purchase of Dignity Shares by Bidco or its nominee(s) or, in the case of an offer under Rule 9 of the Takeover Code, any person acting or deemed to be acting in concert with Bidco (or such person's nominee), will be treated as valid for the purposes of the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the Dignity Shares to which such purchase relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);
- 5.1.3 Dignity Shares which have been borrowed by Bidco may not be counted towards satisfying the Acceptance Condition; and
- 5.1.4 before the Acceptance Condition can be satisfied or the Offer can lapse as a result of the Acceptance Condition not having been satisfied (or being regarded as incapable of satisfaction), Link Group must have issued a certificate to Bidco or to Morgan Stanley which states:
- 5.1.4.1 the number of Dignity Shares in respect of which acceptances have been received and which are to be treated as valid for the purposes of paragraph 5.1 of this Part 3 of this Appendix A; and
- 5.1.4.2 the number of Dignity Shares otherwise acquired, whether before or during the Offer Period, which are to be treated as valid for the purposes of paragraph 5.2 of this Part 3 of this Appendix A.

Copies of such certificate will be sent to the Panel and to Morgan Stanley as soon as possible after it is issued.

- 5.2 For the purpose of determining at any particular time whether the Acceptance Condition has been satisfied, Bidco is not bound (unless otherwise required by the Takeover Code) to take into account any Dignity Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of subscription or conversion rights before the determination takes place unless written notice of such allotment, issue, subscription or conversion, containing all the relevant details, has been received before that time by Link Group from Dignity or its agents at the address specified in paragraph 3.2 of this Part 3 of this Appendix A. Notification by e-mail or facsimile or other electronic transmission will not constitute written notice for these purposes.

## **6 General**

- 6.1 It is intended that the Acquisition will be implemented by way of the Offer. However, Bidco reserves the right to elect, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Scheme. If the Acquisition is implemented by way of a Scheme, such Scheme will be implemented on the same terms, so far as applicable, as those that would apply to the Offer, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (subject to the consent of the Panel) such amendments as may be required by law or regulation. In particular, (i) the Longstop Date may cease to apply (and Bidco may, in accordance with the Takeover Code, specify a new longstop date by which the Scheme must become effective and specific dates by which the Court Meeting, the Dignity General Meeting and the Court hearing to sanction the Scheme must be held) and (ii) the Acceptance Condition would not apply and instead the Scheme would become effective and binding following:
- 6.1.1 its approval by a majority in number representing 75% or more in value of the relevant Dignity Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
  - 6.1.2 all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the Dignity General Meeting or at any adjournment of that meeting; and
  - 6.1.3 the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Bidco) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies in England and Wales.
- 6.2 In addition, if the Acquisition is implemented by way of a Scheme, the Scheme will be conditional upon the Conditions set out in Part 1 of this Appendix A (other than the Acceptance Condition) and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions have either been waived (if permitted) or fulfilled.
- 6.3 Dignity Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at 23 January 2023 or subsequently attaching or accruing to them, including voting rights and (subject to paragraph 6.4 of this Part 3 of this Appendix A) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after 23 January 2023.
- 6.4 If, on or after the date of the Rule 2.7 Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Dignity Shares, Bidco reserves the right (without prejudice to any right of Bidco to invoke Condition 7.3 in Part 1 of this Appendix A) to reduce the consideration payable under the terms of the Acquisition for the Dignity Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital. If (but only to the extent) Bidco exercises this right to make such a reduction in respect of a dividend and/or distribution and/or return of capital, Dignity Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital, and references in this document to the consideration payable under the terms of the Acquisition will be deemed to be references to the consideration as so reduced. To the extent that any such dividend and/or



distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph 6.4. Any exercise by Bidco of its rights referred to in this paragraph 6.4 shall not be regarded as constituting any revision or variation of the Acquisition.

- 6.5 Except with the Panel's consent, settlement of the consideration to which any Dignity Shareholder is entitled under the Acquisition will be implemented in full in accordance with the terms of the Acquisition without regard to any lien, right of set-off, counterclaim or other analogous right to which Bidco or Morgan Stanley may otherwise be, or claim to be, entitled as against such Dignity Shareholder and will be effected in the manner described in this document.
- 6.6 The Offer is made on 14 February 2023 and is capable of acceptance from that date. Copies of this document, the Form of Acceptance and any related documents are available (subject to certain restrictions relating to persons outside the UK) for inspection at [www.castelnaugroup.com](http://www.castelnaugroup.com) and from Link Group at the address set out in paragraph 3.2 of this Part 3 of this Appendix A.
- 6.7 In respect of Dignity Shares in certificated form, the terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Acquisition. The provisions of this Appendix A shall be deemed to be incorporated in and form part of each Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- 6.8 The Offer, all acceptances of it and all elections pursuant to the Offer, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Dignity Shareholder and Bidco, Morgan Stanley or Link Group shall be governed by and interpreted in accordance with English law.
- 6.9 Subject to paragraph 6.10 of this Part 3 of this Appendix A, the courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Acquisition and the Form of Acceptance or the Electronic Acceptance. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of a Dignity Shareholder constitutes such Dignity Shareholder's irrevocable submission to the jurisdiction of the courts of England and Wales.
- 6.10 The agreement in paragraph 6.9 of this Part 3 of this Appendix A is included for the benefit of Bidco, Morgan Stanley and Link Group and, accordingly, notwithstanding the exclusive agreement in that paragraph, Bidco, Morgan Stanley and Link Group shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of a Dignity Shareholder constitutes such Dignity Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.
- 6.11 Any omission or failure to despatch this document or (where relevant) the Form of Acceptance or any other document relating to the Acquisition or any notice required to be despatched under the terms of the Acquisition to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part 3 of this Appendix A, the Offer extends to any such person and to all Dignity Shareholders to whom this document, (where relevant) the Form of Acceptance and any related documents may not be despatched and who may not receive such documents, and such persons may (subject to certain restrictions relating to persons outside the UK) collect copies of those documents from Link Group at the address set out in paragraph 3.2 of this Part 3 of this Appendix A or inspect copies thereof at [www.castelnaugroup.com](http://www.castelnaugroup.com) while the Offer remains open for acceptances and/or elections.

- 6.12 If the Offer lapses for any reason or is withdrawn:
- 6.12.1 it will cease to be capable of further acceptance;
  - 6.12.2 Bidco and accepting Dignity Shareholders will cease to be bound by: (i) in the case of Dignity Shares held in certificated form, Forms of Acceptance submitted; and (ii) in the case of Dignity Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
  - 6.12.3 in respect of Dignity Shares held in certificated form, Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as the Panel may approve) within seven days of the Offer lapsing, at the risk of the Dignity Shareholder concerned, to the person or agent whose name and address is set out in the relevant box of the Form of Acceptance or, if none is set out, to the first-named holder at such holder's registered address; and
  - 6.12.4 in respect of Dignity Shares held in uncertificated form, Link Group will, immediately after the Offer lapses (or within such longer period as the Panel may permit), give TFE instructions to Euroclear to transfer all Dignity Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Offer to the original available balances of the Dignity Shareholders concerned.
- 6.13 All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix A or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the Dignity Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with Section 4 of the Powers of Attorney Act 1971), except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw their acceptance in accordance with paragraph 3 of this Part 3 of this Appendix A and duly and validly does so.
- 6.14 Without prejudice to any other provisions of this Part 3 of this Appendix A and subject to the requirements of the Takeover Code, Bidco, Morgan Stanley and Link Group reserve the right to treat acceptances of the Offer and any elections pursuant thereto as valid (in whole or in part) if not entirely in order or not accompanied by the relevant TTE instruction or (as applicable) relevant share certificate(s) and/or other document(s) of title or if received by or on behalf of any of them at any place or places or in any manner determined by any of them or otherwise than as set out in this document or, in respect of Dignity Shares held in certificated form, in the Form of Acceptance. In that event, no settlement of consideration of the Offer (including in respect of any valid Alternative Offers Election) will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Bidco have been received by Link Group.
- 6.15 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Dignity Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of Bidco.
- 6.16 If Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, both 90% or more in value of the Dignity Shares to which the Offer relates and 90% or more of the voting rights carried by those shares, and assuming that all of the other Conditions have been satisfied or waived (if capable of being waived), Bidco intends to exercise its rights in accordance with Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Dignity Shares on the same terms as the Offer.
- 6.17 Following the Offer becoming or being declared unconditional, if Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 75% or more of the voting rights carried by the Dignity Shares or the appropriate special resolutions are otherwise passed, and subject to any applicable requirements of the FCA, it is intended that Bidco will procure that Dignity makes applications to cancel the listing of Dignity Shares on the Official List, to cancel trading in Dignity Shares on the Main Market and to re-register Dignity as a private limited company. A notice period of not less than 20 business days (as such term is defined in the Listing Rules) before the cancellation will commence on the later of: (i) the date on which the

Offer becomes or is declared unconditional; and (ii) provided Bidco has, by virtue of its shareholdings and acceptances of the Offer, acquired Dignity Shares carrying 75% or more of the voting rights of Dignity, the date on which Bidco has made an announcement of that fact. Bidco will notify Dignity Shareholders when the required percentage has been attained and confirm that the notice period has commenced and the anticipated date of cancellation.

- 6.18 Any reference in this Appendix A to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this document).
- 6.19 In relation to any acceptance of the Offer in respect of a holding of Dignity Shares which are in uncertificated form, Bidco reserves the right to make such alterations, additions or modifications to the terms of the Acquisition as may be necessary or desirable to give effect to any purported acceptance of the Offer or Alternative Offers Election, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeover Code or are otherwise made with the Panel's consent.
- 6.20 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- 6.21 Neither Bidco, nor any member of the Wider Bidco Group nor any person acting on behalf of Bidco, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer, any Alternative Offers Elections or otherwise in connection therewith.
- 6.22 The Acquisition is subject to applicable requirements of the FCA, the LSE and the Takeover Code. In the event of any conflict or inconsistency between the terms and conditions of the Acquisition and the Takeover Code, the provisions of the Takeover Code shall prevail, and Bidco reserves the right to (and shall if required by the Panel) make such alterations, additions or modifications to the terms and conditions of the Acquisition so that any such conflict or inconsistency is removed.
- 6.23 Any question as to the validity (including time of receipt) of any acceptance of the Offer and any question as to, or the acceptance of, any words or markings on a Form of Acceptance will be determined by Bidco, whose determination (save as the Panel otherwise determines) will be final and binding. None of Bidco, the Wider Bidco Group, Morgan Stanley, Link Group or any other person will be under any duty to give notification of any defect or irregularity in any purported acceptance of the Offer or Alternative Offers Election or will incur any liability for failure to do so or for any determination under this paragraph 6.23.

## **7 Overseas Shareholders**

- 7.1 The making of the Offer in, or to persons resident in, ordinarily resident in, or to nationals or citizens of, jurisdictions outside the United Kingdom or to nominees of, or custodians or trustees for, citizens or nationals of other countries ("**Overseas Shareholders**") may be prohibited or affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the UK may treat the same as constituting an invitation or offer to them, nor should they in any event use such Form of Acceptance if, in the relevant jurisdiction, such invitation or offer cannot lawfully be made to them or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or Form of Acceptance are sent for information only. It is the responsibility of such Overseas Shareholder receiving a copy of this document and/or Form of Acceptance and wishing to accept the Offer and/or make any Alternative Offers Election(s) as to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue,

transfer or other taxes or other payments by whomsoever payable and Bidco and Morgan Stanley (and any person acting on behalf of either of them) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties as Bidco or Morgan Stanley (and any person acting on behalf of either of them) may be required to pay.

**If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.**

- 7.2 Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative will be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative will not be made available to any Dignity Shareholder whose registered address is in an EEA Member State.
- 7.3 Unless Bidco determines otherwise in its sole discretion, a Dignity Shareholder may be deemed not to have validly elected for either or both of the Alternative Offers if:
- 7.3.1 such Dignity Shareholder puts “NO” in Box 2 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph 1.2 of Part 4 of this Appendix A;
- 7.3.2 having completed Box 3 of the Form of Acceptance with a registered address in:
- 7.3.2.1 a Restricted Jurisdiction; or
- 7.3.2.2 in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State,
- such Dignity Shareholder does not complete Box 4 of the Form of Acceptance with the name and address of a person or agent outside a Restricted Jurisdiction or (in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance) outside an EEA Member State, in each case to whom such Dignity Shareholder wishes the consideration for which they make an election under either or both of the Alternative Offers, and/or any documents in connection with the Alternative Offers, to be sent;
- 7.3.3 such Dignity Shareholder completes Box 4 of the Form of Acceptance with the name and address of a person or agent in:
- 7.3.3.1 a Restricted Jurisdiction; or
- 7.3.3.2 in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State,
- in each case to whom such Dignity Shareholder wishes the consideration for which they make an election under either or both of the Alternative Offers, and/or any documents in connection with the Alternative Offers, to be sent;
- 7.3.4 in any case, the Form of Acceptance is received in an envelope postmarked in, or which otherwise appears to Bidco or its agent to have been sent from, a Restricted Jurisdiction or, in the case of a Dignity Shareholder who has also completed Box 1.3 of the Form of Acceptance, an EEA Member State;
- 7.3.5 such Dignity Shareholder inserts in Box 1 of the Form of Acceptance a telephone number in a Restricted Jurisdiction or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State; or
- 7.3.6 such Dignity Shareholder makes a Restricted Escrow Transfer pursuant to paragraph 7.7 of this Part 3 of this Appendix A, unless they also make a related Restricted ESA Instruction which is accepted by Link Group.

Bidco reserves the right, in its sole discretion, to investigate, in relation to any Alternative Offers Election, whether the representations and warranties set out in paragraph 1.2 of Part 4 of this Appendix A or (as the case may be) paragraphs 1.2 to 1.5 of Part 5 of this Appendix A could have been truthfully given by the relevant Dignity Shareholder and, if such investigation is made and, as a result, Bidco cannot satisfy itself that such representation and warranty was true and correct, the Alternative Offers Election shall not be valid.

- 7.4 If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any other documents related to the Offer in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facility of, a national, state or other securities exchange of a Restricted Jurisdiction in connection with such forwarding, such person should:
- 7.4.1 inform the recipient of such fact;
  - 7.4.2 explain to the recipient that such action may invalidate any purported election by the recipient for either or both of the Alternative Offers; and
  - 7.4.3 draw the attention of the recipient to this paragraph 7 of this Part 3 of this Appendix A.
- 7.5 If any written notice from a Dignity Shareholder withdrawing such Dignity Shareholder's acceptance or election in accordance with paragraph 3 of this Part 3 of this Appendix A is received in an envelope postmarked in, or which otherwise appears to Bidco or its agents to have been sent from, a Restricted Jurisdiction or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State, Bidco reserves the right in its absolute discretion to treat that notice as invalid.

**Any Alternative Offers Election by Dignity Shareholders who are unable to give the representations and warranties set out in paragraph 1.2 of Part 4 of this Appendix A or (as the case may be) paragraphs 1.2 to 1.5 of Part 5 of this Appendix A is liable to be disregarded.**

- 7.6 Bidco reserves the right, in its absolute discretion, to treat any acceptance or election as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- 7.7 If a Dignity Shareholder holding Dignity Shares in uncertificated form cannot give the representations and warranties set out in paragraphs 1.2 to 1.5 of Part 5 of this Appendix A, but nevertheless can provide evidence satisfactory to Bidco that they can make Alternative Offers Elections in compliance with all relevant legal and regulatory requirements, such Dignity Shareholder may only purport to make Alternative Offers Elections by sending (or, if a CREST sponsored member, procuring that their CREST sponsor sends) both:
- 7.7.1 a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and
  - 7.7.2 one or more valid ESA instructions (a "**Restricted ESA Instruction**") which specify the form of consideration which such Dignity Shareholder wishes to receive (consistent with the terms of the Alternative Offers).

Such purported Alternative Offers Election(s) will not be treated as valid unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Bidco decides, in its absolute discretion, to exercise its right described in paragraph 7.8 of this Part 3 of this Appendix A to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such Alternative Offers Election(s) to be made, in each case during the period for which the Offer is open for acceptance. If Bidco accordingly decides to permit such Alternative Offers Election to be made, Link Group will, on behalf of Bidco, accept the purported Alternative Offers Election as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Link Group will, on behalf of Bidco, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- 7.7.3 the ISIN for the Dignity Shares (this is GB00BRB37M78);
- 7.7.4 the number of Dignity Shares in uncertificated form in respect of which an Alternative Offers Election is to be made;
- 7.7.5 the member account ID and Participant ID of the Dignity Shareholder;
- 7.7.6 the Participant ID of Link Group (this is RA10) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- 7.7.7 the intended settlement date. This should be as soon as possible and, in any event, no later than 1.00 p.m. on the Unconditional Date;
- 7.7.8 the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- 7.7.9 input with a standard delivery instruction priority of 80; and
- 7.7.10 the contact name and telephone number inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and settle, include the following details:

- 7.7.11 the ISIN for the Dignity Shares (this is GB00BRB37M78);
- 7.7.12 the number of Dignity Shares relevant to that Restricted ESA Instruction;
- 7.7.13 the member account ID and Participant ID of the accepting Dignity Shareholder;
- 7.7.14 the member account ID and Participant ID of Link Group set out in the Restricted Escrow Transfer;
- 7.7.15 the Participant ID and the member account ID of Link Group relevant to the form of consideration required (details of which are set out in this document);
- 7.7.16 the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates, to be inserted at the beginning of the shared note field;
- 7.7.17 the intended settlement date. This should be as soon as possible and, in any event, no later than 1.00 p.m. on the Unconditional Date;
- 7.7.18 input with a standard delivery instruction priority of 80;
- 7.7.19 the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- 7.7.20 the contact name and telephone number inserted in the shared note field.

7.8 These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Dignity Shareholders or on a general basis by Bidco in its absolute discretion. Subject thereto, the provisions of this paragraph 7 of this Part 3 of this Appendix A supersede any terms of the Offer inconsistent with them. References in paragraph 7 of this Part 3 of this Appendix A to a Dignity Shareholder include references to the person or persons executing a Form of Acceptance and, if more than one person executes the Form of Acceptance, the provisions of this paragraph 7 of this Part 3 of this Appendix A shall apply to them jointly and severally.

7.9 Bidco reserves the right to notify any matter, including the making of the Offer, to all or any Dignity Shareholders:

- 7.9.1 with a registered address outside the United Kingdom; or
- 7.9.2 whom Bidco knows to be a custodian, trustee or nominee holding Dignity Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such Dignity Shareholder to receive or see that notice.

A reference in this document to a notice or the provision of information in writing by or on behalf of Bidco is to be construed accordingly.

## **8 Alternative Offers Elections**

- 8.1 The default consideration for Dignity Shareholders that accept the Offer will be the Cash Offer.
- 8.2 As an alternative to the Cash Offer, Eligible Dignity Shareholders may, subject to terms of the Offer (including, the scale back arrangements set out in paragraph 8.5 of this Part 3 of this Appendix A):
- 8.2.1 elect for the Unlisted Share Alternative (equating to 5.50 Valderrama D Shares for every Dignity Share so elected) in respect of some or all of their Dignity Shares; or
- 8.2.2 elect for the Listed Share Alternative (equating to  $7\frac{1}{3}$  New Castelnau Consideration Shares for every Dignity Share so elected) in respect of some or all of their Dignity Shares,
- and Eligible Dignity Shareholders may elect for any combination of the Unlisted Share Alternative, the Listed Share Alternative and/or the Cash Offer.
- 8.3 Alternative Offers Elections will be accepted only in respect of a whole number of Dignity Shares. Any Alternative Offers Election which is made in respect of a number of Dignity Shares which is not a whole number shall be deemed to be made in respect of the nearest whole number of Dignity Shares rounded down. The number of Dignity Shares in respect of which any Alternative Offers Elections are made represents the number of Dignity Shares in respect of which an Eligible Dignity Shareholder wishes to receive either Valderrama D Shares (if electing for the Unlisted Share Alternative) and/or New Castelnau Consideration Shares (if electing for the Listed Share Alternative), in each case as set out in such Dignity Shareholder's Form of Acceptance or Electronic Acceptance, as consideration under the terms of the Offer.
- 8.4 Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, neither the Listed Share Alternative nor the Unlisted Share Alternative is available, directly or indirectly, in, into or from a Restricted Jurisdiction and no Dignity Shareholder may make an Alternative Offers Election by any use, means or instrumentality (including facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange of a Restricted Jurisdiction. In addition, unless otherwise determined by Bidco or required by the Takeover Code, the Listed Share Alternative is not available to any Dignity Shareholder whose registered address is in an EEA Member State.
- 8.5 The Alternative Offers are limited to a number of Dignity Shares not exceeding the Alternative Offers Maximum. If valid Alternative Offers Elections are received from Eligible Dignity Shareholders in respect of a number of Dignity Shares that exceeds the Alternative Offers Maximum, such elections will be unable to be satisfied in full. In these circumstances, the number of Dignity Shares that each such Eligible Dignity Shareholder is entitled to exchange for Valderrama D Shares or New Castelnau Consideration Shares (as applicable) will be scaled back on a *pro rata* basis as between validly electing Eligible Dignity Shareholders, and the balance of the consideration for each Dignity Share will be paid in cash in accordance with the terms of the Cash Offer.
- 8.6 Bidco will assess if valid Alternative Offers Elections have been received from Eligible Dignity Shareholders in respect of a number of Dignity Shares that exceeds the Alternative Offers Maximum, and, therefore, the extent of any need to scale back such elections, on or around the Scale Back Date, based on valid elections received by 1.00 p.m. on that date.
- 8.7 Bidco intends to close the Alternative Offers on the Scale Back Date. Any closure of the Alternative Offers will be announced by Bidco via a Regulatory Information Service. If Bidco chooses to leave the Offer open for acceptance following the Scale Back Date, Dignity Shareholders will no longer be able to make Alternative Offers Elections and any Dignity Shareholders who purport to make Alternative Offers Elections have been closed will not receive any Valderrama D Shares or New Castelnau Consideration Shares, as applicable, but will instead receive the Cash Offer only.

- 8.8 If the Alternative Offers have been closed, Bidco reserves the right to reintroduce alternative offers on the same terms as described in this paragraph 8 of this Part 3 of this Appendix A and subject to the rules of the Takeover Code. In addition, if Bidco applies the provisions of sections 974 to 991 of the Companies Act to compulsorily acquire any outstanding Dignity Shares in respect of which the Offer has not been accepted (as described in paragraph 17 of Part II of this document), the Alternative Offers will be available to those Eligible Dignity Shareholders affected by the compulsory acquisition on the same terms as described in this paragraph 8 of this Part 3 of this Appendix A.
- 8.9 No Alternative Offers Election will be valid unless, by the time and date on which Bidco closes the Alternative Offers:
- 8.9.1 in respect of Dignity Shares held in certificated form, both a valid acceptance of the Offer and (a) valid Alternative Offers Election(s), duly completed in all respects and accompanied by all relevant share certificate(s), and/or other document(s) of title, is received; or
- 8.9.2 in respect of Dignity Shares held in uncertificated form, settlement of an Alternative Offers TTE instruction in relation to those Dignity Shares occurs in accordance with the procedures set out in paragraph 13.2.3 of Part II,
- and, in the case of an election for the Unlisted Share Alternative, the Valderrama KYC Form has also been returned to Link Group.
- 8.10 If a TTE instruction or Form of Acceptance that constitutes or includes any Alternative Offers Election is either received after the time and date upon which Bidco has closed the Alternative Offers, or is received before such time and date but is not, and is not deemed to be, valid or complete in all respects at such time and date, such Alternative Offers Election shall, for all purposes, be void and the Eligible Dignity Shareholder purporting to make such election shall not, for any purpose, be entitled to receive any variation of consideration under the election but such acceptance (if otherwise valid) shall, subject to the provisions of this paragraph 8 of this Part 3, be deemed to be an acceptance of the Offer in respect of the number of Dignity Shares in respect of which such Alternative Offers Election was purported to be made and the relevant Eligible Dignity Shareholder will be entitled to receive the Cash Offer due under the Offer in respect thereof.
- 8.11 In order to comply with Guernsey law, Eligible Dignity Shareholders who wish to make an election for the Unlisted Share Alternative will be required, as a condition to their election being treated as valid and to Valderrama D Shares being issued to them, to provide certain preliminary KYC information to Valderrama's Resident Agent by completing and returning the Valderrama KYC Form, a copy of which is enclosed with this document. Eligible Dignity Shareholders who wish to make an election for the Unlisted Share Alternative should refer to paragraph 13.1.4 in Part II of this document for details on how to complete and return the Valderrama KYC Form. Failure to provide the required information will result in elections for the Unlisted Share Alternative being invalid and Eligible Dignity Shareholders who made such an invalid election will instead receive the Cash Offer for the number of Dignity Shares in respect of which they purported to make an election for the Unlisted Share Alternative. Furthermore, Eligible Dignity Shareholders who receive Valderrama D Shares will be required to provide Valderrama's Resident Agent with further KYC information following the issue of Valderrama D Shares to them and information regarding this is set out in paragraph 13.1.5 in Part II of this document. Failure to provide such further information will result in the directors of Valderrama placing such restrictions as they think fit on the relevant holders of the Valderrama D Shares pursuant to the Valderrama Articles. These restrictions include suspending a person's ability to transfer the Valderrama D Shares or to receive dividends or other distributions in respect of them, as well as cancelling the relevant Valderrama D Shares.
- 8.12 Eligible Dignity Shareholders who return the Valderrama KYC Form and who provide the preliminary KYC information to Valderrama's Resident Agent in connection with an election for the Unlisted Share Alternative shall be deemed, for the purposes of applicable Guernsey law, to consent to Valderrama's Resident Agent collecting, processing and using any personal data relating to the relevant Eligible Data Shareholder that is contained in the Valderrama KYC Form.



- 8.13 Satisfaction of valid Alternative Offers Elections are conditional on the Offer becoming or being declared unconditional. The Alternative Offers will automatically lapse if the Offer lapses or expires.
- 8.14 Any Alternative Offers Election by an Eligible Dignity Shareholder may not be changed after the time that it is first made. However acceptances, including Alternative Offers Elections, may be withdrawn in accordance with the procedures in paragraph 3 of this Part 3.
- 8.15 The fractional entitlements of each Eligible Dignity Shareholder who validly elects for Valderrama D Shares under the Unlisted Share Alternative, and/or for New Castelnau Consideration Shares under the Listed Share Alternative, shall be reduced to the nearest number of whole Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) per Eligible Dignity Shareholder. Fractional entitlements to Valderrama D Shares or New Castelnau Consideration Shares shall not be allotted or issued to such Eligible Dignity Shareholders and the balance of any such fractional entitlements shall not be settled in cash. Bidco shall instead donate the cash value of such fractional entitlements to a charity to be chosen by Dignity.

## **9 Notice to US Investors**

- 9.1 The Offer relates to the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. Financial information included in this document and the Castelnau Prospectus has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.
- 9.2 The Offer is being made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.
- 9.3 The receipt of cash pursuant to the Offer by a US holder of Dignity Shares will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Dignity Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.
- 9.4 It may be difficult for US holders of Dignity Shares to enforce their rights and any claim arising out of the US federal laws, since Bidco and Dignity are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders of Dignity Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.
- 9.5 The securities to be issued in connection with either of the Alternative Offers pursuant to the Offer have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Valderrama D Shares and New Castelnau Consideration Shares will only be made available outside of the US to non-US Persons in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S.
- 9.6 **US HOLDERS OF DIGNITY SHARES ACCEPTING THE CASH OFFER SHOULD NOTE THAT US INFORMATION REPORTING AND BACKUP WITHHOLDING AT A RATE OF 24% MAY APPLY TO THE GROSS CASH CONSIDERATION PAYABLE TO THEM, UNLESS THE RELEVANT DIGNITY SHAREHOLDER PROVIDES A PROPERLY COMPLETED IRS FORM W-9 OR IRS FORM W-8 (AS APPROPRIATE), OR OTHERWISE ESTABLISHES AN APPLICABLE EXEMPTION FROM INFORMATION REPORTING AND BACKUP WITHHOLDING. COPIES OF THE IRS FORM W-9 AND IRS FORM W-8 ARE AVAILABLE ON THE IRS'S WEBSITE AT WWW.IRS.GOV/FORMS-INSTRUCTIONS. DIGNITY SHAREHOLDERS IN THE US ACCEPTING THE CASH OFFER SHOULD THEREFORE RETURN THE APPROPRIATE IRS FORM W-9 OR FORM W-8 WITH THEIR FORM OF ACCEPTANCE AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE**

RECEIVED BY POST OR (DURING NORMAL BUSINESS HOURS ONLY) BY HAND BY THE RECEIVING AGENT, LINK GROUP, AT CORPORATE ACTIONS, 10TH FLOOR, CENTRAL SQUARE, 29 WELLINGTON STREET, LEEDS LS1 4DL BY NO LATER THAN 1.00 P.M. ON THE UNCONDITIONAL DATE.

## PART 4 – FORM OF ACCEPTANCE

**This Part 4 applies only to Dignity Shares held in certificated form. If you hold all of your Dignity Shares in uncertificated form, you should ignore this Part 4 and instead read Part 5 of this Appendix A.**

For the purposes of this Part 4 of this Appendix A and the Form of Acceptance and subject to paragraphs 1.1.4 to 1.1.8 below, the phrase “**Dignity Shares in certificated form comprised in the acceptance**” shall mean the aggregate number of Dignity Shares inserted in Box 1.1, Box 1.2 and/or Box 1.3 of the Form of Acceptance.

1 Each Dignity Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to Link Group irrevocably undertakes, represents, warrants and agrees to and with Bidco, Morgan Stanley and Link Group (so as to bind such Dignity Shareholder and such Dignity Shareholder’s personal or legal representatives, heirs, successors and assigns) to the following effect:

1.1 that the execution of the Form of Acceptance shall constitute:

1.1.1 an acceptance of the Cash Offer in respect of the number of Dignity Shares in certificated form inserted or deemed to be inserted in Box 1.1 of the Form of Acceptance;

1.1.2 if Box 1.2 and/or Box 1.3 of the Form of Acceptance is completed, an election by the relevant Dignity Shareholder to receive, subject to the Alternative Offers Maximum and the other terms of the Offer set out in this Appendix A, in the case of Box 1.2, Valderrama D Shares instead of the Cash Offer or, in the case of Box 1.3, New Castelnau Consideration Shares instead of the Cash Offer, in each case in respect of the number of Dignity Shares in certificated form inserted, or deemed to be inserted, in Box 1.2 and/or Box 1.3 of the Form of Acceptance, as the case may be; and

1.1.3 an undertaking by the relevant Dignity Shareholder to execute any further documents and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part 4 and/or to perfect any of the authorities expressed to be given in this Part 4 and otherwise in connection with his acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part 3 of this Appendix A, each such acceptance, election and undertaking shall be irrevocable, provided that if:

1.1.4 (i) no number is entered in Box 1.1, Box 1.2 and/or Box 1.3 of the Form of Acceptance or (ii) the Form of Acceptance is otherwise completed incorrectly, but in each case the Form of Acceptance is signed or executed, it will be deemed to be an acceptance of the Cash Offer only in respect of all of the Dignity Shares in certificated form comprised in the acceptance (which for the purpose of this paragraph 1.1.4, shall mean the number of Dignity Shares printed in Box 1 or (if this is a lesser number) the number of Dignity Shares which is represented by the share certificate(s) and/or other document(s) of title that have been provided by the relevant Dignity Shareholder);

1.1.5 if a number is entered in one only of Box 1.1, Box 1.2 or Box 1.3 and that number is greater than the number of Dignity Shares printed in Box 1, it will be deemed to be (i) as regards Box 1.1, an acceptance of the Cash Offer, (ii) as regards Box 1.2, an election for the Unlisted Share Alternative and (iii) as regards Box 1.3, an election for the Listed Share Alternative, in each case in respect of the relevant Dignity Shareholder’s entire holding of Dignity Shares and such relevant Dignity Shareholder shall be deemed to have entered the corresponding number of Dignity Shares in Box 1.1, Box 1.2 or Box 1.3 (as applicable);

1.1.6 if any combination of Box 1.1, Box 1.2 and/or Box 1.3 is completed, and if the total number of Dignity Shares in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) is greater than the number of Dignity Shares printed in Box 1, the relevant Dignity Shareholder’s acceptance/elections will be scaled back *pro rata* as between their acceptance/elections in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) (rounded down to the nearest whole Dignity Share);

- 1.1.7 if any combination of Box 1.1, Box 1.2 and/or Box 1.3 is completed, and if the total number of Dignity Shares in Box 1.1, Box 1.2 and/or Box 1.3 (as applicable) is less than the number of Dignity Shares printed in Box 1, **the relevant Dignity Shareholder will be deemed to have rejected the Offer in respect of that shortfall and such Dignity Shareholder will not receive any consideration under the Offer in respect of that shortfall;** and
- 1.1.8 if a Dignity Shareholder enters in any of Box 1.1, Box 1.2 or Box 1.3 of the Form of Acceptance a number of Dignity Shares which is not a whole number, such Dignity Shareholder will be deemed to have entered in the relevant Box the nearest whole number of Dignity Shares when rounded down;
- 1.2 unless “NO” is put in Box 2 of the Form of Acceptance, that such Dignity Shareholder:
- 1.2.1 is not a Restricted Dignity Shareholder in relation to the Alternative Offer(s) for which such Dignity Shareholder has made an election;
- 1.2.2 has not utilised, in connection with any Alternative Offers Election or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails or any means or instrumentality (including facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State;
- 1.2.3 if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Bidco, Morgan Stanley or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Dignity Shareholder’s acceptance thereof;
- 1.2.4 is electing for either or both of the Alternative Offers from outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State, and has not executed, mailed or sent the Form of Acceptance containing such Alternative Offers Election in or from a Restricted Jurisdiction and/or an EEA Member State (as applicable); and
- 1.2.5 is not electing for either or both of the Alternative Offers as an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to any Alternative Offers Election from outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, an EEA Member State;
- 1.3 that the execution of the Form of Acceptance and its delivery to Link Group constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Dignity Shareholder not having validly withdrawn their acceptance, the irrevocable and separate appointment of each of Bidco and any director of, or any person authorised, by Bidco as such Dignity Shareholder’s attorney and/or agent (the “**attorney**”) and an irrevocable instruction and authorisation to the attorney:
- 1.3.1 to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Dignity Shares in certificated form comprised in the acceptance in favour of Bidco or such other person or persons as Bidco or its agents may direct in connection with acceptance of the Offer;
- 1.3.2 to deliver such form(s) of transfer and/or other document(s) in the attorney’s discretion and/or the certificate(s) and/or other document(s) of title relating to such Dignity Shares for registration within six months of the Offer becoming unconditional; and
- 1.3.3 to execute all such other documents and/or deeds and do all such other acts and things as may in the attorney’s opinion be necessary or desirable for the purpose of, or in connection with: (i) the acceptance of the Offer pursuant to the Form of

Acceptance and to vest the Dignity Shares in certificated form comprised in the acceptance in the name of Bidco or its nominee, (ii) any Alternative Offers Election (if applicable) or (iii) giving effect to the terms of the Offer.

- 1.4 that, in relation to any Dignity Shares in certificated form, the execution of the Form of Acceptance and its delivery to Link Group constitutes, subject to the Offer becoming unconditional and to an accepting Dignity Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request, subject to the provisions of paragraph 7 of Part 3 of this Appendix A:
  - 1.4.1 to Dignity or its agents to procure the registration of the transfer of the Dignity Shares in certificated form comprised in the acceptance pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Dignity Shares to Bidco or as it may direct;
  - 1.4.2 subject to the provisions of paragraph 8 of Part 3 of this Appendix A, in respect of Dignity Shares in certified form comprised in the acceptance, to Bidco, Morgan Stanley or their respective agent(s) to procure that the name(s) of Dignity Shareholders who have made valid Alternative Offers Elections is/are entered on the register of members of Valderrama (to the extent they have validly elected to receive Valderrama D Shares) and/or Castelnau (to the extent they have validly elected to receive New Castelnau Consideration Shares); and
  - 1.4.3 to Bidco and Morgan Stanley or their respective agents to procure the despatch by post (or by such other method as the Panel may approve) of the cheque for the cash consideration and any documents in connection with the Alternative Offers (to the extent any Alternative Offers Elections have validly been made) to which an accepting Dignity Shareholder is entitled, at the risk of such Dignity Shareholder, to the person or agent whose name and address outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, outside an EEA Member State, set out in Box 3 or Box 4 of the Form of Acceptance, or if no name and address is set out in Box 3 or Box 4, to the first named holder at such holder's registered address outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder who has completed Box 1.3 of the Form of Acceptance, outside an EEA Member State;
- 1.5 that the execution of the Form of Acceptance and its delivery to Link Group constitutes a separate authority to Bidco and/or Morgan Stanley and/or their respective directors within the terms of paragraph 4 of Part 3 of this Appendix A in respect of the Dignity Shares in certificated form comprised in the acceptance;
- 1.6 that, subject to the Offer becoming or being declared unconditional (or if the Offer will become unconditional or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration:
  - 1.6.1 Bidco and/or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Dignity or of any class of its shareholders) attaching to any Dignity Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
  - 1.6.2 the execution of a Form of Acceptance in respect of the Dignity Shares in certificated form comprised in the acceptance and in respect of which such acceptance has not been validly withdrawn:
    - 1.6.2.1 constitutes an authority to Dignity and its agents from such Dignity Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Dignity Shareholder as a member of Dignity (including any share certificate(s) or other document(s) of title) to Bidco at its registered office;
    - 1.6.2.2 constitutes an authority to Bidco or any director of, or any person authorised by, Bidco to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with

the exercise of any votes or other rights or privileges attaching to the Dignity Shares held by such Dignity Shareholder in certificated form (including signing any consent to short notice of a general or separate class meeting as such Dignity Shareholder's attorney and/or agent and on such Dignity Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Dignity Shares appointing any person nominated by Bidco to attend general and separate class meetings of Dignity (and any adjournments thereof) and to exercise the votes attaching to such shares on such Dignity Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and

1.6.2.3 will also constitute the agreement of such Dignity Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such Dignity Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting,

save that this authority will cease to be valid if the acceptance is validly withdrawn;

- 1.7 that such Dignity Shareholder will deliver or procure the delivery to Link Group at the address referred to in paragraph 3.2 of Part 3 of this Appendix A of share certificate(s) or other document(s) of title in respect of all Dignity Shares in certificated form held by such Dignity Shareholder in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Bidco in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional;
- 1.8 that such Dignity Shareholder is the sole legal and beneficial owner of the Dignity Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Dignity Shares and has the necessary capacity and authority to execute the Form(s) of Acceptance;
- 1.9 that the Dignity Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid on or after 23 January 2023;
- 1.10 that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
- 1.11 that, if such Dignity Shareholder accepts the Offer, they will do all such acts and things as shall be necessary or expedient to vest the Dignity Shares in certificated form comprised in the acceptance in Bidco or its nominee(s) or such other persons as Bidco may decide;
- 1.12 that the allotment and issue of the relevant number of Valderrama D Shares and/or New Castelnau Consideration Shares to a Dignity Shareholder in respect of any Alternative Offers Election(s) and/or the encashment of any cheque by a Dignity Shareholder accepting the Cash Offer shall, to the extent of such allotment and issue and/or the encashment, discharge in full any obligation of Bidco and/or Morgan Stanley to pay such Dignity Shareholder the consideration to which they are entitled pursuant to the Offer;
- 1.13 that such Dignity Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, Dignity, Morgan Stanley or Link Group, or any of their respective directors and/or agents, in the exercise of any of any such person's powers and/or authorities under this document;
- 1.14 that the execution of the Form of Acceptance constitutes such Dignity Shareholder's agreement to the terms of paragraphs 6.9 and 6.10 of Part 3 of this Appendix A;
- 1.15 that on execution the Form of Acceptance shall take effect as a deed;
- 1.16 that if any provision of Part 3 or Part 4 of this Appendix A shall be unenforceable or invalid or shall not operate so as to afford Bidco, Morgan Stanley or Link Group, or any of their respective directors and/or agents the benefit or authority expressed to be given therein, such

Dignity Shareholder shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable Bidco, Morgan Stanley and Link Group, and any of their respective directors and/or agents, to secure the full benefits of Part 3 and Part 4 of this Appendix A; and

- 1.17 that such Dignity Shareholder is not a customer (as defined by the rules of the FCA) of Morgan Stanley in connection with the Offer.
- 2 References in this Part 4 to a Dignity Shareholder shall include references to the person or persons executing a Form of Acceptance, and if more than one person executes a Form of Acceptance, the provisions of this Part 4 shall apply to them jointly and severally.

## PART 5 – ELECTRONIC ACCEPTANCES

**This Part 5 applies only to Dignity Shares held in uncertificated form. If you hold all of your Dignity Shares in certificated form, you should ignore this Part 5 and instead read Part 4 of this Appendix A.**

For the purposes of this Part 5 of this Appendix A, the phrase “**Dignity Shares in uncertificated form comprised in the acceptance**” shall mean the number of Dignity Shares which are transferred by the relevant Dignity Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

1 Each Dignity Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Bidco, Morgan Stanley and Link Group (so as to bind such Dignity Shareholder and such Dignity Shareholder's personal representatives, heirs, successors and assigns) to the following effect:

1.1 that the Electronic Acceptance shall constitute:

1.1.1 an acceptance of the Cash Offer in respect of the number of Dignity Shares in uncertificated form to which a Cash Offer TTE instruction relates;

1.1.2 if validly elected, an election by the relevant Dignity Shareholder to receive, subject to availability, Valderrama D Shares instead of the Cash Offer (if electing for the Unlisted Share Alternative) or New Castelnau Consideration Shares instead of the Cash Offer (if electing for the Listed Share Alternative), in each case in respect of the number of Dignity Shares in uncertificated form to which an Alternative Offers TTE instruction relates; and

1.1.3 an undertaking by the relevant Dignity Shareholder to execute any documents, take any further action and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part 5 and/or to perfect any of the authorities expressed to be given in this Part 5 and otherwise in connection with its acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part 3 of this Appendix A, each such acceptance, election and undertaking shall be irrevocable;

1.2 that such Dignity Shareholder is not a Restricted Dignity Shareholder in relation to the Alternative Offer(s) for which such Dignity Shareholder has made an election;

1.3 that such Dignity Shareholder has not utilised in connection with any Alternative Offers Election, directly or indirectly, the mails or any means or instrumentality (including facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder sending a Listed Share Alternative TTE instruction, an EEA Member State, was outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder sending a Listed Share Alternative TTE instruction, an EEA Member State, at the time of the input and settlement of any relevant Alternative Offers TTE instruction(s), and in respect of the Dignity Shares in uncertificated form comprised in the acceptance, is not electing for an Alternative Offer as an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to such Alternative Offers Election from outside a Restricted Jurisdiction and/or, in the case of a Dignity Shareholder sending a Listed Share Alternative TTE instruction, an EEA Member State;

1.4 that, if such Dignity Shareholder is an Overseas Shareholder, they have observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and have not taken or omitted to take any action that will or may result in Bidco, Morgan Stanley or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Dignity Shareholder's acceptance thereof;



- 1.5 that no Alternative Offers TTE instruction has been sent from a Restricted Jurisdiction or, in the case of a Dignity Shareholder sending a Listed Share Alternative TTE instruction, an EEA Member State and such Dignity Shareholder is making the relevant Alternative Offers Elections from outside a Restricted Jurisdiction and, in the case of a Dignity Shareholder making an election for the Listed Share Alternative, an EEA Member State;
- 1.6 that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Dignity Shareholder not having validly withdrawn their acceptance, the irrevocable appointment of each of Bidco and any director of, or any person authorised by, Bidco as such Dignity Shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney to execute all such documents and/or deeds and do all such acts and things as may in the attorney's opinion be necessary or desirable for the purpose of, or in connection with: (i) the acceptance of the Offer and to vest the Dignity Shares in uncertificated form comprised in the acceptance in the name of Bidco or its nominee, (ii) any Alternative Offers Election (if applicable) or (iii) giving effect to the terms of the Offer;
- 1.7 that the Electronic Acceptance constitutes the irrevocable appointment of Link Group as such shareholder's escrow agent to the Offer and an irrevocable instruction and authority to the escrow agent (i) subject to the Offer becoming unconditional in accordance with its terms and to an accepting Dignity Shareholder not having validly withdrawn their acceptance, to transfer to itself (or to such other person or persons as Bidco or its agents may direct) by means of CREST all or any of the Dignity Shares in uncertificated form (but not exceeding the number of Dignity Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted); and (ii) if the Offer does not become unconditional, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit), to transfer all such Dignity Shares to the original available balance of the accepting Dignity Shareholder;
- 1.8 that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional and to an accepting Dignity Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request to Bidco or its agents to procure (i) subject to the provisions of paragraph 8 of Part 3 of this Appendix A, the allotment and issue of any New Castelnau Consideration Shares in uncertificated form by Castelnau to any accepting Dignity Shareholder that validly elected for the Listed Share Alternative, (ii) subject to the provisions of paragraph 8 of Part 3 of this Appendix A, the allotment and issue of any Valderrama D Shares by Valderrama to any accepting Dignity Shareholder that validly elected for the Unlisted Share Alternative, or (iii) the making of a CREST payment obligation in favour of the Dignity Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such Dignity Shareholder is entitled, provided that:
  - 1.8.1 Bidco may (if, for reasons, outside its reasonable control, it is not able to effect settlement through CREST in accordance with this paragraph 1.8 of this Part 5 of this Appendix A) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post; and
  - 1.8.2 if the Dignity Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction or an EEA Member State, as applicable, any documents in connection with either of the Alternative Offers (to the extent any Alternative Offers Elections have validly been made) to which an accepting Dignity Shareholder is entitled may be despatched by post, at the risk of any such Dignity Shareholder that has made a valid Alternative Offers Election, to the first named holder at such holder's registered address outside a Restricted Jurisdiction or an EEA Member State (as applicable) or as otherwise determined by Bidco;
- 1.9 that the Electronic Acceptance constitutes a separate authority to Bidco, Morgan Stanley and their respective directors within the terms of paragraph 4 of Part 3 of this Appendix A in respect of the Dignity Shares in uncertificated form comprised in the acceptance;
- 1.10 that, subject to the Offer becoming or being declared unconditional (or if the Offer will become unconditional or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration:

- 1.10.1 Bidco and/or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Dignity or of any class of its shareholders) attaching to such Dignity Shares in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
- 1.10.2 an Electronic Acceptance in respect of the Dignity Shares in uncertificated form comprised in the acceptance and in respect of which such acceptance has not been validly withdrawn:
- 1.10.2.1 constitutes an authority to Dignity and its agents from such Dignity Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Dignity Shareholder as a member of Dignity (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Dignity Shares into certificated form) to Bidco at its registered office;
- 1.10.2.2 constitutes an authority to Bidco or any director of, or any person authorised by, Bidco to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Dignity Shares held by such Dignity Shareholder in uncertificated form (including signing any consent to short notice of a general or separate class meeting as such Dignity Shareholder's attorney and/or agent and on such Dignity Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Dignity Shares appointing any person nominated by Bidco to attend general and separate class meetings of Dignity (and any adjournments thereof) and to exercise the votes attaching to such shares on such Dignity Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
- 1.10.2.3 will also constitute the agreement of such Dignity Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such Dignity Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting,
- save that this authority will cease to be valid if the acceptance is validly withdrawn;
- 1.10.3 that such Dignity Shareholder is the sole legal and beneficial owner of the Dignity Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Dignity Shares and has the necessary capacity and authority to effect an Electronic Acceptance;
- 1.10.4 that the Dignity Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid on or after 23 January 2023;
- 1.10.5 that such Dignity Shareholder will do all such acts and things as shall be necessary or expedient to vest the Dignity Shares in uncertificated form comprised in the acceptance in Bidco or its nominee(s) or such other persons as Bidco may decide and all such acts and things as may be necessary or expedient to enable Link Group to perform its functions as escrow agent for the purposes of the Offer;
- 1.10.6 that such Dignity Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, Dignity, Morgan Stanley or Link Group, or any of their respective directors and/or agents, in the exercise of any of such person's powers and/or authorities under this document;
- 1.10.7 that if, for any reason, any Dignity Shares in respect of which a TTE instruction has been effected in accordance with paragraph 13.2 of the letter from Bidco contained in Part II of this document are converted to certificated form, such Dignity Shareholder

will (without prejudice to paragraph 1.10.2.1 of this Part 5) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Dignity Shares as so converted to Link Group at the address referred to in paragraph 3.2 of Part 3 of this Appendix A or to Bidco at its registered office or as Bidco or its agents may direct; and such Dignity Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part 4 of this Appendix A in relation to such Dignity Shares without prejudice to the application of this Part 5 as far as Bidco deems appropriate;

- 1.10.8 that the allotment and issue of the relevant number of Valderrama D Shares and/or New Castelnau Consideration Shares and/or the creation of a CREST payment obligation in favour of such Dignity Shareholder's payment bank, in accordance the arrangements referred to in paragraph 1.8 of this Part 5, shall, to the extent of such allotment and issue and/or the obligation so created, discharge in full any obligation of Bidco and/or Morgan Stanley to pay such Dignity Shareholder the consideration to which they are entitled pursuant to the Offer;
  - 1.10.9 that the making of an Electronic Acceptance constitutes such Dignity Shareholder's agreement to the terms of paragraphs 6.9 and 6.10 of Part 3 of this Appendix A;
  - 1.10.10 that, by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Dignity Shareholder in the terms of all the powers and authorities expressed to be given by Part 3, Part 5 and (where applicable by virtue of paragraph 1.10.7 of this Part 5) Part 4 of this Appendix A to Bidco, Link Group and Morgan Stanley and any of their respective directors and/or agents;
  - 1.10.11 that if any provision of Part 3 or Part 5 of this Appendix A shall be unenforceable or invalid or shall not operate so as to afford Bidco, Morgan Stanley or Link Group, or any of their respective directors and/or agents, the benefit or authority expressed to be given therein, such Dignity Shareholder shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable Bidco, Morgan Stanley and Link Group, and any of their respective directors and/or agents, to secure the full benefits of Part 3 and Part 5 of this Appendix A; and
  - 1.10.12 that such Dignity Shareholder is not a customer (as defined by the rules of the Financial Conduct Authority) of Morgan Stanley in connection with the Offer.
- 2 References in this Part 5 to a Dignity Shareholder shall include references to the person or persons making an Electronic Acceptance and, if more than one makes an Electronic Acceptance, the provisions of this Part 5 shall apply to them jointly and severally.

## APPENDIX B

### FINANCIAL AND RATINGS INFORMATION

#### 1 Dignity

##### *Financial information relating to Dignity*

The following sets out financial information in respect of Dignity as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of Dignity for the financial year ended 31 December 2021 set out on pages 105 to 166 (both inclusive) of Dignity's 2021 annual report and accounts, available on Dignity's website at <https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/>;
- the audited accounts of Dignity for the financial year ended 31 December 2020 set out on pages 84 to 143 (both inclusive) of Dignity's 2020 annual report and accounts, available on Dignity's website at <https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2021/>;
- the unaudited interim results for the 26 week period ended 1 July 2022 set out on pages 24 to 60 (both inclusive) of Dignity's 2022 interim results announcement, available on Dignity's website at <https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/>; and
- the trading update regarding Dignity's unaudited financial performance for the 52 weeks ended 30 December 2022 published on 23 January 2023, available on Dignity's website at <https://www.dignityplc.co.uk/news-media/offer-for-dignity-plc/>.

Dignity expects to publish its audited accounts for the financial year ended 30 December 2022 during the Offer Period. To the extent such audited accounts are published during the Offer Period, Dignity will release an announcement via a Regulatory Information Service and make available a copy of such accounts on its website at <https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2023/>.

##### *Dignity ratings information*

No rating agency has publicly accorded Dignity with any current credit rating or outlook.

The current credit ratings and outlooks publicly accorded to the Class A Notes and Class B Notes, in each case of Dignity Finance plc, are as follows:

	Rating agency	Rating	Outlook
Class A Notes	Fitch	A-	Negative
	Standard & Poor's	A-	Negative
Class B Notes	Fitch	BB+	Negative
	Standard & Poor's	B+	Negative

#### 2 Bidco

Bidco has no material assets or liabilities, other than those described in this document in connection with the Acquisition and the financing of the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities of Bidco will therefore comprise the consolidated earnings, assets and liabilities of the Dignity Group.

##### *Financial information relating to Bidco*

Bidco was incorporated on 13 October 2022. Therefore, as at the date of this document, no financial information or accounts are available for Bidco. Bidco has not traded since the date of its incorporation, has paid no dividends and has not entered into any obligations, other than in connection with the Acquisition.

##### *Bidco ratings information*

No rating agency has publicly accorded Bidco with any current credit rating or outlook.

### **3 Castelnau**

With effect from the Effective Date, the earnings, assets and liabilities of Castelnau will include a proportion of the consolidated earnings, assets and liabilities of the Dignity Group (such proportion being relative to the size of Castelnau's shareholding in Valderrama).

#### ***Financial information relating to Castelnau***

The following sets out financial information in respect of Castelnau as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of Castelnau for the financial year ended 31 December 2021 set out on pages 41 to 61 (both inclusive) of Castelnau's 2021 annual report and accounts, available on Castelnau's website at [https://www.castelnaugroup.com/application/files/6716/4969/1221/262804\\_Castelnau\\_AR\\_2021\\_WEB.pdf](https://www.castelnaugroup.com/application/files/6716/4969/1221/262804_Castelnau_AR_2021_WEB.pdf);
- the unaudited interim results for the six months ended 30 June 2022 set out on pages 21 to 37 (both inclusive) of Castelnau's 2022 interim results announcement, available on Castelnau's website at [https://www.castelnaugroup.com/application/files/8816/6255/4335/264110\\_Castelnau\\_Interim\\_Report\\_WEB\\_Hi.pdf](https://www.castelnaugroup.com/application/files/8816/6255/4335/264110_Castelnau_Interim_Report_WEB_Hi.pdf); and
- copies of Castelnau's quarterly reports and monthly fact sheets published since December 2021, available on Castelnau's website at <https://www.castelnaugroup.com/investor-relations/reports-factsheets>.

Castelnau expects to publish its audited accounts for the financial year ended 31 December 2022 during the Offer Period. To the extent such audited accounts are published during the Offer Period, Castelnau will release an announcement via a Regulatory Information Service and make available a copy of such accounts on its website at <https://www.castelnaugroup.com/investor-relations/reports-factsheets>.

#### ***Castelnau ratings information***

No rating agency has publicly accorded Castelnau with any current credit rating or outlook.

### **4 Valderrama**

Valderrama has no material assets or liabilities other than those described in this document in connection with the Acquisition and the financing of the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities of Valderrama will therefore comprise the consolidated earnings, assets and liabilities of the Dignity Group.

#### ***Financial information relating to Valderrama***

Valderrama was incorporated on 25 August 2022. Therefore, as at the date of this document, no financial information or accounts are available for Valderrama. Valderrama has not traded since the date of its incorporation, has paid no dividends and has not entered into any obligations, other than in connection with the Acquisition.

#### ***Valderrama ratings information***

No rating agency has publicly accorded Valderrama with any current credit rating or outlook.

### **5 Right to request hard copies**

A person who has received this document may request a hard copy of any documents or information incorporated by reference into this document.

Recipients of this document may request hard copies of the financial information referred to above by contacting Link Group on +44 (0)371 664 0321 or by submitting a request in writing to Link Group at Corporate Actions, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Save as expressly referred to in this document, hard copies of the financial information referred to above will not be sent to recipients of this document unless specifically requested.

## **6 No incorporation of website information**

Save as expressly referred to herein, neither the content of Dignity's or Castelnau's websites, nor the content of any website accessible from hyperlinks on Dignity's or Castelnau's websites, is incorporated into, or forms part of, this document.

## APPENDIX C

### ADDITIONAL INFORMATION

#### 1 Responsibility

- 1.1 Each Dignity Director, whose name is set out in paragraph 2.1 below, accepts responsibility for the information contained in this document (including any expressions of opinion), other than the information for which responsibility is taken by the Bidco Directors, the SPWOne Directors, the PAMP Directors or the Castelnau Directors pursuant to paragraphs 1.2 to 1.5 below. To the best of the knowledge and belief of each Dignity Director (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Each Bidco Director, whose name is set out in paragraph 2.3 below, accepts responsibility for the information contained in this document (including any expressions of opinion) relating to such Bidco Director (and their respective close relatives, related trusts and other persons connected with them), Valderrama, each member of the Bidco Group and any persons acting in concert with Bidco (as such term is defined in the Takeover Code). To the best of the knowledge and belief of each Bidco Director (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 Each SPWOne Director, whose name is set out in paragraph 2.5 below, accepts responsibility for the information contained in this document (including any expressions of opinion) relating to such SPWOne Director (and their respective close relatives, related trusts and other persons connected with them), SPWOne and Bidco. To the best of the knowledge and belief of each SPWOne Director (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 Each PAMP Director, whose name is set out in paragraph 2.7 below, accepts responsibility for the information contained in this document (including any expressions of opinion) relating to such PAMP Director (and their respective close relatives, related trusts and other persons connected with them), PAMP and Bidco. To the best of the knowledge and belief of each PAMP Director (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.5 Each Castelnau Director, whose name is set out in paragraph 2.9 below, accepts responsibility for the information contained in this document (including any expressions of opinion) relating to such Castelnau Director (and their respective close relatives, related trusts and other persons connected with them), Castelnau and Bidco. To the best of the knowledge and belief of each Castelnau Director (having 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.

#### 2 Directors

- 2.1 The Dignity Directors and their respective functions are as follows:

<b>Name</b>	<b>Position</b>
Giovanni (John) Castagno	Non-Executive Chair
Kate Davidson MBE	Chief Executive Officer
Graham Ferguson	Senior Independent Director
Dean Moore	Interim Chief Financial Officer
Kartina Tahir Thomson	Independent Non-Executive Director

2.2 Dignity's registered office, and the business address of each Dignity Director, is at 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP.

2.3 The Bidco Directors and their respective functions are as follows:

<b>Name</b>	<b>Position</b>
Nicholas Edwards	Director
Steven Tatters	Director

2.4 Bidco's registered office, and the business address of each Bidco Director, is at 64-66 Glenthams Road, London, SW13 9JJ.

2.5 The SPWOne Directors and their respective functions are as follows:

<b>Name</b>	<b>Position</b>
Nicholas Edwards	Director
Deborah Edwards	Director
Sir Peter Wood	Director

2.6 SPWOne's registered office, and the business address of each SPWOne Director, is at C/O SPWOne, PO BOX 671, Epsom, KT17 9PE.

2.7 The PAMP Directors and their respective functions are as follows:

<b>Name</b>	<b>Position</b>
Gary Channon	Director
Steven Tatters	Director
Charlotte Maby	Director
Andrew Gerrie	Director

2.8 PAMP's registered office, and the business address of each PAMP Director, is at 64-66 Glenthams Road, Barnes, London, SW13 9JJ.

2.9 The Castelnau Directors and their respective functions are as follows:

<b>Name</b>	<b>Position</b>
Joanne Peacegood	Non-Executive Chair
Joanna Duquemin Nicolle	Non-Executive Director
Graham Shircore	Non-Executive Director
David Stevenson	Non-Executive Director
Andrew Whittaker	Non-Executive Director

2.10 Castelnau's registered office, and the business address of each Castelnau Director, is at PO Box 255, Les Banques, Trafalgar Court, St. Peter Port, Guernsey, GY1 3QL.

### **3 Persons acting in concert**

3.1 In addition to the Dignity Directors (together with their close relatives and related trusts) and members of the Dignity Group (and their related pension schemes), the persons who, for the purposes of the Takeover Code, are acting in concert with Dignity in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Type</b>	<b>Registered Office</b>	<b>Relationship with Dignity</b>
Rothschild & Co	Private limited company	New Court, St Swithin's Lane, London, EC4P 4DU	Financial adviser to Dignity in connection with the Acquisition
Investec	Public limited company	30 Gresham Street, London, EC2V 7QP	Corporate broker to Dignity in connection with the Acquisition



- 3.2 In addition to the Bidco Directors (together with their respective close relatives and related trusts), each member of the Consortium, Valderrama and each member of the Bidco Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Bidco in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Type</b>	<b>Registered Office</b>	<b>Relationship with Bidco</b>
Morgan Stanley & Co. International plc	Public limited company	25 Cabot Square, Canary Wharf, London, E14 4QA	Financial adviser to Bidco in connection with the Acquisition
Liberum	Private limited company	Ropemaker Place Level 12, 25 Ropemaker Street, London, EC2Y 9LY	Corporate broker to Castelnau in connection with the Castelnau Placing
SPWOne III Limited	Private Limited company	C/O SPWOne, PO BOX 671, Epsom, KT17 9PE	An entity wholly owned by Sir Peter Wood

## 4 Interests and dealings in Relevant Securities

### 4.1 Definitions used in this section

For the purposes of this paragraph 4:

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

“**connected person**” means, in relation to a person: (a) such person’s close relatives; (b) the trustee(s) of any trust for the benefit of such person mentioned in (a); (c) any company or other entity in which any such person mentioned in (a) or (b), directly or indirectly, controls 30% or more of the voting rights, has the right to appoint or remove a majority of the members of its board of directors, or which is accustomed to act in accordance with the instructions of any such person because such person has the power to exercise, or actually exercises, dominant influence or control;

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

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

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

“**Disclosure Date**” means the close of business on 10 February 2023, being the latest practicable date prior to the publication of this document;

“**Disclosure Period**” means the period commencing on 4 January 2022 (being the date 12 months prior to the start of the Offer Period) and ending on the Disclosure Date;

“**interest**” in relevant securities has the meaning given to it in the Takeover Code;

“**Note 11 arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;

“**Offer Period**” means, in this context, the period commencing on 4 January 2023 and ending on the Disclosure Date;

“**relevant Bidco securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Bidco, including equity share capital of Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect any of the foregoing;

“**relevant Castelnau securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Castelnau, including equity share capital of Castelnau (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect of any of the foregoing;

“**relevant Dignity securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of Dignity, including equity share capital of Dignity (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect any of the foregoing;

“**Relevant Securities**” means relevant Bidco securities, relevant Castelnau securities, relevant Valderrama securities and relevant Dignity securities;

“**relevant Valderrama securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Valderrama, including equity share capital of Valderrama (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect any of the foregoing; and

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

## 4.2 Interests in relevant Dignity securities

### **Dignity**

4.2.1 As at the Disclosure Date, the Dignity Directors held the following outstanding options and awards over relevant Dignity securities under the Dignity Share Schemes:

Dignity Director	Dignity Share Scheme	Vesting date	Exercise price (p)	Number of Dignity Shares under option
Kate Davidson MBE	LTIP	31 December 2023	N/A	11,933

### **Bidco**

4.2.2 As at the Disclosure Date, persons acting in concert with Dignity held the following interests in, or rights to subscribe in respect of, relevant Dignity securities:

Name	Nature of interest	Number of Dignity Shares	Percentage of Dignity's issued share capital
Investec Bank plc (as connected adviser)	Holding	7,339	0.01

4.2.3 As at the Disclosure Date, persons acting in concert with Bidco held the following interests in, or rights to subscribe in respect of, relevant Dignity securities:

Name	Nature of interest	Number of Dignity Shares	Percentage of Dignity's issued share capital
PAMP (as discretionary investment manager)	Holding	4,515,010	9.01
Castelnau	Holding	10,361,149	20.68

## 4.3 Dealings in relevant securities in Dignity

### **Bidco**

4.3.1 The following table sets out dealings in relevant Dignity securities by persons acting in concert with Bidco during the Disclosure Period:

Name	Date	Nature of dealings	Number of Dignity Shares	Price (pence)
Castelnau	28 February 2022	Purchase from a PAMP Affiliate	105,996	£5.03

#### 4.4 Interests in relevant Castelnau securities

##### ***Bidco Directors***

4.4.1 As at the Disclosure Date, the Bidco Directors held the following interests in, or rights to subscribe in respect of, relevant Castelnau securities:

<b>Name</b>	<b>Nature of interest</b>	<b>Number of Castelnau Shares</b>	<b>Percentage of Castelnau's issued share capital</b>
Nicholas Edwards	Holding	40,000	0.02

##### ***Persons acting in concert with Bidco***

4.4.2 As at the Disclosure Date, persons acting in concert with Bidco held the following interests in, or rights to subscribe in respect of, relevant Castelnau securities:

<b>Name</b>	<b>Nature of interest</b>	<b>Number of Castelnau Shares</b>	<b>Percentage of Castelnau's issued share capital</b>
SPWOne III Limited	Holding	25,000,000	13.59
PAMP (as discretionary investment manager)	Holding	130,942,758	71.17

#### 4.5 General

4.5.1 Save as disclosed in this document, as at the Disclosure Date:

##### ***Bidco***

4.5.1.1 Bidco did not have any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has Bidco dealt in any Relevant Securities during the Disclosure Period;

4.5.1.2 none of the Bidco Directors, nor any of their connected persons, had any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has any such person dealt in any Relevant Securities during the Disclosure Period;

4.5.1.3 no other person acting in concert with Bidco had any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has any such person dealt in any Relevant Securities during the Disclosure Period;

4.5.1.4 neither Bidco nor any person acting in concert with it had any Note 11 arrangements with any other person;

4.5.1.5 neither Bidco, nor any person acting in concert with Bidco, has borrowed or lent any Relevant Securities (including for these purposes any financial or collateral arrangements) during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold;

##### ***Dignity***

4.5.1.1 Dignity did not have any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has any member of the Dignity Group dealt in any Relevant Securities during the Offer Period;

4.5.1.2 none of the Dignity Directors, nor any of their connected persons, had any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has any such person dealt in any Relevant Securities during the Offer Period;

- 4.5.1.3 no other person acting in concert with Dignity had any interest in, right to subscribe in respect of or any short position in relation to any Relevant Securities, nor has any such person dealt in any Relevant Securities during the Offer Period;
- 4.5.1.4 neither Dignity nor any person acting in concert with it had any Note 11 arrangements with any other person; and
- 4.5.1.5 neither Dignity, nor any person acting in concert with Dignity, has borrowed or lent any Relevant Securities (including for these purposes any financial or collateral arrangements) during the Offer Period, save for any borrowed shares which have been either on-lent or sold.
- 4.5.2 Save as disclosed in this document, no persons have given any irrevocable or other commitment to Bidco in connection with the Acquisition.
- 4.5.3 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any person acting in concert with it and any of the Dignity Directors or the recent directors, shareholders or recent shareholders of Dignity having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.5.4 Save as disclosed in this document, there is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any Dignity Shares to be acquired by Bidco pursuant to the Acquisition will be transferred to any other person, except that Bidco reserves the right to transfer any such shares to any other member of the Wider Bidco Group.
- 4.5.5 No relevant Dignity securities have been redeemed or purchased by Dignity during the Disclosure Period.

#### 4.6 Persons with pre-existing interests

As at the Latest Practicable Date, the persons set out below had pre-existing indirect interests in Bidco which would result in them having an indirect interest of 5% or more in Dignity's fully diluted share capital if the Acquisition became Effective, assuming that: (i) Bidco had exercised its right to waive down the Acceptance Condition to the Minimum Acceptance Threshold; (ii) no Eligible Dignity Shareholder had made Alternative Offers Elections; (iii) Bidco had acquired the Consortium Rollover Shares from the PAMP Affiliates and Castelnaud in accordance with the terms of the Consortium Rollover SPA as described in paragraph 9.2.2 below; (iv) neither SPWOne nor Castelnaud had syndicated any part of their equity funding commitments in respect of Valderrama; and (v) there had been no changes to Dignity's fully diluted share capital between the Latest Practicable Date and the date on which the Acquisition became Effective. For the purposes of this paragraph 4.6, percentages of Dignity given are references to percentages of Dignity's fully diluted share capital as at the Latest Practicable Date:

Name	Interest
Sir Peter Wood <sup>(1)</sup>	16.01%
Gary Channon (and his close relatives) <sup>(2)</sup>	24.54%

Notes:

- (1) Sir Peter Wood would be indirectly interested in 16.01% of Dignity via his shareholding in:
  - i. SPWOne, of which he is the sole shareholder and which would be directly interested in 23.19% of the capital of Valderrama, which would, in turn, be indirectly interested in 50% of Dignity, resulting in Sir Peter Wood being indirectly interested in 11.60% of Dignity; and
  - ii. SPWOne III Limited, of which he is the sole shareholder and which would be directly interested in 11.55% of the capital of Castelnaud, which, in turn, would be directly interested in 76.48% of the capital of Valderrama, which would, in turn, be indirectly interested in 50% of Dignity, resulting in Sir Peter Wood being indirectly interested in 4.42% of Dignity.
- (2) Gary Channon and his close relatives would be indirectly interested in 24.54% of Dignity as a result of:
  - (i) Gary Channon and his close relatives' direct interest in 99.44% of the capital of Channon Holdings Limited, which, in turn, is directly interested in 85% of the capital of PAMP, which, in turn, would be directly interested in 0.33% of the capital of Valderrama, which, in turn, would be indirectly interested in 50.00% of Dignity, resulting in Gary Channon and his close relatives being indirectly interested in 0.14% of Dignity; and

- (ii) Gary Channon and his close relatives' direct interest in 99.44% of the capital of Channon Holdings Limited, which, in turn, is directly interested in 85% of the capital of PAMP, which, in turn, would be directly interested in 75.49% of the capital of Castelnau, which, in turn, would be directly interested in 76.48% of the capital of Valderrama, which, in turn, would be directly interested in 50.00% of Dignity, resulting in Gary Channon and his close relatives being indirectly interested in 24.40% of Dignity.

## **5 Irrevocable undertaking and letters of intent**

### ***Irrevocable undertaking given by Kate Davidson MBE***

- 5.1 Kate Davidson MBE, Dignity's Chief Executive Officer and the sole Dignity Director to have an interest in any Dignity Shares (all of which are represented by options and awards to be granted under the Dignity Share Schemes), has irrevocably undertaken to accept the Offer (or, if the Acquisition is implemented by way of a Scheme, to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Dignity General Meeting, as necessary) in respect of her entire interest in Dignity Shares, representing approximately 0.02% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 0.03% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares. Kate Davidson MBE intends to accept the Cash Offer in respect of her entire interest in Dignity Shares.
- 5.2 This irrevocable undertaking remains binding in the event a higher competing offer is made for Dignity and will lapse and cease to be binding only if:
  - 5.2.1 the Offer is declared unconditional in accordance with the requirements of the Takeover Code, or a Scheme (if applicable) becomes effective in accordance with its terms;
  - 5.2.2 Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code, either at the same time or within two Business Days of such announcement;
  - 5.2.3 the Offer lapses or is withdrawn, unless Bidco announces, within five Business Days of such lapse or withdrawal and with the consent of the Panel, a firm intention to switch to a Scheme (or vice versa, if Bidco elects to implement the Acquisition by way of a Scheme);
  - 5.2.4 the Offer does not become unconditional in accordance with the requirements of the Takeover Code by the Longstop Date, or, if Bidco elects to implement the Acquisition by way of a Scheme, the Scheme does not become effective by the Longstop Date; or
  - 5.2.5 any competing offer is made for Dignity and such competing offer is declared unconditional in accordance with the requirements of the Takeover Code (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a Scheme).

### ***Letters of intent***

- 5.3 Bidco has received letters of intent, confirming its intention to accept the Offer (or, if the Acquisition is implemented by way of a Scheme, to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Dignity General Meeting, as necessary) from:
  - 5.3.1 Artemis Investment Management LLP (acting in its capacity as investment adviser for and on behalf of Artemis Strategic Assets Fund and Artemis Alpha Trust plc) in respect of a total of 4,627,107 Dignity Shares, representing approximately 9.04% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 12.75% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares. Artemis Investment Management LLP has also confirmed its intention to elect for the Listed Share Alternative in respect of a significant proportion of its holding of Dignity Shares; and

- 5.3.2 Ravenscroft Group in respect of a total of 500,000 Dignity Shares, representing approximately 0.98% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date and approximately 1.38% of Dignity's fully diluted share capital as at the close of business on the Latest Practicable Date excluding the Consortium Rollover Shares.

## 6 Market quotations

- 6.1 The following table shows the Closing Price for Dignity Shares on the following dates:

- 6.1.1 3 January 2023, being the last Business Day before the start of the Offer Period;
- 6.1.2 the first Business Day of each of the six months immediately before the date of this document; and
- 6.1.3 the Latest Practicable Date.

<b>Date</b>	<b>Price per Dignity Share (pence)</b>
1 September 2022	407
3 October 2022	340
1 November 2022	479
1 December 2022	370
3 January 2023	426
1 February 2023	543
<b>Latest Practicable Date</b>	<b>543</b>

- 6.2 The following table shows the Closing Price for an ordinary share in the capital of Castelnau on the following dates:

- 6.2.1 3 January 2023, being the last Business Day before the start of the Offer Period;
- 6.2.2 the first Business Day of each of the six months immediately before the date of this document; and
- 6.2.3 the Latest Practicable Date.

<b>Date</b>	<b>Price per Castelnau Share (pence)</b>
1 September 2022	83.0
3 October 2022	80.5
1 November 2022	75.0
1 December 2022	75.0
3 January 2023	69.0
1 February 2023	76.5
<b>Latest Practicable Date</b>	<b>76.5</b>

## 7 Service contracts and letters of appointment of the Dignity Directors

### 7.1 Executive Dignity Director service contracts

Set out below are the details of the service contracts of the executive Dignity Directors:

- 7.1.1 Kate Davidson's appointment as Chief Executive Officer commenced on 10 June 2022 and she is currently engaged under a service agreement with Dignity Funerals Limited dated 10 June 2022. Her current annual base salary is £425,000. Dean Moore was appointed as a non-executive Dignity Director with effect from 11 March 2020 under letters of appointment from Dignity dated 20 February 2020 and 23 July 2021. Under an additional letter dated 7 January 2021, his role was expanded to Interim Chief Financial Officer with effect from 14 December 2020 until the appointment of a new Chief Financial Officer, when he would be expected to return to his former role as non-executive Dignity Director. His current annual base salary as Interim Chief Financial Officer is £316,000.
- 7.1.2 Each executive Dignity Director's base salary is normally reviewed annually and fixed for 12 months commencing on 1 January.

- 7.1.3 Kate Davidson is eligible to receive a Dignity pension contribution of 4% of her base salary or she can elect to receive a cash allowance in lieu of pension benefits (subject to deductions for tax and national insurance contributions).
- 7.1.4 Benefits available to Kate Davidson include private medical expenses, life insurance, permanent health insurance, car allowance (or the provision of a company car), fuel, mobile phone, landline and broadband at home residence, and a pre-arranged funeral plan. There is no maximum limit on the value of the benefits provided, as costs may vary in accordance with market conditions.
- 7.1.5 Kate Davidson is eligible to participate in Dignity's annual bonus scheme, subject to the approval of the Dignity Remuneration Committee. The maximum potential annual bonus for Kate Davidson is 135% of salary. One third of any bonus paid must be invested in Dignity Shares, which must be held for three years, with the remainder being payable in cash.
- 7.1.6 Kate Davidson is eligible to participate in the LTIP, subject to the approval of the Dignity Remuneration Committee. The maximum LTIP participation is 150% of salary. Kate Davidson is also eligible to participate in the Sharesave.
- 7.1.7 As Kate Davidson's employment is for an indefinite period, her service contract has no fixed expiry date. The appointment of Kate Davidson is terminable: (i) on six months' notice by either Dignity or Kate Davidson; (ii) following a period of incapacity, by Dignity giving such notice as is required by statute; or (iii) with immediate effect in specified circumstances, including in the event of Kate Davidson's misconduct or fault, in which case she will not be entitled to any payment other than amounts accrued but unpaid as at termination. Should notice be served, Kate Davidson can continue to receive basic salary, benefits and pension for the duration of her notice period. Dignity may require her to continue to fulfil her current duties or may assign a period of garden leave. Dignity applies a general principle of mitigation in relation to termination payments. In addition, Kate Davidson's service contract also enables Dignity to elect to make a payment in lieu of notice equivalent in value to base salary for the then unexpired period of notice, subject to the deduction of tax.
- 7.1.8 Kate Davidson is subject to post-termination restrictions for a period of up to 12 months after termination.
- 7.1.9 Dean Moore does not receive pension or other benefits and he does not participate in Dignity's annual bonus or the Dignity Share Schemes.
- 7.1.10 Dean Moore's appointment as a non-executive Dignity Director may be terminated by three months' notice given by either Dignity or Dean Moore. His engagement as Interim Chief Financial Officer is intended to end on the appointment of a new Chief Financial Officer.

## 7.2 **Chair and other non-executive Dignity Directors**

The non-executive Dignity Directors have entered into letters of appointment. The appointment of each non-executive Dignity Director is subject to their re-election at Annual General Meetings of the Company.

Under their letters of appointment, Graham Ferguson and Kartina Tahir Thomson are appointed for a three-year term and Giovanni (John) Castagno is appointed for a two-year term, at the end of which their appointment will terminate automatically and without the need for notice, unless an extension or renewal is agreed with the Dignity Board. The appointment of Giovanni (John) Castagno and Kartina Tahir Thomson may alternatively be terminated by either party on three months' written notice. The non-executive Dignity Directors may cease to hold office as a director in accordance with the Dignity Articles. Their letters of appointment are also terminable by Dignity with immediate effect without payment of compensation in certain circumstances, which may include if the non-executive Dignity Director: (i) commits a serious or repeated breach or non-observance of their obligations to Dignity, including a breach of general duties imposed by law; (ii) is guilty of any fraud or dishonesty or has acted in a manner which, in the opinion of Dignity, brings or is likely to bring them or Dignity into disrepute or is materially adverse to the interests of Dignity; (iii) is declared bankrupt or has

made an arrangement for the benefit of their creditors; (iv) is disqualified from acting as a director; or (v) accepts a position with or acquires interests in another company, without prior approval from the Dignity Board, which, in the Dignity Board's reasonable opinion, is likely to give rise to a material conflict of interest with the position as a director of Dignity.

<b>Name of Director</b>	<b>Date appointed Director</b>	<b>Original letter of appointment date</b>	<b>Expiry of term</b>	<b>Fees (per annum) (£'000)</b>
Giovanni (John) Castagno	23 July 2021	23 July 2021	23 July 2023	175
Graham Ferguson	1 September 2021	31 August 2021	28 February 2025	70 <sup>(1)</sup>
Kartina Tahir Thomson	7 February 2022	12 January 2022	7 February 2025	60 <sup>(2)</sup>

Notes:

(1) Includes a basic fee of £50,000, an additional fee of £10,000 as Chair of the Audit Committee and an additional fee of £10,000 as Senior Independent Director.

(2) Includes a basic fee of £50,000 and an additional fee of £10,000 as Chair of the Risk Committee.

### 7.3 Amendments, other contracts and other compensation

Save as disclosed in this paragraph 7:

7.3.1 there are no service contracts or letters of appointment between any Dignity Director or proposed director of Dignity and any member of the Dignity Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document;

7.3.2 no Dignity Director is entitled to commission or profit sharing arrangements; and

7.3.3 other than statutory compensation and payment in lieu of notice, no compensation is payable by the Company to any Dignity Director upon early termination of their employment or appointment.

## 8 Changes to emoluments

None of the emoluments of any of the Bidco Directors will be affected by the Acquisition or any other associated transaction.

## 9 Material contracts

### 9.1 General

Save as disclosed below, neither Bidco, Valderrama, the members of the Consortium, nor Dignity has, during the period beginning on 4 January 2021 and ending on the Latest Practicable Date, entered into any material contracts otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by Bidco, Valderrama, the members of the Consortium or Dignity (as applicable) in the period beginning on 4 January 2021 and ending on the Latest Practicable Date.

In addition, please refer to paragraph 6 of Part 11 of the Castelnau Prospectus for details of material contracts, not being contracts entered into in the ordinary course of business, that have been entered into by Castelnau in the period beginning on 4 January 2021 and ending on the Latest Practicable Date.

### 9.2 Bidco material contracts

#### 9.2.1 Share Schemes Letter

Pursuant to the Share Schemes Letter, Bidco, the members of the Consortium, Valderrama and Dignity have, amongst other things, agreed that:



- options and awards granted under the LTIP in 2020 and 2021, or which may be granted in 2023, will vest to the extent determined by the Dignity Remuneration Committee in accordance with the rules of the LTIP and, where applicable, the Dignity remuneration policy. Time pro-rating will apply to all unvested options and awards granted under the 2019 LTIP in 2021;
- outstanding options granted under the DABS that have not vested or become exercisable in the ordinary course prior to the Effective Date will vest in full and become exercisable as a consequence of the Acquisition in accordance with the rules of the DABS;
- Bidco will make a one-off cash compensation payment to participants holding options granted under the Sharesave in 2022 who exercise those options conditional on the Acquisition becoming Effective, of an amount equal to the additional profit which the participants would have received had they continued to make their monthly savings contributions after the Effective Date and exercised their options six months following the Effective Date in respect of the full number of Dignity Shares available at that time, and had those Dignity Shares been acquired on the terms of the Cash Offer;
- to satisfy a pre-existing commitment, Dignity intends to grant a new award over 62,384 Dignity Shares under the 2019 LTIP to Dignity's CEO. This award will be subject to the performance conditions set out in the Share Schemes Letter. Time pro-rating will apply to this award as if the CEO LTIP Award had been granted at the time the pre-existing commitment to grant was made;
- Dignity intends, after the Effective Date, to pay any non-executive director of Dignity who resigns in connection with the Acquisition within 12 weeks from the Effective Date a payment in lieu of three months' worth of fees (less the amount of any notice period already served);
- Dignity may make cash retention awards up to a maximum in aggregate of £500,000 to current or prospective employees of the Dignity Group (other than the executive directors of Dignity) whose recruitment or retention is considered of significant importance for the business. These awards will be paid six months after the Effective Date (or on such earlier date as Dignity and Bidco may agree);
- that for the 12 months following the Effective Date, Bidco will in respect of each person who was an employee of the Dignity Group who remains in employment:
  - maintain at least the same base salary or wage rate and cash incentive opportunities in aggregate as was provided to each such employee immediately prior to the Effective Date. Bidco has confirmed that it intends, with a view to maintaining aggregate compensation opportunity, to put in place share plan arrangements which are appropriate given its structure; and
  - provide a benefits and allowance package which, taken as a whole, is substantially no less favourable than the existing benefits and allowances provided by Dignity immediately prior to the Effective Date (excluding the opportunity to participate in the Dignity Share Schemes),

save in each case where (a) a Dignity employee has consented in writing to an amendment of the foregoing or (b) where any change to the foregoing is required by applicable law.

#### 9.2.2 **Consortium Rollover SPA**

Pursuant to the Consortium Rollover SPA, which was entered into on 23 January 2023:

- Castelnau will exchange the 10,361,149 Consortium Rollover Shares owned by it for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for Valderrama E Shares; and

- the PAMP Affiliates will exchange the 4,515,010 Consortium Rollover Shares owned by them for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, either for (i) Valderrama E Shares or (ii) New Castelnau Consideration Shares, as set out in the Consortium Rollover SPA,

with these exchanges taking effect at such time as would result in the Acceptance Condition being capable of satisfaction when taking into account (i) the Consortium Rollover Shares and (ii) Dignity Shares in respect of which acceptances have been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Offer) by Bidco from Other Dignity Shareholders.

The Consortium Rollover SPA is conditional in all respects upon the first to occur of:

- the Offer becoming unconditional;
- the Offer being capable of being declared unconditional; and
- the Offer being capable of being declared unconditional but for the satisfaction of the Acceptance Condition, provided that the Offer would be capable of being declared unconditional following the transfer of the Consortium Rollover Shares to Bidco and the execution of stock transfer forms (where Consortium Rollover Shares are held in certificated form),

or, if Bidco elects to effect the Offer by way of a Scheme, upon the Scheme becoming effective in accordance with its terms.

### 9.3 Valderrama material contracts

#### 9.3.1 **Confidentiality Agreement**

Valderrama, the members of the Consortium and Dignity entered into the Confidentiality Agreement on 21 November 2022, pursuant to which Valderrama and the members of the Consortium have undertaken to (i) keep confidential information relating to, amongst other things, the Acquisition and Dignity and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) use the confidential information only in connection with the consideration, negotiation and implementation of the Acquisition.

These confidentiality obligations remain in force until the earlier to occur of: (i) the date following 18 months from the date of the Confidentiality Agreement; and (ii) the Acquisition becoming Effective.

The agreement also includes customary non-solicitation obligations on Valderrama, the members of the Consortium and their respective affiliates.

#### 9.3.2 **Share Schemes Letter**

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

#### 9.3.3 **Valderrama JVA**

Please refer to Appendix G for a summary of the Valderrama JVA.

### 9.4 Castelnau material contracts

#### 9.4.1 **Consortium Exclusivity Agreement**

Under the terms of the Consortium Exclusivity Agreement, which was entered into between SPWOne, PAMP and Castelnau on 7 October 2022, each member of the Consortium has agreed, amongst other things, that whilst the Consortium Exclusivity Agreement is in force it will not, other than pursuant to the Acquisition, (i) acquire or sell any interest in Dignity Shares, (ii) announce, make, or procure or induce any person to announce or make, any firm or possible offer for all or any of the Dignity Shares, (iii) enter into, solicit, facilitate, make any statement supporting or encourage any discussion, enquiry or proposal from, or discussions or negotiations with, any

person in relation to the possible acquisition or disposal of an interest in Dignity Shares or (iv) provide any debt, equity or other finance facilities in connection with any offer for Dignity which competes with the Acquisition.

The Consortium Exclusivity Agreement terminates with immediate effect upon the earlier of (i) 14 days after the date on which the Acquisition becomes Effective, (ii) the agreement of each party in writing, (iii) the Acquisition lapsing or being withdrawn, (iv) any competitive offer in relation to Dignity becoming effective (if implemented by means of a Scheme) or unconditional (if implemented by means of an Offer), and (v) the date on which the Consortium makes an announcement under Rule 2.8 of the Takeover Code of their intention not to make an offer for Dignity.

#### 9.4.2 **Confidentiality Agreement**

Please refer to paragraph 9.3.1 above for a summary of the Confidentiality Agreement.

#### 9.4.3 **Share Schemes Letter**

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

#### 9.4.4 **Consortium Rollover SPA**

Please refer to paragraph 9.2.2 above for a summary of the Consortium Rollover SPA.

#### 9.4.5 **Valderrama JVA**

Please refer to Appendix G for a summary of the Valderrama JVA.

#### 9.4.6 **Castelnau/Phoenix Loan Agreement (Facility A)**

The terms of the Castelnau/Phoenix Loan Agreement (Facility A), which was entered into on 20 January 2023 (as amended and restated on 1 February 2023) between Castelnau (as borrower) and Phoenix UK Fund Ltd (as lender), provide for an unsecured term loan facility in an aggregate principal amount of up to £60,000,000 which may be used by Castelnau for the purpose of subscribing for shares in Valderrama in connection with the Acquisition only.

##### *Interest rates and fees*

The interest payable by Castelnau is calculated by reference to Phoenix UK Fund Ltd's cost of funds, with an adjusted spread of 5% per annum. Any accrued interest will be capitalised in arrear. Any fees, costs and expenses payable by Phoenix UK Fund Ltd in connection with the loan made available under the Castelnau/Phoenix Loan Agreement (Facility A) will be reimbursed by Castelnau on demand. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand payment of any fees owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

##### *Repayment*

Castelnau is required to repay all amounts outstanding within five business days of a demand in writing by Phoenix UK Fund Ltd. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand repayment of any sums owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

##### *Prepayment*

Castelnau is required to prepay all amounts outstanding within five business days of a demand in writing by Phoenix UK Fund Ltd. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand prepayment of any sums owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

#### *Covenants and Events of Default*

The Castelnau/Phoenix Loan Agreement (Facility A) contains no operating covenants, financial covenants or events of default.

#### 9.4.7 **Castelnau/Phoenix Loan Agreement (Facility B)**

The terms of the Castelnau/Phoenix Loan Agreement (Facility B), which was entered into on 20 January 2023 (and amended and restated on 1 February 2023) between Castelnau (as borrower) and Phoenix UK Fund Ltd (as lender), provide for an unsecured term loan facility in an aggregate principal amount of up to £49,000,000 (the “**Total Commitment**”) which may be used by Castelnau for the purpose of subscribing for shares in Valderrama in connection with the Acquisition only.

#### *Interest rates and fees*

The interest payable by Castelnau is at a fixed rate of 15% per annum and will, on and from 16 January 2023, accrue on an amount equal to the Total Commitment until such time as Phoenix UK Fund Ltd notifies Castelnau that interest will only accrue on any outstanding principal amount owed by Castelnau under the Castelnau/Phoenix Loan Agreement (Facility B). Any accrued interest will be capitalised in arrear.

Any fees, costs and expenses payable by Phoenix UK Fund Ltd in connection with the Castelnau/Phoenix Loan Agreement (Facility B) will be reimbursed by Castelnau on demand. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand payment of any fees owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

#### *Repayment*

Castelnau is required to repay all amounts outstanding within five business days of a demand in writing by Phoenix UK Fund Ltd. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand repayment of any sums owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

#### *Prepayment*

Castelnau is required to prepay all amounts outstanding within five business days of a demand in writing by Phoenix UK Fund Ltd. Phoenix UK Fund Ltd has undertaken to Castelnau that, during the period from 16 January 2023 to 16 January 2025, it will not demand prepayment of any sums owed to it if it reasonably considers that Castelnau will not be able to satisfy its payment obligations without suffering, or potentially suffering, financial distress.

#### *Covenants and Events of Default*

The Castelnau/Phoenix Loan Agreement (Facility B) contains no operating covenants, financial covenants or events of default.

### 9.5 **PAMP material contracts**

#### 9.5.1 **Confidentiality Agreement**

Please refer to paragraph 9.3.1 above for a summary of the Confidentiality Agreement.

#### 9.5.2 **Share Schemes Letter**

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

#### 9.5.3 **Consortium Rollover SPA**

Please refer to paragraph 9.2.2 above for a summary of the Consortium Rollover SPA.

9.5.4 **Valderrama JVA**

Please refer to Appendix G for a summary of the Valderrama JVA.

9.6 **SPWOne material contracts**

9.6.1 **Consortium Exclusivity Agreement**

Please refer to paragraph 9.4.1 above for a summary of the Consortium Exclusivity Agreement.

9.6.2 **Confidentiality Agreement**

Please refer to paragraph 9.3.1 above for a summary of the Confidentiality Agreement.

9.6.3 **Share Schemes Letter**

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

9.6.4 **Valderrama JVA**

Please refer to Appendix G for a summary of the Valderrama JVA.

9.6.5 **SPWOne Loan Agreement**

SPWOne (as borrower) and Sir Peter Wood (as lender) entered into the SPWOne Loan Agreement on 20 January 2023 in connection with the provision of a secured term loan facility in an aggregate principal amount of up to £103,299,868 (the “**SPW Loan**”), which may be used by SPWOne for the purpose of subscribing for shares in the capital of Valderrama in connection with the Acquisition only.

*Interest rates and fees*

The interest payable by SPWOne is applied at the discretion of the lender and, if applied, will accrue on the total principal amount outstanding of an advance under the SPW Loan at a fixed rate of 10% per annum. A default interest rate of 3% per annum above the base rate from time to time of Royal Bank of Scotland plc will also apply to overdue amounts for the period commencing on the relevant due date up to and including the date of payment.

SPWOne is required, on demand, to indemnify the lender against any loss or expense sustained or incurred by the lender as a consequence of any breach by SPWOne of its obligations. No fees are payable by SPWOne under the SPWOne Loan Agreement.

*Repayment*

SPWOne is required to repay all amounts outstanding under the SPWOne Loan Agreement within five business days of a demand in writing by the lender.

*Prepayment*

SPWOne may prepay amounts outstanding (in full or in part) by giving at least five business days’ notice in writing to the lender. If any advance under the SPWOne Loan is to be prepaid in full, SPWOne must pay the total principal amount outstanding and all interest accrued up to the date of prepayment.

*Covenants and Events of Defaults*

An event of default will occur if:

- SPWOne fails to pay any sum payable by it under the SPWOne Loan Agreement;
- SPWOne fails to comply with any provision of the SPWOne Loan Agreement and, to the extent capable of remedy, any such failure is not remedied within five business days; or
- SPWOne is subject to a change of control.

There are no operating covenants, financial covenants, or other events of default under the SPWOne Loan Agreement.

#### 9.6.6 **SPWOne Share Charge**

SPWOne's present and future obligations under the SPWOne Loan Agreement are secured by the SPWOne Share Charge, pursuant to which SPWOne has granted a security interest in favour of Sir Peter Wood in:

- the single Valderrama A1 Share registered in the name of and beneficially owned by SPWOne, together with any further shares in the capital of Valderrama as may be issued to, or registered in the name of or otherwise beneficially owned by, SPW or its nominee(s) from time to time (the "**Secured Shares**");
- all right, title, benefit and interest from time to time of SPWOne to and in the Secured Shares; and
- all derivative assets of the Secured Shares.

### 9.7 **Dignity material contracts**

#### 9.7.1 **Confidentiality Agreement**

Please refer to paragraph 9.3.1 above for a summary of the Confidentiality Agreement.

#### 9.7.2 **Share Schemes Letter**

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

#### 9.7.3 **Secured Notes Trust Deed**

The £238,904,000 Class A Secured 3.5456% Notes due 2034 (the "**Class A Notes**") and the £356,402,000 Class B Secured 4.6956% Notes due 2049 (the "**Class B Notes**") and, together with the Class A Notes, the "**Notes**") in each case of Dignity Finance plc (the "**Issuer**") are constituted pursuant to a trust deed made between the Issuer and the BNY Mellon Corporate Trustee Services Limited (as trustee) (the "**Note Trustee**") dated on or about 11 April 2003 (as amended, restated, varied and/or supplemented from time to time, including as supplemented by a fifth supplemental trust deed dated 9 October 2014 in respect of the issue of the Notes, the "**Secured Notes Trust Deed**").

The Notes constitute direct, secured and unconditional obligations of the Issuer and the obligations of the Issuer in respect of the Class A Notes rank in priority to the obligations of the Issuer in respect of the Class B Notes. The Issuer's obligations in respect of the Notes (including all monies payable in respect of the Notes and the coupons related thereto) are subject to security granted by the Issuer in favour of the Note Trustee (as security trustee). Interest on the Notes accrues at a rate of 3.5456% per annum in the case of the Class A Notes and 4.6956% per annum in the case of the Class B Notes. On each semi-annual interest payment date the Notes may be subject to mandatory redemption in part in accordance with an agreed redemption schedule. The outstanding principal amount of the Notes is required to be redeemed in full by the Issuer in December 2034 (for the Class A Notes) and December 2049 (for the Class B Notes). The Notes are subject to optional early redemption for tax reasons. A redemption premium applies, subject to certain exceptions, in the case of a voluntary early redemption of the Notes. The Notes are also subject to mandatory redemption upon the occurrence of certain events, such as illegality, or following a prepayment of the Issuer/Borrower Facility (as defined below).

The Secured Notes Trust Deed and the Notes are governed by English law.

#### 9.7.4 **Issuer/Borrower Loan Agreement**

On 11 April 2003, the Issuer, Dignity (2002) Limited (the "**Borrower**"), certain other members of the Dignity Group and the Note Trustee, among others, entered into an Issuer/Borrower loan agreement (as amended, restated, varied and/or supplemented from time to time, the "**Issuer/Borrower Loan Agreement**"), pursuant to which the

Issuer agreed to make available to the Borrower a loan facility (the “**Issuer/Borrower Facility**”). On 17 October 2014, the Issuer/Borrower Loan Agreement was amended and restated and the Issuer made loans to the Borrower in amounts equal to the principal amount of the Notes. Interest on the loans is calculated at a fixed market rate of interest, equivalent to the rate of interest payable on the Notes plus one basis point. Each loan is repayable according to a semi-annual repayment schedule, with final payment due on or around the maturity date of the Notes to which such loan relates.

The Issuer/Borrower Loan Agreement incorporates a customary set of representations, warranties and undertakings given by the obligors. In particular, the Issuer/Borrower Loan Agreement prohibits the making of certain restricted payments (including payments to shareholders), unless certain conditions are satisfied, including the absence of any events of default under the documentation related to the Notes, and requires the maintenance of a minimum annual level of capital expenditure by the obligors. The Issuer/Borrower Loan Agreement includes a financial covenant requiring that the ratio of EBITDA to debt service for the testing period does not fall below 1.5:1.

The Issuer/Borrower Loan Agreement incorporates a customary set of events of default, including an event of default which will occur in the event that an enforcement notice is served in respect of the Notes. In the event that an event of default occurs under the Issuer/Borrower Loan Agreement, the Note Trustee would be entitled to instruct the enforcement of security granted by certain members of the Dignity Group and/or accelerate advances made under the Issuer/Borrower Loan Agreement.

The Issuer/Borrower Loan Agreement is governed by English law.

#### 9.7.5 **Phoenix Facility Agreement**

On 6 December 2022, Dignity entered into a facility agreement with Phoenix UK Fund Ltd (as lender) (the “**Lender**”), pursuant to which the Lender made available to Dignity a £50,000,000 single currency term loan facility (the “**Phoenix Facility**” and the “**Phoenix Facility Agreement**”). The Phoenix Facility Agreement was entered into by way of acceptance of an irrevocable loan offer from PAMP to Dignity on 29 September 2022.

Amounts drawn under the Phoenix Facility are required to be applied by Dignity towards the provision of equity support to its whole business securitisation through share subscription and/or subordinated debt. The Phoenix Facility is available for drawing during a period of 12 months commencing with the date of the Phoenix Facility Agreement and may be drawn by way of multiple loans. Interest on drawings is calculated at a fixed rate of seven per cent. per annum and is capitalised on the last day of each interest period.

Drawings under the Phoenix Facility may be prepaid at any time by Dignity upon prior notice to the Lender. The Lender may require Dignity to repay all amounts outstanding under the Phoenix Facility by 180 days’ prior notice to Dignity.

The Phoenix Facility Agreement incorporates a customary set of representations, warranties and undertakings given by the Issuer and a limited set of events of default, including an event of default which will occur in the event that an enforcement notice is served in respect of the Notes. In the event that an event of default occurs under the Phoenix Facility Agreement, the Lender would be entitled to declare all amounts outstanding under the Phoenix Facility Agreement immediately due and payable and/or cancel all available commitments under the Phoenix Facility.

The Phoenix Facility Agreement is governed by English law.

#### 9.7.6 **Liquidity Facility Agreement**

On 20 September 2022, Dignity amended and restated its liquidity facility agreement, originally dated 11 April 2003 and previously amended and restated on 17 October 2014, between (1) the Issuer, (2) NatWest Markets plc (as liquidity facility provider) (the “**Liquidity Facility Provider**”), (3) the Note Trustee, and (4) Dignity Funerals

Limited (as cash administrator), comprising a £55,000,000 secured liquidity facility made available to the Issuer by the Liquidity Facility Provider (the “**Liquidity Facility**”), and relating to the issue by the Issuer of the Notes (the “**Liquidity Facility Agreement**”).

Drawings under the Liquidity Facility are required to be applied to fund liquidity shortfalls in respect of payments due in respect of the Notes. Interest on drawings is calculated at a floating market rate of interest, being SONIA plus a margin which is subject to a ratchet following each renewal of the Liquidity Facility. A fixed rate commitment fee is also payable on undrawn amounts.

The Liquidity Facility has a scheduled termination date which is triggered by the earlier of the final maturity date of the Notes and redemption in full of the Notes. The Liquidity Facility is subject to annual renewal, subject to the consent of the Liquidity Facility Provider. In the event that the Liquidity Facility Provider elects not to agree to a renewal request, the Liquidity Facility Provider will be required to place £55,000,000 in a reserve account, which the Issuer may access as if it represented a borrowing facility on the same terms. As at the date of this document, the Liquidity Facility remains undrawn.

The Liquidity Facility Agreement incorporates a limited set of warranties given by the Issuer and a limited set of events of default, including an event of default which will occur in the event that an enforcement notice is served in respect of the Notes. In the event that an event of default occurs under the Liquidity Facility Agreement, the Liquidity Facility Provider would be entitled to declare all amounts outstanding under the Liquidity Facility Agreement immediately due and payable and/or cancel all available commitments under the Liquidity Facility.

The Liquidity Facility Agreement is governed by English law.

## 10 Offer-related arrangements

### 10.1 Confidentiality Agreement

Please refer to paragraph 9.3.1 above for a summary of the Confidentiality Agreement.

### 10.2 Share Schemes Letter

Please refer to paragraph 9.2.1 above for a summary of the Share Schemes Letter.

## 11 Financial effects of the Offer

The following tables set out, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects on the capital value and income for a holder of one Dignity Share assuming the Offer becomes or is declared unconditional. The tables compare the value of 5.50 Valderrama D Shares (if an Eligible Dignity Shareholder has validly elected for the Unlisted Share Alternative in respect of one Dignity Share) and the value of 7½ New Castelnau Consideration Shares (if an Eligible Dignity Shareholder has validly elected for the Listed Share Alternative in respect of one Dignity Share) with the value of one Dignity Share on 3 January 2023 (being the last Business Day before the start of the Offer Period). In assessing the financial effects of the Offer, no account has been taken of any potential liability to taxation of a Dignity Shareholder.

### (a) Effect on capital value under the terms of the Offer

#### Scenario 1: Eligible Dignity Shareholder elects to receive Valderrama D Shares

	<b>Note</b>	<b>pence</b>
Value of 5.50 Valderrama D Shares	(1)	550
<b>Total value of consideration in respect of one Dignity Share</b>		<b>550</b>
Less: Market value of one Dignity Share on 3 January 2023	(2)	(426)
<b>Increase / (decrease) in capital value</b>		<b>125</b>
Percentage increase / (decrease) in capital value		29%



Scenario 2: Eligible Dignity Shareholder elects to receive New Castelnau Consideration Shares

	<b>Note</b>	<b>pence</b>
Value of $7\frac{1}{3}$ <b>New Castelnau Consideration Shares</b>	(3)	550
<b>Total value of consideration in respect of one Dignity Share</b>		<b>550</b>
Less: Market value of one Dignity Share on 3 January 2023		(426)
<b>Increase / (decrease) in capital value</b>		<b>125</b>
Percentage increase / (decrease) in capital value		29%

Notes:

- (1) Based on a subscription price of 100 pence per Valderrama D Share.
- (2) Based on a value of 425.50 pence per Dignity Share on 3 January 2023 (being the last Business Day before the start of the Offer Period).
- (3) Based on Castelnau's NAV per share of 75 pence as at 31 December 2022.

(b) *Effect on gross income under the terms of the Offer*

Neither Valderrama nor Castelnau currently intend to pay dividends or make other distributions, and therefore the Offer is not expected to have any impact on the gross income of Eligible Dignity Shareholders that elect for either of the Alternative Offers. However, there is no certainty that the intentions of Valderrama and Castelnau in respect of dividends and other distributions will not change in the future.

## 12 Bases of calculations and sources of information

12.1 The value attributable to the fully diluted share capital of Dignity is based on:

12.1.1 50,100,583 Dignity Shares in issue as at the close of business on the Latest Practicable Date; and

12.1.2 1,062,664, being the maximum number of Dignity Shares which may be issued on or after the date of this document to satisfy the exercise and vesting of awards outstanding under the Dignity Share Schemes as at the close of business on the Latest Practicable Date.

12.2 The enterprise value of Dignity is based on the Cash Offer price of 550 pence per Dignity Share and Dignity's net debt position of £508.0 million (being Dignity's gross debt of £516.5 million as at 30 December 2022, less Dignity's cash and cash equivalents of £8.5 million as at 30 December 2022, as published by Dignity on 23 January 2023 in its unaudited trading update for the 52 weeks ended 30 December 2022).

12.3 Dignity's estimated maximum underlying operating profit (on a post-IFRS 16 basis) of no more than £20 million, and its underlying operating profit before depreciation and amortisation (pre-IFRS 16) of no more than £37 million, respectively, for the 52 weeks ended 30 December 2022 have been extracted from Dignity's unaudited trading update for the 52 weeks ended 30 December 2022, as published by Dignity on 23 January 2023.

12.4 Measures marked as "underlying" throughout this document are alternative performance measures ("APMs") and have been prepared in a manner consistent with the basis of preparation of these measures included in the 2021 Dignity annual report and accounts. The Dignity Board believes that, whilst statutory reporting measures provide financial performance information on the Dignity Group under IFRS, APMs provide additional useful information to enable readers of Dignity's financial statements to fully understand the trading performance and financial position of Dignity's business. The APMs provided are aligned with those used in the day-to-day management of Dignity's business and allow for greater comparability across periods. For this reason, the APMs provided exclude the impact of consolidating various trusts (being The National Funeral Trust, the Trust for Age UK Funeral Plans and The UK Funerals (2022) Trust (together, the "Trusts")) and the changes which relate to the application of IFRS 15, as well as non-underlying items comprising certain non-recurring transactions and non-trading transactions which do not relate to the normal day-to-day transactions of the business.

- 12.5 Unless otherwise stated, all prices quoted for the Dignity Shares and for listed shares in the capital of Castelnau have been derived from the Daily Official List and represent the Closing Price on the relevant date.
- 12.6 The premium calculations to the price per Dignity Share used in this document have been calculated by reference to the closing market price of a Dignity Share sourced from Factset on any particular date.
- 12.7 Unless otherwise stated, the financial information relating to Dignity is extracted from the audited consolidated financial statements of Dignity for the year ended 31 December 2021.
- 12.8 Certain figures included in this document have been subject to rounding adjustments.
- 12.9 Death rates referred to in this document have been derived from the Office for National Statistics – *Deaths registered weekly in England and Wales*.

### **13 Cash confirmation**

Morgan Stanley, financial adviser to the Consortium and Bidco, confirms that it is satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Dignity Shareholders under the terms of the Acquisition.

### **14 Significant change**

- 14.1 There has been no significant change in the financial or trading position of the Dignity Group since 23 January 2023, being the date on which Dignity published a trading update regarding its unaudited financial performance for the 52 weeks ended 30 December 2022.
- 14.2 There has been no significant change in the financial or trading position of Castelnau since 30 June 2022, being the date to which Castelnau's last published interim accounts were prepared.
- 14.3 There has been no significant change in the financial or trading position of Valderrama since 25 August 2022, being the date of its incorporation.

### **15 General**

- 15.1 Morgan Stanley 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 and to the inclusion in this document of its report set out in Appendix E in the form and context in which that report is included.
- 15.2 Rothschild & Co 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 and to the inclusion in this document of its report set out in Part 4 of Appendix K in the form and context in which that report is included.
- 15.3 Each of Liberum and Investec 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.
- 15.4 Kroll has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Appendix D in the form and context in which that report is included.
- 15.5 EY has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Part 3 of Appendix K in the form and context in which that report is included.
- 15.6 Save as disclosed in this document, Bidco is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.

## 16 Offer related fees and expenses

- 16.1 The aggregate fees and expenses expected to be incurred by Bidco and/or the Consortium (as a whole) in connection with the Acquisition (exclusive of any applicable VAT or other taxes) are expected to be approximately:

Category	Amount
Financing arrangements	£1.02m
Financial and corporate broking advice <sup>(1)</sup>	£8.46m
Legal advice <sup>(1)(2)</sup>	£3.79m
Accounting advice	£0.58m
Public relations advice	£0.25m
Other professional services	£0.47m
Other costs and expenses	£0.22m
<b>Total</b>	<b>£14.78</b>

Notes:

- (1) A proportion of such fees are success-based and payable depending on the outcome of the Acquisition.  
(2) The fees are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

- 16.2 The aggregate fees and expenses expected to be incurred by Dignity in connection with the Acquisition (exclusive of any applicable VAT or other taxes) are expected to be approximately:

Category	Amount
Financial and corporate broking advice	£5.21m
Legal advice	£2.95m
Accounting advice	£0.25m
Public relations advice	£0.08m
Other professional services	£0.10m
Other costs and expenses	£0.01m
<b>Total</b>	<b>£8.60m</b>

## 17 Particulars of the New Castelnau Consideration Shares and summary of the Castelnau articles of incorporation

The New Castelnau Consideration Shares will be fully paid and non-assessable and will rank *pari passu* in all respects with the existing Castelnau Shares, save that they will not participate in any dividend payable by Castelnau with reference to a record date prior to the Effective Date.

Please refer to paragraph 3 of the “Summary” section on pages 8 to 9 of the Castelnau Prospectus and Part 1 of the Castelnau Prospectus for details of the New Castelnau Consideration Shares, including the rights as to dividends, capital and voting attaching to them. Please refer to paragraph 4 of Part 11 of the Castelnau Prospectus for a summary of the Castelnau articles of incorporation.

## 18 Particulars of the Valderrama D Shares

The Valderrama D Shares will be fully paid and non-assessable and will rank *pari passu* in all respects with all Valderrama D Shares, save that they will not participate in any dividend payable by Valderrama with reference to a record date prior to the Effective Date.

Please refer to Appendix G for details of the Valderrama D Shares, including the rights as to dividends, capital and voting attaching to them.

## **19 Risk factors and other investment considerations in respect of the Alternative Offers**

- 19.1 The attention of Eligible Dignity Shareholders who may be considering electing for the Unlisted Share Alternative is drawn to certain risk factors and other investment considerations relevant to such an election. These include, amongst others, the following:
- 19.1.1 following the Effective Date, Dignity will be indirectly controlled by Valderrama and the Valderrama D Shares will not carry any voting rights. Eligible Dignity Shareholders electing for the Unlisted Share Alternative will, therefore, have no influence over decisions made by Valderrama in relation to its investment in Dignity or in any other business decision;
  - 19.1.2 the Valderrama D Shares will comprise securities in a Guernsey private limited company, and there is no current expectation that the Valderrama D Shares will be listed or admitted to trading on any exchange or market for the trading of securities, and they will therefore be illiquid;
  - 19.1.3 in relation to any issue of securities in which Valderrama D Shareholders are entitled to participate, if they wish to avoid their percentage interest in Valderrama being reduced by any such issue, they will need to invest further cash sums in Valderrama;
  - 19.1.4 the Valderrama D Shares may be transferred only in limited circumstances (in accordance with customary permitted transfer provisions or pursuant to drag-along and tag-along provisions in the Valderrama Articles and the Valderrama JVA). Any other transfers of Valderrama D Shares would first have to be authorised in writing by the holders of the Valderrama A Shares;
  - 19.1.5 when Valderrama C Shares are issued to the persons referred to in paragraph 1 of Appendix G, holders of all other Valderrama Shares (except the holders of Valderrama E Shares, being Castelnau and those PAMP Affiliates who have agreed to receive Valderrama E Shares under the Consortium Rollover SPA) will see their economic returns diluted proportionately, albeit that the holders of Valderrama C Shares will not be entitled to any return of proceeds until the holders of Valderrama A Shares, Valderrama B Shares, Valderrama D Shares and Valderrama E Shares have received proceeds equal to their invested capital. The Valderrama E Shares are not subject to this dilution because (i) the PAMP Affiliates already pay PAMP investment management fees under existing arrangements with PAMP and (ii) Castelnau pays a performance fee to PAMP under its investment management agreement, as described in more detail below;
  - 19.1.6 Valderrama D Shareholders will, in the same way as all other Valderrama Shareholders, see their economic returns diluted as a result of the transaction costs incurred by Bidco in connection with the Acquisition (information on which is set out at paragraph 16.1 of this Appendix C) and the fact that Bidco will be liable to pay UK stamp duty or stamp duty reserve tax on all Dignity Shares acquired by it;
  - 19.1.7 save for those rights prescribed by applicable law, the Valderrama D Shareholders will enjoy only limited minority protections or other rights (as summarised in Appendix G);
  - 19.1.8 the value of the Valderrama D Shares will be uncertain and there can be no assurance that they will be capable of being sold in the future or that they will be capable of being sold at the value estimated by Morgan Stanley in Appendix E;
  - 19.1.9 Dignity Shares are currently listed on the Premium Segment. Certain standards and protections afforded to shareholders in a premium listed company are substantially different to those which apply to a shareholding in an unlisted company, such as that which an Eligible Dignity Shareholder would receive as a result of validly electing for the Unlisted Share Alternative;
  - 19.1.10 if valid elections for the Alternative Offers are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum, Eligible Dignity Shareholders who elect for the Unlisted Share Alternative cannot be certain as to the number of Valderrama D Shares they will receive because, to the extent that the elections for the Alternative Offers cannot be satisfied in full, the number of

Valderrama D Shares to be issued in connection with the Unlisted Share Alternative will be scaled back on a *pro rata* basis, and the balance of the consideration for each Dignity Share will be paid in cash in accordance with the terms of the Cash Offer;

- 19.1.11 payments in respect of the Valderrama D Shares will not be guaranteed or secured and it is not anticipated that Valderrama will declare or pay any dividends on any of the Valderrama D Shares in the near-term; and
  - 19.1.12 the Valderrama D Shareholders may be required in the future to sell their Valderrama D Shares under the terms of a “drag along” provision contained in the Valderrama Articles and the Valderrama JVA (a summary of which is set out in Appendix G).
- 19.2 Eligible Dignity Shareholders who may be considering electing for the Listed Share Alternative should read carefully the Castelnau Prospectus, which, on pages 12 to 24, includes risk factors and other investment considerations relevant to the New Castelnau Consideration Shares and any decision to invest in them, including, amongst others, the following:
- 19.2.1 the New Castelnau Consideration Shares will be admitted to the Specialist Fund Segment, which is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment. The Specialist Fund Segment is suitable only for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of Castelnau, (ii) for whom an investment in securities admitted to trading on the Specialist Fund Segment is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the New Castelnau Consideration Shares can go down as well as up;
  - 19.2.2 shares admitted to the Specialist Fund Segment (such as the New Castelnau Consideration Shares) may have limited liquidity and may experience greater price volatility than shares listed on the Premium Segment. Limited liquidity and high price volatility may result in Eligible Dignity Shareholders who receive New Castelnau Consideration Shares pursuant to the Listed Share Alternative being unable to sell their New Castelnau Consideration Shares at a price that would result in them recovering their original investment;
  - 19.2.3 the price at which the New Castelnau Consideration Shares trade will likely not be the same as their NAV per share (although the two may be related). The New Castelnau Consideration Shares could in future trade at a discount to their NAV per share for a variety of reasons, including due to market conditions or an imbalance between supply and demand for the New Castelnau Consideration Shares. While the directors of Castelnau may seek to mitigate any discount to NAV per share through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such mechanisms will be successful. As a result of this, investors that dispose of their New Castelnau Consideration Shares in the secondary market may realise returns that are lower than they would have realised if an amount equivalent to the NAV per New Castelnau Consideration Shares was distributed;
  - 19.2.4 Dignity Shares are currently listed on the Premium Segment. Certain standards and protections afforded to shareholders in a premium listed company are substantially different to those which apply to a shareholding in a company admitted to trading on the Specialist Fund Segment, such as that which an Eligible Dignity Shareholder would receive as a result of validly electing for the Listed Share Alternative, though Castelnau has resolved, as a matter of best practice and good corporate governance, voluntarily to comply with certain Listing Rules which apply to closed-ended investment companies which are listed on the Premium Segment (details of which are set out on pages 37 to 38 of the Castelnau Prospectus);
  - 19.2.5 PAMP exercises control over Castelnau. In addition to PAMP being the discretionary investment manager in respect of certain funds and managed accounts which hold, in aggregate, approximately 71.17% of Castelnau’s ordinary shares, PAMP also holds

the single B ordinary share of nil par value in Castelnau (the “**Castelnau B Share**”). The Castelnau B Share entitles PAMP to certain enhanced rights, namely the right to (i) appoint one director to the board of Castelnau, (ii) ensure no other directors are appointed to or removed from the board of Castelnau without its consent, (iii) notwithstanding any other provision of the articles of incorporation of Castelnau, ensure that no shareholder resolutions are proposed or passed without its consent (other than as required by law or in respect of a shareholder vote to continue PAMP’s rights under the Castelnau B Share, as to which see below) and (iv) ensure that, other than as required by law, there is no acquisition or disposal by Castelnau or by any of its unlisted subsidiaries of any asset without PAMP’s consent. PAMP’s rights under the Castelnau B Share will fall away (a) in October 2028, if Castelnau’s shareholders do not vote in favour of their continuation for a further seven years, (b) the Castelnau B Share is transferred by PAMP to any other person or (c) if Gary Channon (PAMP’s co-founder and Chief Investment Officer) and his close relatives together cease to control, directly or indirectly, shares carrying more than 50% of the voting rights in PAMP. If at any point during the first seven years following Castelnau’s flotation (that is, until around October 2028) Castelnau’s board chooses to change investment manager, the Castelnau B Share and the associated rights will remain with PAMP;

19.2.6 PAMP, as the discretionary investment manager of Castelnau, is entitled to a performance fee under its investment management agreement with Castelnau if certain performance criteria are met. Subject to certain exceptions, this performance fee will be settled through the issue of new ordinary shares in Castelnau to PAMP. Whilst this performance fee aligns PAMP’s economic interests with those of Castelnau’s shareholders, the issue of any new ordinary shares in Castelnau to PAMP pursuant to these performance fee arrangements will (unless an Eligible Dignity Shareholder purchases further Castelnau shares) have a dilutive effect on other shareholders in Castelnau, including on any Eligible Dignity Shareholders who receive New Castelnau Consideration Shares pursuant to the Listed Share Alternative. Furthermore, PAMP may, from time to time, enter into arrangements to share any performance fees with third parties, including with an affiliate of SPWOne pursuant to a strategic and advisory services arrangement. Further details regarding this performance fee are set out in paragraph 6.2 of Part 11 of the Castelnau Prospectus and a summary of the performance fee is set out in Appendix H; and

19.2.7 if valid elections for the Alternative Offers are received in respect of a total number of Dignity Shares in excess of the Alternative Offers Maximum, Eligible Dignity Shareholders who elect for the Listed Share Alternative cannot be certain as to the number of New Castelnau Consideration Shares they will receive because, to the extent that the elections for the Alternative Offers cannot be satisfied in full, the number of New Castelnau Consideration Shares to be issued in connection with the Listed Share Alternative will be scaled back on a *pro rata* basis, and the balance of the consideration for each Dignity Share will be paid in cash in accordance with the terms of the Cash Offer.

Eligible Dignity Shareholders who may be considering electing for the Listed Share Alternative should consult their tax advisers with respect to their particular tax situation and the tax effects of an investment in the New Castelnau Consideration Shares.

## 20 Information incorporated by reference

20.1 Parts of the following documents are incorporated by reference in, and form part of, this document:

<b>Information incorporated by reference</b>	<b>Link</b>	<b>Page(s)</b>
Dignity audited accounts for the financial year ended 31 December 2021	<a href="https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/">https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/</a>	105 – 106
Dignity audited accounts for the financial year ended 31 December 2020	<a href="https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2021/">https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2021/</a>	84 – 143
Dignity's unaudited interim results for the 26 week period ended 1 July 2022	<a href="https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/">https://www.dignityplc.co.uk/investors/results-and-reports/shareholders/2022/</a>	24 – 60
Trading update regarding Dignity's unaudited financial performance for the 52 weeks ended 30 December 2022	<a href="https://www.dignityplc.co.uk/news-media/offer-for-dignity-plc/">https://www.dignityplc.co.uk/news-media/offer-for-dignity-plc/</a>	1 – 3
Castelnau's audited accounts for the financial year ended 31 December 2021	<a href="https://www.castelnaugroup.com/application/files/6716/4969/1221/262804_Castelnau_AR_2021_WEB.pdf">https://www.castelnaugroup.com/application/files/6716/4969/1221/262804_Castelnau_AR_2021_WEB.pdf</a>	41 – 61
Castelnau's unaudited interim results for the six months ended 30 June 2022	<a href="https://www.castelnaugroup.com/application/files/8816/6255/4335/264110_Castelnau_Interim_Report_WEB_Hi.pdf">https://www.castelnaugroup.com/application/files/8816/6255/4335/264110_Castelnau_Interim_Report_WEB_Hi.pdf</a>	21 – 37
Castelnau's quarterly reports since December 2021	<a href="https://www.castelnaugroup.com/application/files/4516/5172/6762/Castelnau_Group_Ltd_Q1_2022.pdf">https://www.castelnaugroup.com/application/files/4516/5172/6762/Castelnau_Group_Ltd_Q1_2022.pdf</a>	1 – 8
	<a href="https://www.castelnaugroup.com/application/files/4816/5937/0916/Castelnau_Group_Ltd_Q2_2022.pdf">https://www.castelnaugroup.com/application/files/4816/5937/0916/Castelnau_Group_Ltd_Q2_2022.pdf</a>	1 – 9
	<a href="https://www.castelnaugroup.com/application/files/4116/6737/5931/Castelnau_Group_Ltd_Q3_2022.pdf">https://www.castelnaugroup.com/application/files/4116/6737/5931/Castelnau_Group_Ltd_Q3_2022.pdf</a>	1 – 11
	<a href="https://www.castelnaugroup.com/application/files/8516/7568/4497/Castelnau_Group_Ltd_Q4_2022.pdf">https://www.castelnaugroup.com/application/files/8516/7568/4497/Castelnau_Group_Ltd_Q4_2022.pdf</a>	1 – 17
Castelnau's monthly fact sheets since December 2021	<a href="https://www.castelnaugroup.com/application/files/3216/4701/2493/Castelnau_Group_January_2022.pdf">https://www.castelnaugroup.com/application/files/3216/4701/2493/Castelnau_Group_January_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/6916/4701/2549/Castelnau_Group_February_2022.pdf">https://www.castelnaugroup.com/application/files/6916/4701/2549/Castelnau_Group_February_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/1316/4942/0836/Castelnau_Group_March_2022.pdf">https://www.castelnaugroup.com/application/files/1316/4942/0836/Castelnau_Group_March_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/3116/5244/0176/Castelnau_Group_April_2022.pdf">https://www.castelnaugroup.com/application/files/3116/5244/0176/Castelnau_Group_April_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/8916/5753/9122/Castelnau_Group_May_2022_Final.pdf">https://www.castelnaugroup.com/application/files/8916/5753/9122/Castelnau_Group_May_2022_Final.pdf</a>	1 – 2

<b>Information incorporated by reference</b>	<b>Link</b>	<b>Page(s)</b>
	<a href="https://www.castelnaugroup.com/application/files/2416/5755/3170/Castelnau_Group_June_2022.pdf">https://www.castelnaugroup.com/application/files/2416/5755/3170/Castelnau_Group_June_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/9016/5997/3218/Castelnau_Group_July_2022.pdf">https://www.castelnaugroup.com/application/files/9016/5997/3218/Castelnau_Group_July_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/7916/6256/4508/Castelnau_Group_August_2022.pdf">https://www.castelnaugroup.com/application/files/7916/6256/4508/Castelnau_Group_August_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/6516/6547/4886/Castelnau_Group_September_2022.pdf">https://www.castelnaugroup.com/application/files/6516/6547/4886/Castelnau_Group_September_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/7716/6789/9181/Castelnau_Group_October_2022.pdf">https://www.castelnaugroup.com/application/files/7716/6789/9181/Castelnau_Group_October_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/4416/7051/1865/Castelnau_Group_November_2022.pdf">https://www.castelnaugroup.com/application/files/4416/7051/1865/Castelnau_Group_November_2022.pdf</a>	1 – 2
	<a href="https://www.castelnaugroup.com/application/files/2816/7388/7360/Castelnau_Group_December_2022.pdf">https://www.castelnaugroup.com/application/files/2816/7388/7360/Castelnau_Group_December_2022.pdf</a>	Pages 1 – 3
Castelnau material contracts	<a href="https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf">https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf</a>	140 – 149
Particulars of the New Castelnau Consideration Shares	<a href="https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf">https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf</a>	8 – 9
Castelnau articles of incorporation	<a href="https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf">https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf</a>	123 – 139
Castelnau's voluntary compliance with Listing Rules	<a href="https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf">https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf</a>	37 – 38
Information on Castelnau	<a href="https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf">https://www.castelnaugroup.com/application/files/5116/7526/2175/CGL_Prospectus_1.02.23.pdf</a>	42 – 52

20.2 A person who has received this document may request a copy of the documents incorporated by reference and referred to in the table above. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Link Group at Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by calling Link Group on +44 (0)371 664 0321. Calls from within the United Kingdom are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## 21 Documents available for inspection

Copies of the following documents will be published on Dignity's website at [www.dignityplc.com](http://www.dignityplc.com) and Castelnau's website at [www.castelnaugroup.com](http://www.castelnaugroup.com) until the end of the Offer Period:

- 21.1 the Dignity Articles;
- 21.2 the Bidco Articles;
- 21.3 the Valderrama Articles;



- 21.4 the Valderrama JVA;
- 21.5 the Castelnau Prospectus;
- 21.6 the Castelnau articles of incorporation;
- 21.7 the letter prepared by Morgan Stanley for the purposes of Rule 24.11 of the Takeover Code;
- 21.8 the report prepared by Kroll for the purposes of Rule 29 of the Takeover Code;
- 21.9 the report prepared by EY for the purposes of Rule 28 of the Takeover Code;
- 21.10 the report prepared by Rothschild and Co for the purposes of Rule 28 of the Takeover Code;
- 21.11 the consent letters referred to in paragraphs 15.1 to 15.5 of this Appendix C;
- 21.12 copies of the irrevocable undertaking and letters of intent given by the persons referred to in paragraph 5 of this Appendix C;
- 21.13 the Rule 2.7 Announcement;
- 21.14 the Confidentiality Agreement;
- 21.15 the Share Schemes Letter;
- 21.16 each of the Castelnau/Phoenix Loan Agreements;
- 21.17 the SPWOne Loan Agreement;
- 21.18 the SPWOne Share Charge;
- 21.19 the Consortium Exclusivity Agreement;
- 21.20 the Consortium Rollover SPA;
- 21.21 each Put and Call Option Deed;
- 21.22 the instruments constituting each of the Loan Notes;
- 21.23 this document, the Valderrama KYC Form and the Form of Acceptance; and
- 21.24 the documents incorporated by reference (in accordance with Rule 24.15) in Appendix B and this Appendix C.

**APPENDIX D**  
**RULE 29 REPORT**

*The following is the full text of a letter from Kroll, LLC to the Castelnau Directors:*



**Private & Confidential**

14 February 2023

The Directors  
Castelnau Group Limited  
Les Banques  
Trafalgar Court  
St. Peter Port  
GY1 3DA  
Guernsey

Ladies and Gentlemen,

**Valuation Report**

In accordance with our engagement letter dated 12 December 2022 with Castelnau Group Limited (“Castelnau”), we report our opinion as to Castelnau’s statement of the net asset value of its unquoted investments (the “Unquoted NAV”) as at 31 January 2023 (the “Valuation Date”) as set out in the January 2023 Factsheet issued by Castelnau’s directors on 8 February 2023 (the “Factsheet”).

This Valuation Report is addressed only to Castelnau, for the purpose of assisting Castelnau to comply with Rule 29 of the City Code on Takeovers and Mergers (the “Code”) in connection with the offer by Yellow (SPC) Bidco Limited (a newly formed company indirectly owned or controlled by a consortium comprised of joint offerors SPWOne V Limited, Castelnau and Phoenix Asset Management Partners Limited) for Dignity plc (the “Target” and the “Offer”) and for no other purpose. Accordingly, we assume no responsibility in respect of this Valuation Report to any current or future offeror for, or person investing in or seeking to acquire control of, the Target or Castelnau, or to any person connected to or acting in concert with any such person. Save for any responsibility or liability we may have to the express addressee of this Valuation Report, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered as a result of reliance on, or otherwise arising out of or in connection with, this Valuation Report or our statement (required by and given solely for the purposes of complying with Rule 23.2 of the Code) consenting to the inclusion of it and references to it in the offer document to be published in connection with the Offer, or any update or confirmation of either that we may issue.

In providing this Valuation Report we are not making any recommendation to any person regarding the Offer or any other investment decision or expressing an opinion on the fairness of the terms of the Offer or the terms of any arrangement involving the Target or Castelnau.

The directors of Castelnau have prepared the Factsheet, including the Unquoted NAV stated in it, and are solely responsible for it. It is our responsibility to form an opinion as required by the Code

kroll.com | Kroll, LLC  
55 East 52nd Street  
Floor 17  
New York, NY 10055

| T: +1 212 817 9937

to support the Unquoted NAV prepared by the directors of Castelnau solely for the purpose stated above.

### **Valuation Basis and Valuation Assumptions**

We are the leading independent provider of risk and financial advisory solutions. Kroll, LLC's and its affiliates' team of more than 6,500 professionals worldwide continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. As a leading provider of independent valuations, we constantly monitor changing regulations and consistently provide input to international regulatory bodies as they develop implementation guidance and new financial reporting rules with valuation implications.

Castelnau's investments to which the Unquoted NAV relates are the investments in Cambium Group, Ocula, Phoenix Stanley Gibbons, Rawnet, Showpiece and Silverwood (together, the "Assets") set out in the Factsheet.

We have considered whether the Castelnau's directors' determination of the Unquoted NAV is in accordance with Fair Value, as defined in IFRS 13 issued by the International Accounting Standards Board (as in force at the Valuation Date) ("IFRS 13") and the International Private Equity and Venture Capital Valuation Guidelines (December 2018) issued by the IPEV Board (the "IPEV Guidelines").

In carrying out our work we have:

- reviewed the work papers prepared by Castelnau;
- considered the basis of value and assumptions used by Castelnau;
- made enquiries of Castelnau; and
- where necessary, considered supporting evidence obtained by Castelnau or from public sources.

Our work has not been carried out in accordance with auditing or other standards and accordingly should not be relied upon as if it had been carried out in accordance with those standards or associated practices.

In forming our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that has been furnished to us by Castelnau or is publicly available. We have not verified the accuracy or completeness of any such information.

Our opinion is necessarily based on economic, market and other conditions in effect on the Valuation Date and the information made available to us. Except to the extent that we may be required to do so in accordance with our engagement letter for the purpose of assisting Castelnau to satisfy any obligation of Castelnau under the Code to publish our confirmation that an updated valuation would not be materially different or an updated valuation report, we do not have any obligation to update or revise our opinion in the light of changing conditions.

The Unquoted NAV does not take into account any costs of disposing of Assets or any liability to taxation that may arise on their disposal, nor have any other adjustments been made.

### **Opinion**

On the basis and assumptions stated above, in our opinion:

- the Unquoted NAV stated by Castelnau's directors in the Factsheet:
  - has been prepared in accordance with Fair Value, as defined in IFRS 13 and the IPEV Guidelines; and
  - has been prepared after due care and consideration; and

- the Unquoted NAV as at the date of this Valuation Report would not be materially different from the Unquoted NAV as at the Valuation Date stated by the Castelnuo's directors in the Factsheet.

Yours faithfully

A handwritten signature in black ink that reads "Kroll, LLC". The letters are cursive and somewhat slanted to the right.

Kroll, LLC

## APPENDIX E

### RULE 24.11 VALUATION LETTER

*The following is the full text of a letter from Morgan Stanley & Co. International plc to the Bidco Directors:*

Directors of Yellow (SPC) Bidco Limited  
64-66 Glenthams Road  
London, SW13 9JJ  
United Kingdom

14 February 2023

#### **Recommended Cash Offer for Dignity plc by Yellow (SPC) Bidco Limited Estimate of Value of Valderrama D Shares**

Dear Sirs,

We refer to the recommended cash offer for Dignity plc ("**Dignity**") by Yellow (SPC) Bidco Limited ("**Bidco**"), announced on 23 January 2023 (the "**Acquisition**"). Under the terms of the Acquisition, each Dignity Shareholder is entitled to receive £5.50 in cash for each Dignity Share. As an alternative, Eligible Dignity Shareholders may elect to receive, for each Dignity Share, 5.5 non-voting D shares of £0.00001 each in the capital of Valderrama Limited ("**Valderrama**") (the "**Valderrama D Shares**"), Bidco's indirect parent company.

Pursuant to the requirements of the City Code on Takeovers and Mergers (the "**Takeover Code**"), you have requested our opinion as to the estimated value of the Valderrama D Shares (the "**Estimate of Value**").

The Valderrama D Shares are currently unlisted and therefore do not have a public valuation. It is not proposed that the Valderrama D Shares will be admitted to trading on any recognised stock exchange or other market after the Effective Date, nor is it proposed that any alternative trading facilities will be made available. The Valderrama D Shares are described in Appendix G to the offer document dated 14 February 2023 in relation to the Acquisition (the "**Offer Document**").

Capitalised terms used in this letter will, unless otherwise stated, have the same meaning given to them in the Offer Document of which this letter forms part.

#### **Purpose**

This Estimate of Value has been provided to the directors of Bidco solely for the purposes of Rule 24.11 of the Takeover Code and should not be used or relied upon for any other purpose whatsoever. In particular, the Estimate of Value is not a valuation that has been prepared as a result of the requirements of, or in accordance with, nor has Morgan Stanley had any regard to, the terms of any applicable law or regulations in any jurisdiction other than England and Wales. It is not addressed to, and may not be relied upon by, any third party (including any creditor, employee or shareholder of Dignity) for any purpose whatsoever and Morgan Stanley & Co. International plc ("**Morgan Stanley**") expressly disclaims any duty, liability or responsibility (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any third party with respect to the contents of this letter.

This letter sets out our Estimate of Value, which is an estimate of the net present value of the Valderrama D Shares, assuming the Valderrama D Shares had been in issue as at the Latest Practicable Date and assuming a willing buyer and seller with equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm's length basis, each having equal knowledge of all relevant facts. We have assumed for this purpose that, as at the date of the Estimate of Value, the Offer had become Effective, and that Bidco had full control of Dignity, and that the Valderrama D Shares had been validly issued.

This Estimate of Value does not represent the value that a holder of the Valderrama D Shares may realise on any future sale or redemption of the shares; such a value may be higher or lower than the range set out in this letter. Except as required by the Takeover Code, Morgan Stanley assumes no obligation to update or revise this Estimate of Value based upon circumstances or events occurring after the date hereof.

## Information

In arriving at the Estimate of Value, we have, among other things:

- (1) reviewed certain publicly available financial statements and other business and financial information relating to Dignity, including Dignity's trading update released on 23 January 2023;
- (2) reviewed certain information provided by Valderrama relating to the operations, financial condition and prospects of Dignity;
- (3) reviewed certain financial projections relating to Dignity contained within the business plan prepared by Valderrama;
- (4) taken account of the commercial assessments of the Valderrama Directors;
- (5) reviewed the Valderrama Articles and the rights and restrictions attached to the Valderrama D Shares;
- (6) considered such other factors and performed such other analyses as we considered appropriate for the purposes of this letter.

We have relied on, and assumed, without independent verification (nor have we assumed responsibility or liability for independently verifying), the accuracy and completeness of the information reviewed by us for the purposes of this Estimate of Value. With respect to the financial projections contained within the business plan prepared by Valderrama, we have assumed that they have been reasonably and properly prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Dignity, under the ownership of Bidco and, ultimately, Valderrama. We have not made any independent valuation or appraisal of the assets and liabilities of Dignity, nor have we sought or been provided with any such valuation or appraisal. Our Estimate of Value is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based.

## Methodology

In performing this analysis, Morgan Stanley has relied upon certain assumptions provided by Valderrama and made certain assumptions of its own with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Valderrama. Consequently, the view expressed in this letter is not necessarily indicative of the amount which might be realised upon a sale of the Valderrama D Shares to a third party, nor is there any certainty such realisation will occur. This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market and industry conditions, the financial conditions and prospects of Valderrama and other factors after the date of this letter which generally influence the valuation of companies and securities.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. As it relates to the Valderrama D Shares, the reasons for this inherent uncertainty include, but are not limited to, the following factors:

1. The Valderrama D Shares:
  - a. will not be admitted to trading on any stock exchange, nor is there any current intention or expectation for them to be listed or admitted on any exchange or trading facility and they will therefore be illiquid; and
  - b. will also be subject to transfer restrictions, pursuant to which they can be transferred only with the prior written consent of SPWOne and Castelnaud or in certain other limited circumstances which may reduce the likelihood of a third party offering to purchase Valderrama D Shares and therefore holders of Valderrama D Shares may not be able to recover the value of their original investment or readily crystallise any increase in the value of their investment;

2. The Valderrama D Shares will be of uncertain value and there can be no assurance that they will be capable of being sold in the future;
3. As the Valderrama D Shares do not have voting rights, their holders will have no influence over decisions made by Valderrama in relation to its investment in Dignity or in any other business decision made by Valderrama;
4. If Valderrama C Shares are issued, holders of all other Valderrama Shares (except the holders of Valderrama E Shares, being Castelnau and those PAMP Affiliates who have agreed to receive Valderrama E Shares under the Consortium Rollover SPA) will see their economic returns diluted proportionately, albeit that the holders of Valderrama C Shares will not be entitled to any return of proceeds until the holders of Valderrama A Shares, Valderrama B Shares, Valderrama D Shares and Valderrama E Shares have received proceeds equal to their invested capital. The Valderrama E Shares are not subject to this dilution because (i) the PAMP Affiliates already pay PAMP investment management fees under existing arrangements with PAMP and (ii) Castelnau pays a performance fee to PAMP under its investment management agreement;
5. Dignity Shares are currently listed on the Premium Segment of the Official List. Certain standards and protections afforded to shareholders in a premium listed company are substantially different to those which apply to a shareholding in an unlisted company, such as that which an Eligible Dignity Shareholder would receive as a result of validly electing for the Unlisted Share Alternative; and
6. Dignity Shareholders will have no certainty as to the number of Valderrama D Shares they would receive because:
  - a. the Alternative Offers will be limited to the Alternative Offers Maximum; and
  - b. to the extent that elections for the Alternative Offers cannot be satisfied in full, the number of Valderrama D Shares and/or New Castelnau Consideration Shares (as applicable) will be scaled back on a *pro rata* basis (as between validly electing Dignity Shareholders and as between the Alternative Offers), and the balance of the consideration for each relevant Dignity Shareholder will be paid in cash in accordance with the terms of the Cash Offer.

Morgan Stanley has made an assessment of the relevant cost of capital and discount rate when calculating the net present value of the Valderrama D Shares, including, where appropriate, the impact of paragraphs (1) to (6) immediately above. As such, we have not considered it appropriate to make an additional adjustment for the illiquidity/non-transferability of the Valderrama D Shares beyond what is already included in the assessment of the appropriate cost of capital and discount rate. Morgan Stanley has used sum of the parts analysis based on forecasted cash flows contained within the business plan prepared by Valderrama and reflecting the proposed financing structure.

In addition, Morgan Stanley has considered the valuation impact of the envisaged follow-on capital raise to be undertaken by Valderrama to fund the Valderrama business plan and the associated dilutive impact on the Valderrama D Shares.

We have produced the Estimate of Value using this methodology and taken into account the information, factors, assumptions and limitations set out in this letter.

The taxation position of individual Dignity Shareholders will vary and so we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be significant in the case of some Dignity Shareholders.

No account has been taken of any potential transaction costs that a holder of Valderrama D Shares may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Valderrama to a third party or a liquidation of Valderrama and which might be expected to reduce any return to a holder of a Valderrama D Share upon the occurrence of such an event. In addition, no account has been taken of any minority shareholder issues arising from the existence of a controlling shareholder in Valderrama.

## **Estimate of Value**

On the basis of and subject to the matters described in sections headed "Information" and "Methodology", if the Valderrama D Shares had been in issue as at the Latest Practicable Date, the Estimate of Value (being the estimated value of the Valderrama D Shares receivable in respect of each Dignity Share) would be in the range of 660 to 990 pence per Dignity Share. As noted above, when calculating the Estimate of Value, Morgan Stanley applied a range of discount rates reflecting an assessment of the appropriate cost of capital for Valderrama, based on the cost of equity using the Capital Asset Pricing Model and equity returns typically achieved by private equity.

This Estimate of Value implies an equity value of £338 million to £507 million at the bottom and top of the range, respectively. The implied enterprise value is in the range of £846 million and £1,015 million on pre-IFRS basis (including £508 million of net debt). Eligible Dignity Shareholders should note that, due to the high leverage of Dignity relative to the overall enterprise value, the Estimate of Value is highly sensitive to changes in Valderrama's assumptions about the future financial performance of Dignity.

## **General**

Morgan Stanley is acting exclusively for the board of directors of Valderrama and Bidco and no one else in connection with the Acquisition for the purposes of providing this letter. Morgan Stanley will receive fees from Valderrama in respect of these services. Morgan Stanley will not be responsible to anyone other than Valderrama for providing the protections afforded to clients of Morgan Stanley, nor for providing advice in connection with the Acquisition, the content of the Offer Document or any matter referred to herein.

Morgan Stanley will receive a fee for our services, which is contingent upon the closing of the Acquisition. Morgan Stanley may also seek to provide services to Valderrama and Dignity in the future and expects to receive fees for the rendering of these services. Furthermore, Morgan Stanley, its affiliates, directors or officers, including individuals working with Valderrama in connection with this transaction, may have committed and may commit in the future to invest in private equity funds managed by the shareholders in Valderrama. Please note that Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment management, banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Dignity or any other company or any currency or commodity that may be involved in this transaction or any related derivative instrument.

Eligible Dignity Shareholders who may be considering a continuing investment in the future of Dignity through the Valderrama D Shares are urged to read carefully all the information contained in the Offer Document, including the risk factors set out in paragraph 19 of Appendix C and the Castelnaud Prospectus.

This letter is not addressed to, or provided on behalf of, nor shall it confer any rights or remedies upon, any shareholder, creditor or any other person other than the Bidco Directors for the aforesaid purpose. In providing this Estimate of Value, Morgan Stanley expresses no opinion or recommendation to any person as to whether they should accept the Offer or whether they should make an election for the Unlisted Share Alternative. Dignity shareholders are recommended to seek their own independent financial advice. Morgan Stanley expresses no opinion as to the fairness of the financial terms of the Acquisition or the Unlisted Share Alternative.



This letter may be reproduced in full in the Offer Document to be sent to Dignity Shareholders on the basis that no duties or responsibilities are accepted by Morgan Stanley to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written approval.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L Hopkins', with a long horizontal flourish extending to the right.

**Laurence Hopkins**

*Managing Director*

For and on behalf of

Morgan Stanley &Co. International plc

## APPENDIX F

### UK TAXATION

The comments set out below summarise certain limited aspects of the UK taxation treatment of certain Dignity Shareholders under the Offer and the holding and disposing of Valderrama D Shares for Eligible Dignity Shareholders electing for the Unlisted Share Alternative. They do not purport to be a complete analysis of all tax considerations relating to the Offer and the holding and disposing of Valderrama D Shares, nor do they constitute tax advice. They are based on current UK tax legislation and what is understood to be current HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of Dignity Shareholder or Valderrama D Shareholders, such as charities, trustees, market makers, brokers, insurance companies, dealers in securities, collective investment schemes or persons who have or could be treated for tax purposes as having acquired their Dignity Shares or Valderrama D Shares by reason of an office or employment or as carried interest.

The comments do not deal with the treatment of individuals considered non-UK domiciled for UK tax purposes and who may therefore be entitled to elect for taxation on a remittance basis. References below to “**UK Holders**” are to Eligible Dignity Shareholders and Valderrama D Shareholders, as appropriate, who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the UK (and to whom split-year treatment does not apply), who hold their Dignity Shares and Valderrama D Shares respectively as a capital investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their Dignity Shares and their Valderrama D Shares respectively. Overseas holders of Dignity Shares or Valderrama D Shares are referred to paragraph 12 of Part II of this document, as this Appendix refers only to certain UK tax consequences of the Offer and of holding and disposing of Valderrama D Shares.

Eligible Dignity Shareholders electing for the Listed Share Alternative should refer to pages 108 to 110 of Part 10 of the Castelnau Prospectus for details on limited aspects of UK taxation treatment on the holding and disposing of New Castelnau Consideration Shares.

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

#### **1 UK taxation of chargeable gains – Cash Offer**

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

##### ***Individual Eligible Dignity Shareholders***

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Dignity Shares by an individual UK Holder should be subject to CGT at the rate of 10% or 20% depending on the individual’s personal circumstances, including their other taxable income and chargeable gains in the relevant tax year. The CGT annual exemption (which is £12,300 for individuals in the 2022/23 tax year and will reduce to £6,000 in the 2023/24 tax year) should be available to exempt any chargeable gain, to the extent it has not already been utilised by the individual UK Holder.

##### ***Corporate Eligible Dignity Shareholders***

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Dignity Shares by a UK Holder within the charge to UK corporation tax should be subject to UK corporation tax at the prevailing rate (currently 19%). From 1 April 2023, the rate will be 19%

for companies or groups with annual profits of £50,000 or less, 25% for companies or groups with annual profits of £250,000 or more, and companies or groups with annual profits between £50,000 and £250,000 will be subject to UK corporation tax at the rate of 25% reduced by marginal relief.

The substantial shareholding exemption may apply to exempt from UK corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that:

- the corporate UK Holder has held not less than 10% of the issued ordinary share capital of Dignity, and is beneficially entitled to not less than 10% of certain economic rights available to “equity holders” of Dignity, for a continuous period of at least one year beginning not more than six years prior to the date of disposal (the “**Substantial Shareholding Condition**”); and
- Dignity constitutes either a trading company or a holding company of a trading group or a trading subgroup, throughout the period beginning with the start of the latest 12 month period by reference to which the Substantial Shareholding Condition is met and ending with the date of the disposal.

## 2 UK taxation of chargeable gains – Alternative Offers

For the avoidance of doubt, the tax treatment set out in the section below only applies to Dignity Shares in respect of which the UK Holders are electing for the Alternative Offers.

### **Individual Eligible Dignity Shareholders**

Subject to the following paragraphs, to the extent that a UK Holder who is a UK tax resident individual (a “**UK Individual Holder**”) receives Valderrama D Shares or New Castelnau Consideration Shares (together, “**Rollover Shares**”) under the terms of the Offer, they are not expected to be treated as having made a disposal for CGT purposes of the Dignity Shares in respect of which the Rollover Shares were received. Instead, the Rollover Shares so received should be treated as the same asset, acquired at the same time and for the same consideration, as those Dignity Shares. In this regard, it is expected that the Loan Notes will constitute non-qualifying corporate bonds for UK Individual Holders.

Under section 137 of the Taxation of Chargeable Gains Act 1992 (“**TCGA**”), the “rollover” tax treatment described above will be denied to UK Individual Holders who, alone or together with persons connected with them, hold more than 5% of, or of any class of, the shares in or debentures of Dignity, or the Loan Notes issued to the UK Individual Holders to effect the Alternative Offers as described in Appendix I, or the Valderrama D Shares issued to the UK Individual Holders to the extent they have elected for the Listed Share Alternative, unless the Offer, the exchanges of Loan Notes, and, to the extent Eligible Dignity Shareholders have elected for the Listed Share Alternative, the exchange of Valderrama D Shares for New Castelnau Consideration Shares, are effected for *bona fide* commercial reasons and do not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to capital gains tax or corporation tax. UK Individual Holders are advised that no application for clearance has been made or will be made under section 138 TCGA for confirmation that HMRC is satisfied that the Offer will be effected for *bona fide* commercial reasons and will not form part of any such scheme or arrangements.

If a UK Individual Holder receives Rollover Shares as well as cash consideration for the Cash Offer and the amount of cash received is “small” in comparison with the value of their Dignity Shares, the UK Individual Holder will be treated as not having disposed of the Dignity Shares in respect of which the cash was received. Instead, the cash should be treated as a deduction from the base cost of their Dignity Shares rather than as a part disposal thereof (unless the cash received exceeds such base cost, in which case this treatment would only be available upon election by the UK Individual Holder and only to the extent it reduces the base cost to £0, with the balance being cash consideration for a taxable disposal, taxed as detailed above). Under current HMRC practice, any cash payment of less than £3,000 or which is 5% or less of the market value of a UK Individual Holder’s holding of Dignity Shares should generally be treated as “small” for these purposes.

Chapter 1 Part 13 Income Tax Act 2007 (“**ITA 2007**”) enables HMRC in certain circumstances to serve a counteraction notice on UK Individual Holders and recharacterise their consideration for the sale of Dignity Shares as income, so that it is subject to UK income tax (not CGT). One of the conditions includes that the main purpose, or one of the main purposes, of the relevant transactions (or any of them) is to obtain an income tax advantage. UK Individual Holders are advised that no application for clearance has been made or will be made under section 701 ITA 2007 for confirmation from HMRC that no counteraction notice will be served in respect of the Offer.

### ***Corporate Dignity Shareholders***

The “rollover” treatment described above does not apply to UK Holders who are within the charge to UK corporation tax. Instead, when such UK Holders exchange their Dignity Shares for Loan Notes as described in paragraph 3.1 of Appendix I, any gain or loss that would have accrued had there been a disposal of their Dignity Shares at market value at the time of exchange is ‘frozen’ until a subsequent disposal of those Loan Notes, which will occur as part of the exchanges of Loan Notes for Rollover Shares as described in Appendix I. In practice, this means that the sale of Dignity Shares will trigger a disposal for UK Holders within the charge to UK corporation tax, which may give rise to a chargeable gain or an allowable loss for the purposes of UK corporation tax on chargeable gains (subject to available reliefs or exemptions, including the substantial shareholding exemption described above).

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

No UK stamp duty or SDRT should generally be payable by UK Holders on the sale of their Dignity Shares under the Offer. Bidco will be subject to UK stamp duty or SDRT on the acquisition of Dignity Shares at a rate of 0.5% on the consideration for such shares.

No UK stamp duty or SDRT should be payable on (i) the issue and transfer of Loan Notes or (ii) the allotment, issue and transfer of Valderrama D Shares, in each case under the Offer.

### **4 Shares acquired through awards**

Special tax provisions may apply to Eligible Dignity Shareholders who have acquired or who acquire their Dignity Shares by the vesting of awards or exercising of options under share schemes, including provisions imposing a charge to UK income tax.

### **5 UK taxation consequences of holding Valderrama D Shares**

The comments set out in the section below do not apply with respect to the holding of any Valderrama D Shares which are issued to UK Holders who have elected for the Listed Share Alternative, which are acquired in consideration for their Topco CG1 Loan Notes, and which will be exchanged by such UK Holders for New Castelnau Consideration Shares.

### ***Future disposals of Valderrama D Shares***

#### ***Individual Valderrama D Shareholders***

A disposal or deemed disposal of Valderrama D Shares by a UK Individual Holder may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax. Subject to available reliefs or allowances, chargeable gains arising on a disposal of Valderrama D Shares by a UK Individual Holder should be subject to CGT at the rate of 10% or 20% depending on the individual's personal circumstances, including their other taxable income and chargeable gains in the relevant tax year. The CGT annual exemption (which is £12,300 for individuals in the 2022/23 tax year and will reduce to £6,000 in the 2023/24 tax year) should be available to exempt any chargeable gain, to the extent it has not already been utilised by the UK Individual Holder.

#### ***Corporate Valderrama D Shareholders***

A disposal or deemed disposal of Valderrama D Shares by a UK Holder within the charge to UK corporation tax may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax (currently 19%) depending on the circumstances and subject to any available reliefs or exemptions. From 1 April 2023, the applicable rate will be 19% for companies or groups with annual profits of £50,000 or less and 25% for companies or groups

with annual profits of £250,000 or more. From 1 April 2023, companies or groups with annual profits between £50,000 and £250,000 will be subject to UK corporation tax at the rate of 25% reduced by marginal relief.

### ***UK stamp duty and SDRT***

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

### ***Dividends***

There will be no UK withholding tax on dividends paid on Valderrama D Shares.

#### *Individual Valderrama D Shareholders within the charge to UK income tax*

The general UK tax treatment of dividends paid by Valderrama to UK Individual Holders is as follows.

All dividends received by a UK Individual Holder from Valderrama (or from other sources) will form part of the UK Holder’s total income for income tax purposes.

For the tax year 2022/23, a nil rate of income tax applies to the first £2,000 of taxable dividend income received by an individual UK Holder in a tax year (the “**Nil Rate Amount**”). The Nil Rate Amount will reduce to £1,000 in the 2023/24 tax year (and is expected to reduce further in subsequent tax years).

Any taxable dividend income received by a UK Individual Holder in a tax year in excess of the Nil Rate Amount is taxed at a special rate, as set out below. Where a UK Individual Holder’s taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the “**Relevant Dividend Income**”) will be subject to income tax at the following rates for the 2022/23 and 2023/24 tax years:

- 8.75%, to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- 33.75%, to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and
- 39.35%, to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

In determining whether the Relevant Dividend Income falls above or below the threshold for the higher or additional rates of income tax, the UK Holder’s total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will be treated as the highest part of the UK Holder’s total income for income tax purposes.

#### *Corporate Valderrama D Shareholders within the charge to UK corporation tax*

UK Holders within the charge to corporation tax which are “small companies” (for the purposes of the UK dividend exemption at Part 9A Corporation Tax Act 2009) should not generally be subject to UK corporation tax on dividends from Valderrama.

Other UK Holders within the charge to corporation tax (who are not “small” companies) will not be subject to UK corporation tax on dividends from Valderrama provided that the dividends fall within an exempt class and certain conditions are met.

## APPENDIX G

### DETAILS ON VALDERRAMA AND THE BIDCO GROUP

Valderrama is a private company limited by shares that was incorporated in Guernsey on 25 August 2022 with registered number 70991 and has its registered office at PO Box 650, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX. Castelnau and SPWOne are currently Valderrama's sole shareholders, with the company having been incorporated for the purposes of a 50:50 joint venture between Castelnau and SPWOne, pursuant to which Castelnau and SPWOne agreed to invest in Valderrama for the purposes of making investments in line with Castelnau's investment objectives and investment policy, which are summarised in Appendix H.

Topco is a private company limited by shares that was incorporated in England and Wales on 12 October 2022 with registered number 14415281 and has its registered office at 64-66 Glenthams Road, London, United Kingdom, SW13 9JJ. The sole shareholder of Topco is Valderrama.

Midco is a private company limited by shares that was incorporated in England and Wales on 13 October 2022 with registered number 14416044 and has its registered office at 64-66 Glenthams Road, London, United Kingdom, SW13 9JJ. The sole shareholder of Midco is Topco.

Bidco is a private company limited by shares that was incorporated in England and Wales on 13 October 2022 with registered number 14417289 and having its registered office at 64-66 Glenthams Road, London, United Kingdom, SW13 9JJ. The sole shareholder of Bidco is Midco.

Each member of the Bidco Group was incorporated for the purposes of implementing the Acquisition.

Set out below is a summary of the Valderrama capital structure and any relevant provisions of the Valderrama Articles and the Valderrama JVA, which should be read in conjunction with, and is subject to, the full text of those documents. For the purposes of this Appendix G, the terms "subsidiary undertaking" and "undertaking" shall have the meanings given to them in the Valderrama Articles and the Valderrama JVA. Eligible Dignity Shareholders who validly elect for the Unlisted Share Alternative and who receive Valderrama D Shares as a result will, pursuant to the Power of Attorney, deliver a fully executed deed of adherence pursuant to which they will be bound by the Valderrama JVA.

#### **1 Valderrama's share capital**

As at the date of this document, the issued share capital of Valderrama consists of one Valderrama A1 Share and one Valderrama A2 Share.

Following the Effective Date, it is expected that the Valderrama share capital structure will be comprised of:

- Valderrama A1 Shares – held by SPWOne;
- Valderrama A2 Shares – held by Castelnau;
- Valderrama B Shares – to be held by any third party investor in Valderrama (to the extent that Castelnau and SPWOne successfully syndicate part of their equity funding commitments in respect of the Acquisition after the date of this document);
- Valderrama C1 Shares – to be issued to persons nominated by SPWOne;
- Valderrama C2 Shares – to be held by Castelnau, which will allocate them after the Effective Date to members of Dignity's management team as part of future management incentivisation arrangements, or to such other persons as Valderrama may determine;
- Valderrama D Shares – to be held by any Eligible Dignity Shareholder who validly elects for the Unlisted Share Alternative; and
- Valderrama E Shares – to be held by Castelnau and those PAMP Affiliates that have agreed to receive Valderrama E Shares under the Consortium Rollover SPA.

Each Valderrama Share will be allotted and issued credited as fully paid. A summary of the rights attaching to the Valderrama Shares is set out below.

## 2 Rights attaching to Valderrama Shares

### *Voting rights*

Holders of Valderrama A1 Shares or Valderrama A2 Shares shall have the right to receive notice of, attend, speak and vote at any general meeting of Valderrama, and vote on any written resolution circulated outside of any general meeting of Valderrama.

Holders of Valderrama B Shares, Valderrama C Shares, Valderrama D Shares and Valderrama E Shares shall have no right to receive notice of, attend, speak or vote at any general meeting of Valderrama, or vote on any written resolution circulated outside of any general meeting of Valderrama.

### *Economic rights – Distribution of assets on a winding up*

Upon any distribution of assets on a liquidation or other return of capital, the surplus assets of Valderrama remaining after payment or provision for establishment expenses, operating expenses and other liabilities and obligations where applicable or reasonably required, shall be applied (to the extent lawfully permissible) as follows:

- holders of Valderrama A1 Shares and Valderrama A2 Shares shall participate *pari passu*:
  - alongside holders of Valderrama B Shares, Valderrama D Shares and Valderrama E Shares until all Valderrama Shareholders have received proceeds equal to their invested capital; and
  - thereafter, with holders of the Valderrama B Shares and Valderrama D Shares, in 85% of the total proceeds apportioned to the Valderrama A Shares, Valderrama B Shares and Valderrama D Shares,

with the apportionment between holders of Valderrama E Shares (on the one hand) and holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares (on the other hand) being made *pro rata* relative to the proportion the number of Valderrama E Shares in issue bears to the aggregate total number of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares in issue;

- holders of Valderrama B Shares shall participate *pari passu*:
  - alongside the holders of Valderrama A Shares, Valderrama D Shares and Valderrama E Shares until all Valderrama Shareholders have received proceeds equal to their invested capital; and
  - thereafter, with holders of the Valderrama A Shares and Valderrama D Shares, in 85% of the total proceeds apportioned to the Valderrama A Shares, Valderrama B Shares and Valderrama D Shares,

with the apportionment between holders of Valderrama E Shares (on the one hand) and holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares (on the other hand) being made *pro rata* relative to the proportion the number of Valderrama E Shares in issue bears to the aggregate total number of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares in issue;

- holders of Valderrama C1 Shares (as a class) are entitled to 12%, and holders of Valderrama C2 Shares (as a class) are entitled to 3%, of proceeds otherwise allocable to the holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares, but only once the holders of Valderrama A Shares, Valderrama B Shares, Valderrama D Shares and Valderrama E Shares have received proceeds equal to their invested capital;
- Valderrama D Shareholders shall participate *pari passu*:
  - alongside the holders of Valderrama A Shares, Valderrama B Shares and Valderrama E Shares until all Valderrama Shareholders have received proceeds equal to their invested capital; and
  - thereafter, with holders of the Valderrama A Shares and Valderrama B Shares, in 85% of the total proceeds apportioned to the holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares,

with the apportionment between holders of Valderrama E Shares (on the one hand) and holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares (on the other hand) being made *pro rata* relative to the proportion the number of Valderrama E Shares in issue bears to the aggregate total number of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares in issue; and

- holders of Valderrama E Shares shall participate *pari passu*:
  - alongside the holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares until all Valderrama Shareholders have received proceeds equal to their invested capital; and
  - thereafter, in 100% of the proceeds apportioned to the holders of Valderrama E Shares,

with the apportionment between holders of Valderrama E Shares (on the one hand) and holders of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares (on the other hand) being made *pro rata* relative to the proportion the number of Valderrama E Shares in issue bears to the aggregate total number of Valderrama A Shares, Valderrama B Shares and Valderrama D Shares in issue.

#### *Economic rights – Dividends*

The directors of Valderrama can pay dividends or other distributions only with the prior approval of the holders of the Valderrama A Shares. Any dividend or other distribution which is approved shall be distributed amongst the Valderrama Shareholders in the same manner as any surplus assets on a winding up, as summarised above.

### **3 Share transfers**

Shareholders may transfer Valderrama Shares only:

- if such transfer is made with the prior written consent of the holders of Valderrama A Shares;
- pursuant to the drag-along and tag-along rights summarised in paragraph 5 of this Appendix G; or
- where such transfer is a “Permitted Transfer” (such term having the meaning given to it in the Valderrama Articles or the Valderrama JVA). Permitted Transfers include transfers to (i) in the case of a Valderrama Shareholder who is an individual, that Valderrama Shareholder’s spouse, unmarried partner, children and grandchildren and (ii) in the case of a Valderrama Shareholder which is an undertaking, members of that Valderrama Shareholder’s group.

### **4 Additional issues of Valderrama Shares**

Subject to the exceptions listed below, on a new issue of Valderrama Shares, Valderrama Shareholders (other than holders of Valderrama C Shares) will be entitled to participate *pro rata* in the issue at the same price and on the same terms and will also have the opportunity to accept any new Valderrama Shares not taken up by other Valderrama Shareholders.

The pre-emption provisions summarised above will not apply to an issue of:

- (i) Valderrama A Shares and Valderrama B Shares in connection with the funding of the Acquisition, the funding of any purchases of Dignity Shares outside of the Acquisition or the funding of any payment made pursuant to Chapter 3 of Part 28 of the Companies Act in connection with the Acquisition or (ii) additional Valderrama B Shares prior to the date falling 12 months after the date on which Valderrama first directly or indirectly controls more than 50% of the voting rights in Dignity to raise up to £100 million at an issue price of not less than £1.00 per share;
- (i) Valderrama D Shares and Valderrama E Shares pursuant to the Acquisition or pursuant to Chapter 3 of Part 28 of the Companies Act in connection with the Acquisition or (ii) Valderrama E Shares to Castelnaud and to those PAMP Affiliates who agreed to receive Valderrama E Shares or New Castelnaud Consideration Shares under the Consortium Rollover SPA;



- Valderrama Shares (other than Valderrama C Shares issued as described in the final bullet point below) to individuals who are (or are to become) employed by, or directors or other officers of, Valderrama or any of its subsidiary undertakings, provided that such Valderrama Shares carry in aggregate (on a fully diluted basis) an entitlement to not more than 5% of (i) Valderrama's surplus assets on a distribution of assets on a liquidation or other return of capital and (ii) any other dividend or distribution made by Valderrama (referred to as an 'Employee Issue' in the Valderrama Articles);
- Valderrama Shares, on terms approved by the directors of Valderrama and the holders of the Valderrama A Shares as *bona fide* arm's length terms, to the seller(s) of any shares, assets, businesses or undertakings being acquired by Valderrama or any of its subsidiary undertakings as consideration (in whole or in part) for such acquisition;
- Valderrama Shares where (i) there has been or, in the opinion of the holders of the Valderrama A Shares, there is a reasonable likelihood of there being, an acceleration of, or event of default or breach of covenant under, any financing facility or agreement or instrument evidencing financial indebtedness of Valderrama or any of its subsidiary undertakings or (ii) Valderrama or any of its subsidiary undertakings is, or, in the opinion of the holders of the Valderrama A Shares, is reasonably likely to become, insolvent, and (in each case) the purpose of the issue of Valderrama Shares is to avoid, cure or remedy that event of default, breach of covenant, acceleration or insolvency (as the case may be); or
- up to 120,000 Valderrama C1 Shares and up to 30,000 Valderrama C2 Shares.

These pre-emption rights may be varied only with the written consent of the holders of 75% in value of each of the Valderrama A1 Shares, the Valderrama A2 Shares, the Valderrama B Shares, the Valderrama D Shares and the Valderrama E Shares, or with the sanction of a special resolution passed at a separate general meeting of the holders of each of these classes of Valderrama Shares.

## 5 Drag-along and tag-along rights

### *Drag-along rights*

If a transfer of any Valderrama A Shares (other than any "Permitted Transfers", as summarised in paragraph 3 above, or any transfer between SPWOne or any of its permitted transferees (on the one hand) and Castelnau or any of its permitted transferees (on the other hand)) would result in a proposed transferee or persons connected with it holding more than 50% of the voting rights in Valderrama, the proposed transferor may require all other Valderrama Shareholders to transfer all (but not some only) of their Valderrama Shares to the proposed transferee on the same terms as those agreed between the proposed transferor and the proposed transferee.

### *Tag-along rights*

If a transfer of any Valderrama A Shares (other than any "Permitted Transfers", as summarised in paragraph 3 above, or any transfer between SPWOne or any of its permitted transferees (on the one hand) and Castelnau or any of its permitted transferees (on the other hand)) would result in a proposed transferee or persons connected with it:

- holding more than 50% of the voting rights in Valderrama, that proposed transferee must offer to buy all of the Valderrama Shares then in issue; or
- holding 50% or less of the voting rights in Valderrama, that proposed transferee must offer to buy the same proportion of all Valderrama Shares then in issue (other than the Valderrama C Shares) as the proportion of Valderrama A Shares proposed to be transferred bears to the total number of Valderrama A Shares held by the proposed transferor prior to the transfer.

Any such offer must be on the same terms as those offered to the proposed transferor.

## 6 Exit events

In the event of a "Share Sale", an "Asset Sale" or a "Listing" (as each such term is defined in the Valderrama Articles or the Valderrama JVA), the following provisions shall apply:

- in the event of a Share Sale or an Asset Sale, Valderrama Shareholders must procure that the consideration for the sale is shared amongst Valderrama Shareholders, having regard to the rights to surplus assets that attach to each class of Valderrama Shares (as summarised above);
- immediately prior to a Listing, to the extent that a share capital reorganisation is required, such reorganisation shall be effected in a manner consistent with the economic rights of existing Valderrama Shares (as summarised above); and
- if by sanction of a special resolution, the holders of Valderrama A1 Shares and Valderrama A2 Shares agree that a Listing should occur, they shall give written notice of this to all other Valderrama Shareholders (the “**Other Valderrama Shareholders**”) and all Other Valderrama Shareholders shall be deemed to have voted in favour of all resolutions and to have waived or consented in respect of each class of Valderrama Shares that they hold to all matters requiring a waiver or consent which are required to enable the Listing to proceed (provided such matters are procedural and do not adversely affect the economic value of the Valderrama Shares held by the Other Valderrama Shareholders).

## **7 Board appointment rights**

Only holders of Valderrama A1 Shares and Valderrama A2 Shares shall have the right to appoint or remove any director of Valderrama.

No Other Valderrama Shareholder shall have the right to appoint or remove any such director.

## **8 Leaver provisions**

The Valderrama Articles contain customary leaver provisions which apply to the holders of the Valderrama C Shares or holders of Valderrama Shares issued pursuant to an ‘Employee Issue’ (as referred to in paragraph 4 of this Appendix G). These leaver provisions do not affect the rights of the holders of any other Valderrama Shares.

## **9 Disclosure of beneficial interests**

Valderrama’s Resident Agent may, by notice in writing, require a Valderrama Shareholder to disclose to Valderrama details in respect of themselves and whether they are holding their interest in Valderrama for their own benefit or for the benefit of another person (and, if they are holding their interest in Valderrama for the benefit of another person, details in respect of that other person). If, in the opinion of the Resident Agent, a Valderrama Shareholder fails, without excuse, to disclose the details required by such notice or makes a statement in response to such notice which is false, deceptive or misleading in a material particular, the Resident Agent must notify Valderrama.

On receipt of such notice, Valderrama’s directors may place such restrictions as they think fit on the rights attaching to the relevant Valderrama Share. These restrictions include suspending the ability of a Valderrama Shareholder to transfer their Valderrama Shares or to receive dividends or other distributions in respect of them, and the Valderrama directors may also cancel the relevant Valderrama Shares.

## **10 Governance of Valderrama**

The holders of Valderrama A Shares shall ensure that neither Valderrama nor any of its subsidiary undertakings from time to time carries out any act outside the ordinary course of its business (including certain customary restricted matters, which are set out in the Valderrama JVA) without the prior written consent of each holder of Valderrama A Shares.

## **11 Deadlock provisions**

The Valderrama JVA contains deadlock resolution procedures which apply if the holder of Valderrama A1 Shares and the holder of Valderrama A2 Shares are unable to agree on any matter relating to the affairs of Valderrama. In such a case, the holder of Valderrama A1 Shares or the holder of Valderrama A2 Shares may serve a deadlock notice on the other. Following the service of such a notice, the holder of Valderrama A1 Shares and the holder of Valderrama A2 Shares shall attempt to resolve the relevant matter and, if they are unable to

do so, then either the holder of Valderrama A1 Shares or the holder of Valderrama A2 Shares may either offer to (i) buy all of the other's Valderrama Shares or (ii) sell all of its Valderrama Shares to the other, in each case at a price to be specified in a "deadlock resolution notice". No such "deadlock resolution notice" may be served before 23 January 2026. If, following the operation of the relevant provisions of the Valderrama JVA, the deadlock has not been resolved, Valderrama would be wound up.

## **12 Insolvency**

If an "Insolvency Event" (as such term is defined in the Valderrama JVA) or certain types of change of control occur in relation to any Valderrama Shareholder, or if a Valderrama Shareholder is in material breach of certain provisions of the Valderrama JVA and fails to rectify that breach within a 20 business day period, then any other Valderrama Shareholder may require that Valderrama Shareholder (by service of a notice) to sell all of its Valderrama Shares at a price determined by an independent expert.

## **13 Amendments to the Valderrama JVA**

The Valderrama JVA may be amended only with the prior written consent of each of (i) the holder of the Valderrama A1 Shares, (ii) the holder of the Valderrama A2 Shares and (iii) Valderrama Shareholders holding a majority of the Valderrama Shares (excluding the Valderrama A Shares), provided that no amendments may be made to any of the provisions of the Valderrama JVA which would be materially prejudicial to the interests of any of the Valderrama Shareholders without the consent of the Valderrama Shareholders concerned.

## **14 Governing law**

The Valderrama JVA is governed by English law and the courts of England and Wales shall have exclusive jurisdiction to settle any issue between the parties to the Valderrama JVA, whether arising out of or in connection with Valderrama JVA or its subject matter, or otherwise (including non-contractual claims, disputes or issues).

## APPENDIX H

### CASTELNAU'S INVESTMENT OBJECTIVE AND POLICY AND PERFORMANCE FEE

#### 1 Investment objective

Castelnau's investment objective is to compound shareholders' capital at a higher rate of return than the FTSE All-Share Total Return Index over the long term.

#### 2 Investment policy

Castelnau seeks to achieve a high rate of compound return over the long term by carefully selecting investments, using a thorough and objective research process and paying a price which provides a material margin of safety against permanent loss of capital, but also a favourable range of outcomes.

Castelnau follows a high conviction investment strategy. The expertise and processes developed by PAMP, Castelnau's investment manager, can be applied to all parts of the capital structure of a business, both private and publicly quoted. These positions could be represented by a minority stake, a control position combined with operational involvement, full ownership of a company, a joint venture, a loan or convertible instrument, a short position or any other instrument which allows Castelnau to access value.

Castelnau may select investments from all asset classes, geographies and all parts of the capital structure of a business. Both private and public markets are within the scope of Castelnau's investment policy. The constraints on PAMP, as Castelnau's investment manager, lie in the high standards, strict hurdles and diligent processes used to select investments. These constraints help to maximise returns by reducing mistakes, enforcing a margin of safety and only accepting investments with a favourable range of outcomes.

Castelnau expects to hold a concentrated portfolio of investments and will not seek to reduce concentration risk through diversification. The opportunity set will dictate the number of holdings and the weighting of investments in Castelnau's investment portfolio and the investments with the best return profiles will receive the largest weightings. Castelnau will, therefore, have no set diversification policies.

The volatility of mark-to-market prices does not affect the investment process. It is likely that volatility in the market price of a listed investment will provide attractive entry or exit points and so any Eligible Dignity Shareholders who make elections for the Listed Share Alternative should expect high volatility to sit alongside the high long-term compounding rates that Castelnau is aiming to achieve.

The constituents of local indices, the weightings of investments in these indices and the volatility of the indices relative to Castelnau will not affect investment decisions. It is anticipated that agnosticism towards local indices will help focus research efforts, decision making and ultimately investment performance.

Castelnau may invest directly or through special purpose vehicles if considered appropriate.

#### *Investment restrictions*

Castelnau will not invest in companies whose principal business is (i) tobacco or tobacco related products, (ii) engaged directly in weapons production or (iii) engaged in the pornography industry.

There is no cross-financing between the companies forming part of Castelnau's investment portfolio and no operation of a common treasury function between Castelnau and any of its portfolio companies.

Castelnau does not invest more than 15% of its total assets in other investment companies whose shares are admitted to the Premium Segment.

### *Derivatives*

Castelnau currently does not intend to, but may in future, use derivatives, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the investment portfolio resulting from fluctuations in the securities and changes in currencies and interest rates, (ii) protect Castelnau's unrealised gains in the value of the investment portfolio, (iii) enhance or preserve returns, spreads or gains on any investment in the investment portfolio, (iv) hedge the interest rate or currency exchange rate on any of Castelnau's liabilities or assets, (v) protect against any increase in the price of any securities Castelnau anticipates purchasing at a later date, (vi) more efficiently gain access to the economics of an investment opportunity or (vii) for any other reason that PAMP deems appropriate on an opportunistic basis.

### *Borrowing policy*

There is no limit in Castelnau's articles of incorporation on the level of gearing which Castelnau can employ. Whilst Castelnau does not currently expect to have long-term gearing as part of its strategy, any such gearing utilised would be expected to be below 50% of Castelnau's gross asset value (including undrawn capital commitments), in each case measured at the time of investment. The Castelnau Board may, however, approve a higher level of gearing from time to time, in circumstances where PAMP recommends that it should do so on an opportunistic basis.

### *Cash management*

Castelnau may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds. There is no restriction on the amount of such cash and cash equivalents that Castelnau may hold and there may be times when it is appropriate for it to have a significant cash and cash equivalents position.

Any material change to Castelnau's investment policy set out above will require the approval of Castelnau shareholders by way of an ordinary resolution at a general meeting.

## **3 Performance fee**

PAMP was appointed as Castelnau's investment manager pursuant to an investment management agreement dated 23 September 2021 (the "**IMA**").

PAMP's remuneration for the provision of its services under the IMA will be the performance fee only (the "**Performance Fee**").

Castelnau's performance is measured over consecutive periods of not less than three years (each a "**Performance Period**"). The first Performance Period commenced on Castelnau's IPO on 18 October 2021 and ends on 31 December 2024.

The Performance Fee is equal to one third of the outperformance of Castelnau's net asset value (defined for the purposes of the IMA as the value, as at any date, of the assets of Castelnau after deduction of all liabilities determined in accordance with the accounting policies adopted by Castelnau from time to time) total return (on an undiluted basis and excluding any accrual or payment of the Performance Fee) after adjustment for inflows and outflows (such inflows and outflows including payments in respect of tender offers and buybacks), with dividends reinvested, over the FTSE All-Share Total Return Index, for each Performance Period (or, where no performance fee is payable in respect of a financial year, in the period since a Performance Fee was last payable). The net asset value total return is based on the weighted number, and net asset value, of Castelnau's ordinary shares in issue over the relevant Performance Period.

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee payable will be satisfied as to 100% of its value by the issue of new Castelnau ordinary shares to PAMP (rounded down to the nearest whole number) (including the reissue of treasury shares) ("**Performance Fee Shares**").

The number of Performance Fee Shares to be issued to PAMP is equal to the applicable Performance Fee divided by the prevailing net asset value per ordinary share at the time of issue (adjusted for any dividend or other distributions the right to which have gone *ex prior* to the date of issue).

At its option, PAMP is entitled to elect that a portion of any Performance Fee is paid in cash instead of Performance Fee Shares where PAMP is required to pay any tax liability and other related costs arising from the payment of any Performance Fee. Any such election must be made within five working days of the relevant Performance Fee calculation date and the resulting cash payment must be made at the same time as the issuance of any Performance Fee Shares.

The Performance Fee is subject to a high-water mark, so that no Performance Fee will be payable until all underperformance of Castelnu's NAV since the last Performance Fee was payable has been made up.

As at the Latest Practicable Date, Castelnu has to recover an underperformance of approximately 28.7% relative to the FTSE All-Share Total Return Index before a Performance Fee is payable. Eligible Dignity Shareholders who validly elect for the Listed Share Alternative and to whom New Castelnu Consideration Shares are issued will not, therefore, see their economic returns diluted as a result of the payment of the Performance Fee until this underperformance has been made up.

# APPENDIX I

## ROLLOVER MECHANICS

Set out below is a summary of the rollover steps pursuant to which:

- Castelnau will hold Valderrama E Shares;
- PAMP Affiliates will hold Valderrama E Shares or New Castelnau Consideration Shares;
- any Eligible Dignity Shareholder who validly elects for the Unlisted Share Alternative will hold Valderrama D Shares; and
- any Eligible Dignity Shareholder who validly elects for the Listed Share Alternative will hold New Castelnau Consideration Shares.

This summary should be read in conjunction with, and is subject to, the full text of the documents referred to in this Appendix I, once made available on Castelnau's website.

Pursuant to the Power of Attorney, any Eligible Dignity Shareholders who validly elect for either or both of the Alternative Offers will irrevocably appoint Bidco, and any director of, or person authorised, by Bidco, as their attorney and/or agent to execute on their behalf all documents necessary or desirable to effect the rollover mechanics described in this Appendix I.

For the purpose of this Appendix I only, the phrase "**Other Dignity Shareholder**" shall mean any Dignity Shareholder other than Castelnau or any PAMP Affiliate.

### **1 Acquisition of Dignity Shares by Bidco**

#### **1.1 *Castelnau and the PAMP Affiliates***

The Consortium Rollover Shares will not be acquired by Bidco as part of the Acquisition. Instead, pursuant to the Consortium Rollover SPA:

- Castelnau will exchange the 10,361,149 Consortium Rollover Shares owned by it for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for Valderrama E Shares; and
- the PAMP Affiliates will exchange the 4,515,010 Consortium Rollover Shares owned by them for loan notes issued by Bidco, which in turn will be exchanged, through the exercise of a series of put and call options, for (i) Valderrama E Shares or (ii) New Castelnau Consideration Shares, as set out in the Consortium SPA,

with these exchanges taking effect at such time as would result in the Acceptance Condition being capable of satisfaction when taking into account (i) the Consortium Rollover Shares and (ii) Dignity Shares in respect of which acceptances have been received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Offer) by Bidco from Other Dignity Shareholders.

#### **1.2 *Other Dignity Shareholders***

Eligible Other Dignity Shareholders who validly elect for the Unlisted Share Alternative will sell their Dignity Shares to Bidco in consideration for the issue of Bidco D Loan Notes which, following the exercise of a series of put and call options (as described below), will be exchanged for Valderrama D Shares.

Eligible Other Dignity Shareholders who validly elect for the Listed Share Alternative will sell their Dignity Shares to Bidco in consideration for the issue of Bidco CG1 Loan Notes which, following the exercise of a series of put and call options (as described below), will be exchanged for New Castelnau Shares.

### **2 The Loan Notes**

The Loan Notes will be governed by English law and will be issued by Bidco, Midco or Topco (as applicable), credited as fully paid, in integral multiples of £1.00. The Loan Notes will constitute direct, unsecured and unsubordinated obligations of each of Bidco, Midco and Topco (as applicable).

The Loan Notes will bear interest at a rate of 10% per annum, such interest beginning to accrue from the date of their issue.

The Loan Notes (together with accrued interest up to but excluding the date of redemption) may be redeemed by the relevant issuer (in whole or in part) on not fewer than five business days' notice in writing to the holders at any time after the date falling six months and one day after the date on which the Loan Notes are issued. Any Loan Notes not previously redeemed will be redeemed in full (together with accrued interest up to but excluding the date of redemption) on the tenth anniversary of the date of the relevant loan note instrument.

The Loan Notes are transferrable only with the consent of the issuer.

### **3 Rollover**

#### **3.1 Bidco Acquisition**

Bidco will acquire Dignity Shares from:

- Castelnau pursuant to the Consortium Rollover SPA in consideration for the issue by Bidco to Castelnau of Bidco E Loan Notes;
- the PAMP Affiliates pursuant to the Consortium Rollover SPA in consideration for the issue by Bidco to the relevant PAMP Affiliate of:
  - to the extent such PAMP Affiliate agreed to receive New Castelnau Consideration Shares, Bidco CG2 Loan Notes; or
  - to the extent such PAMP Affiliate agreed to receive Valderrama E Shares, Bidco E Loan Notes;
- any Other Dignity Shareholder pursuant to the Acquisition in consideration for the issue by Bidco to the relevant Other Dignity Shareholder of:
  - to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, Bidco CG1 Loan Notes; or
  - to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, Bidco D Loan Notes.

#### **3.2 Midco Rollover – Consortium**

Under the terms of the Midco Consortium Put and Call Option Deed, Midco will be granted a call option (the “**Midco Consortium Call Option**”) pursuant to which Midco will have the right to acquire from:

- Castelnau, any Bidco E Loan Notes held by Castelnau in consideration for the issue by Midco to Castelnau of Midco E Loan Notes; and
- any PAMP Affiliate:
  - to the extent such PAMP Affiliate agreed to receive New Castelnau Consideration Shares, any Bidco CG2 Loan Notes held by such PAMP Affiliate in consideration for the issue of Midco CG2 Loan Notes by Midco to such PAMP Affiliate; or
  - to the extent such PAMP Affiliate agreed to receive Valderrama E Shares, any Bidco E Loan Notes held by such PAMP Affiliate in consideration for the issue of Midco E Loan Notes by Midco to such PAMP Affiliate.

In addition, Castelnau and the PAMP Affiliates will be granted a corresponding put option pursuant to which Midco will be required to acquire from them any Bidco Loan Notes held by them in consideration for the issue of such equivalent number of Midco Loan Notes that would have been issued on the exercise of the Midco Consortium Call Option.

#### **3.3 Midco Rollover – Other Dignity Shareholders**

Under the terms of the Midco Other Dignity Shareholder Put and Call Option Deed, Midco will be granted a call option (the “**Midco Other Dignity Shareholder Call Option**”) pursuant to which Midco will have the right to acquire from any Other Dignity Shareholder:



- to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, any Bidco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Midco CG1 Loan Notes by Midco to such Other Dignity Shareholder; or
- to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, any Bidco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Midco D Loan Notes by Midco to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for an Alternative Offer will be granted a corresponding put option pursuant to which Midco will be required to acquire from them any Bidco Loan Notes held by them in consideration for the issue of such equivalent number of Midco Loan Notes that would have been issued on the exercise of the Midco Other Dignity Shareholder Call Option.

#### 3.4 **Topco Rollover – Consortium**

Under the terms of the Topco Consortium Put and Call Option Deed, Topco will be granted a call option (the “**Topco Consortium Call Option**”) pursuant to which Topco will have the right to acquire from:

- Castelnau, any Midco E Loan Notes held by Castelnau in consideration for the issue by Topco to Castelnau of Topco E Loan Notes; and
- any PAMP Affiliate:
  - to the extent such PAMP Affiliate agreed to receive New Castelnau Consideration Shares, any Midco CG2 Loan Notes held by such PAMP Affiliate in consideration for the issue of Topco CG2 Loan Notes by Topco to such PAMP Affiliate; or
  - to the extent such PAMP Affiliate agreed to receive Valderrama E Shares, any Midco E Loan Notes held by such PAMP Affiliate in consideration for the issue of Topco E Loan Notes by Topco to such PAMP Affiliate.

In addition, Castelnau and the PAMP Affiliates will be granted a corresponding put option pursuant to which Topco will be required to acquire from them any Midco Loan Notes held by them in consideration for the issue of such equivalent number of Topco Loan Notes that would have been issued on the exercise of the Topco Consortium Call Option.

#### 3.5 **Topco Rollover – Other Dignity Shareholders**

Under the terms of the Topco Other Dignity Shareholder Put and Call Option Deed, Topco will be granted a call option (the “**Topco Other Dignity Shareholder Call Option**”) pursuant to which Topco will have the right to acquire from any Other Dignity Shareholder:

- to the extent such Other Dignity Shareholder validly elects for the Listed Share Alternative, any Midco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Topco CG1 Loan Notes by Topco to such Other Dignity Shareholder; or
- to the extent such Other Dignity Shareholder validly elects for the Unlisted Share Alternative, any Midco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Topco D Loan Notes by Topco to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for an Alternative Offer will be granted a corresponding put option pursuant to which Topco will be required to acquire from them any Midco Loan Notes held by them in consideration for the issue of such equivalent number of Topco Loan Notes that would have been issued on the exercise of the Topco Other Dignity Shareholder Call Option.

### 3.6 **Alternative Offers Rollover – Consortium**

Under the terms of the Alternative Offers Consortium Put and Call Option Deed, Valderrama will be granted a call option (the “**Alternative Offers Consortium Call Option**”) pursuant to which Valderrama will have the right to acquire from:

- Castelnau, any Topco E Loan Notes held by Castelnau in consideration for the issue of Valderrama E Shares to Castelnau;
- any PAMP Affiliate, to the extent that such PAMP Affiliate agreed to receive New Castelnau Consideration Shares, any Topco CG2 Loan Notes held by such PAMP Affiliate in consideration for the issue of Valderrama E Shares to such PAMP Affiliate; and
- any PAMP Affiliate, to the extent that such PAMP Affiliate agreed to receive Valderrama E Shares, any Topco E Loan Notes held by such PAMP Affiliate in consideration for the issue of Valderrama E Shares to such PAMP Affiliate.

In addition:

- Castelnau and those PAMP Affiliates who agreed to receive Valderrama E Shares will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco E Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama E Shares; and
- those PAMP Affiliates who agreed to receive New Castelnau Consideration Shares will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco CG2 Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama E Shares,

in each case, such equivalent number being that number which would have been issued on the exercise of the Alternative Offers Consortium Call Option.

### 3.7 **Alternative Offers Rollover – Other Dignity Shareholders**

Under the terms of the Alternative Offers Other Dignity Shareholder Put and Call Option Deed, Valderrama will be granted a call option (the “**Alternative Offers Other Dignity Shareholder Call Option**”) pursuant to which Valderrama will have the right to acquire from any Other Dignity Shareholder, to the extent such Other Dignity Shareholder validly elects for:

- the Unlisted Share Alternative, any Topco D Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Valderrama D Shares to such Other Dignity Shareholder; and
- the Listed Share Alternative, any Topco CG1 Loan Notes held by such Other Dignity Shareholder in consideration for the issue of Valderrama D Shares to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for:

- the Unlisted Share Alternative will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco D Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama D Shares; and
- the Listed Share Alternative will be granted a corresponding put option pursuant to which Valderrama will be required to acquire from them any Topco CG1 Loan Notes held by them in consideration for the issue of an equivalent number of Valderrama D Shares,

in each case, such equivalent number being that number which would have been issued on the exercise of the Alternative Offers Other Dignity Shareholder Call Option.

### 3.8 **Castelnau CG2 Rollover – Consortium**

Under the terms of the Castelnau CG2 Put and Call Option Deed, Castelnau will be granted a call option (the “**Castelnau CG2 Call Option**”) pursuant to which Castelnau will have the right to acquire from any PAMP Affiliate, to the extent such PAMP Affiliate agreed to receive New Castelnau Consideration Shares, any Valderrama E Shares held by such PAMP Affiliate in consideration for the issue of New Castelnau Consideration Shares by Castelnau to such PAMP Affiliate.

In addition, those PAMP Affiliates who agreed to receive New Castelnau Consideration Shares will be granted a corresponding put option pursuant to which Castelnau will be required to acquire from them any Valderrama E Shares held by them in consideration for the issue of such equivalent number of New Castelnau Consideration Shares that would have been issued on the exercise of the Castelnau CG2 Call Option.

### 3.9 ***Castelnau CG1 Rollover – Other Dignity Shareholders***

Under the terms of the Castelnau CG1 Put and Call Option Deed, Castelnau will be granted a call option (the “**Castelnau CG1 Call Option**”) pursuant to which Castelnau will have the right to acquire from any Other Dignity Shareholder, to the extent such Other Dignity Shareholder validly elect for the Listed Share Alternative, any Valderrama D Shares held by such Other Dignity Shareholder in consideration for the issue of New Castelnau Consideration Shares to such Other Dignity Shareholder.

In addition, those Other Dignity Shareholders who validly elect for the Listed Share Alternative will be granted a corresponding put option pursuant to which Castelnau will be required to acquire from them any Valderrama D Shares held by them in consideration for the issue of such equivalent number of New Castelnau Consideration Shares that would have been issued on the exercise of the Castelnau CG1 Call Option.

Following completion of the Castelnau CG1 Put and Call Option Deed, any Valderrama D Shares acquired by Castelnau from any Other Dignity Shareholder shall automatically convert on a 1:1 basis into Valderrama E Shares pursuant to the operation of a conversion mechanism set out in the Valderrama Articles.

## APPENDIX J

### ILLUSTRATIVE SCALE BACK EXAMPLES

The examples in this Appendix J demonstrate, for illustrative purposes only, the effect of the scale back on:

- an Eligible Dignity Shareholder with 500 Dignity Shares (“**Shareholder A**”) who accepts the Cash Offer in respect of 50 Dignity Shares (‘C’) and validly elects to receive:
  - the Listed Share Alternative in respect of 250 Dignity Shares (‘A’); and
  - the Unlisted Share Alternative in respect of 200 Dignity Shares (‘B’); and
- an Eligible Dignity Shareholder with 500 Dignity Shares (“**Shareholder B**”) who does not accept the Cash Offer in respect of any Dignity Shares and validly elects to receive:
  - the Listed Share Alternative in respect of 200 Dignity Shares (‘A’); and
  - the Unlisted Share Alternative in respect of 300 Dignity Shares (‘B’).

#### **EXAMPLE 1**

- Eligible Dignity Shareholders make valid elections for (in aggregate):
  - the Listed Share Alternative in respect of 10,000,000 Dignity Shares; and
  - the Unlisted Share Alternative in respect of 10,000,000 Dignity Shares.
- Alternative Offers Maximum (‘X’): 18,143,544
- Total valid elections for Alternative Offers (‘Y’): 20,000,000
- Percentage to apply for the purposes of scale back (‘Z’): 90.71772% (being X/Y)

Shareholder A receives:

- the Listed Share Alternative in respect of **226** Dignity Shares (‘D’) (being  $(Z \times A)$ , rounded down to the nearest whole Dignity Share);
- the Unlisted Share Alternative in respect of **181** Dignity Shares (‘E’) (being  $(Z \times B)$ , rounded down to the nearest whole Dignity Share); and
- the Cash Offer in respect of **93** Dignity Shares (being  $C + (A-D) + (B-E)$ ).

Shareholder B receives:

- the Listed Share Alternative in respect of **181** Dignity Shares (‘D’) (being  $(Z \times A)$ , rounded down to the nearest whole Dignity Share);
- the Unlisted Share Alternative in respect of **272** Dignity Shares (‘E’) (being  $(Z \times B)$ , rounded down to the nearest whole Dignity Share); and
- the Cash Offer in respect of **47** Dignity Shares (being  $(A+B) - (D+E)$ ).

#### **EXAMPLE 2**

- Eligible Dignity Shareholders make valid elections for (in aggregate):
  - the Listed Share Alternative in respect of 5,000,000 Dignity Shares; and
  - the Unlisted Share Alternative in respect of 25,000,000 Dignity Shares.
- Alternative Offers Maximum (‘X’): 18,143,544
- Total elections for Alternative Offers (‘Y’): 30,000,000
- Percentage to apply for the purposes of scale back (‘Z’): 60.47848% (being X/Y)

Shareholder A receives:

- the Listed Share Alternative in respect of **151** Dignity Shares (‘D’) (being  $(Z \times A)$ , rounded down to the nearest whole Dignity Share);

- the Unlisted Share Alternative in respect of 120 Dignity Shares ('E') (being  $(Z \times B)$ , rounded down to the nearest whole Dignity Share); and
- the Cash Offer in respect of 229 Dignity Shares (being  $C + (A-D) + (B-E)$ ).

Shareholder B receives:

- the Listed Share Alternative in respect of 120 Dignity Shares ('D') (being  $(Z \times A)$ , rounded down to the nearest whole Dignity Share);
- the Unlisted Share Alternative in respect of 181 Dignity Shares ('E') (being  $(Z \times B)$ , rounded down to the nearest whole Dignity Share); and
- the Cash Offer in respect of 199 Dignity Shares (being  $(A+B) - (D+E)$ ).

## APPENDIX K

### DIGNITY PROFIT ESTIMATES

#### PART 1 – DIGNITY SECURITY GROUP PROFIT ESTIMATE

On 9 November 2022, pursuant to the Dignity Security Group's reporting covenants to bondholders under the Issuer/Borrower Loan Agreement, Dignity published an unaudited investor report for the 53 week period ended 30 September 2022 which contained the following statements concerning the Dignity Security Group:

- *“Unaudited EBITDA for the 53 week period ended 30 September 2022 was £42.2 million compared to £72.4 million for the audited 53 week period ended 31 December 2021”; and*
- *“EBITDA – £42.2m, 53 week period ending 30 September 2022.”*

The statements set out above constitute an ordinary course profit estimate for the Dignity Security Group within the meaning of Note 2 on Rule 28.1 of the Takeover Code (the “**Dignity Security Group Profit Estimate**”).

#### ***Basis of preparation and assumptions***

The Dignity Security Group Profit Estimate is based on the unaudited management accounts of the Security Group for the 53 week period ended 30 September 2022.

The Dignity Security Group Profit Estimate has been prepared in accordance with the covenants set out in the IBLA. The IBLA uses a prescribed definition of EBITDA and only represents profit of the Dignity Security Group.

The IBLA provides a mechanism to ensure consistency where accounting standards have changed post-securitisation of the Dignity Security Group.

The Dignity Security Group Profit Estimate is not based on any assumptions.

#### ***Dignity Directors' confirmation***

The Dignity Directors confirm that the Dignity Security Group Profit Estimate remains valid as at the date of this document. The Dignity Directors confirm that the Dignity Security Group Profit Estimate has been properly compiled in the manner stated in this Part 1 of this Appendix K and that the basis of accounting used is consistent with the Dignity Group's accounting policies, which are in accordance with IFRS and are those that the Dignity Group applied in preparing its financial statements for the 53 week period ended 31 December 2021.

## PART 2 – DIGNITY TRADING UPDATE PROFIT ESTIMATES

On 23 January 2023, Dignity published a trading update. Included in the trading update was the following paragraph, in which the statements regarding underlying operating profit<sup>(1)(2)</sup> and underlying operating profit before depreciation and amortisation (pre-IFRS 16)<sup>(1)(3)</sup>, in each case for the 52 week period ended 30 December 2022, constitute profit estimates for the purposes of Rule 28 of the Takeover Code (the “**Dignity Trading Update Profit Estimates**”):

**“Key financial highlights (for the 52 weeks ended 30 December 2022) – unaudited**

- *Underlying revenue is expected to be no more than £275m (FY21: £312.0m);*
- *Underlying operating profit is expected to be no more than £20m (FY21: £55.8m);*
- *Underlying operating profit before depreciation and amortisation (pre-IFRS 16) is expected to be no more than £37m (FY21: £72.5m); [...].”*

Notes:

(1) *Underlying measures*

The Dignity Trading Update Profit Estimates are prepared and presented on an underlying basis and exclude non-underlying items and other adjustments. Non-underlying items comprise certain non-recurring transactions and non-trading transactions, which do not relate to the normal day-to-day transactions of the business.

The underlying measures of profitability provided are aligned with those used in the day-to-day management of the Dignity Group and allow for greater comparability across periods and have been prepared in a manner consistent with the basis of preparation of these measures included in the 2021 Dignity Annual Report and Accounts.

(2) *Underlying operating profit*

In addition to the exclusion of non-underlying items, as set out above, the Dignity Group’s definition of underlying operating profit also excludes the impact of consolidating the Trusts and, consequently, certain changes which relate to the application of IFRS 15 Revenue from Contracts with Customers.

Revenue is recognised in accordance with IFRS 15, with the principal difference between underlying revenue and revenue as reported in the annual financial statements being the impact resulting from consolidation of the Trusts. As underlying operating profit does not reflect consolidation of the Trusts, the related impact to revenue is not included in this measure.

(3) *Underlying operating profit before depreciation and amortisation (pre-IFRS 16)*

The Dignity Group’s definition of underlying operating profit before depreciation and amortisation (pre-IFRS 16) is based on underlying operating profit, as set out above, with additional adjustments to remove depreciation and amortisation expenses (that were not already part of non-underlying items) and to remove the impact on operating profit of IFRS 16 Leases. The adjustment to remove the impact on operating profit of IFRS 16 accounting also recognises lease costs within operating profit as if IAS 17 Leases applied. IAS 17 was the predecessor lease accounting standard and was replaced by IFRS 16 for financial periods beginning on or after 1 January 2019.

Underlying operating profit before depreciation and amortisation (pre-IFRS 16) is not an alternative performance measure that is ordinarily reported by Dignity but has been provided to illustrate the pre-IFRS 16 underlying operating profit before depreciation and amortisation of the Dignity Group. The Dignity 2022 Annual Report and Accounts will present this measure, based on the audited financial statements of the Dignity Group, as part of disclosure on alternative performance measures.

### **Basis of preparation and assumptions**

The Dignity Trading Update Profit Estimates have been prepared by the Dignity Directors based on the unaudited consolidation schedules for the 52 week period ended 30 December 2022. The Dignity Trading Update Profit Estimates have been prepared on a basis consistent with the accounting policies adopted by Dignity for the unaudited interim financial results for the 26 week period ended 1 July 2022 and those that will be applicable for the 52 week period ended 30 December 2022. These policies are in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS and consistent with those used in the preparation of Dignity’s annual financial statements for the 53 week period ended 31 December 2021.

It has been assumed for the purposes of the Dignity Trading Update Profit Estimate that no events will arise between the date of this document and the date on which Dignity announces its audited results for the 52 week period ended 30 December 2022 which would require incorporation in those results in accordance with Dignity’s accounting policies under IFRS.

### **Reports**

As required by Rule 28.1(a) of the Takeover Code, EY, Dignity’s reporting accountants, and Rothschild & Co, financial adviser to Dignity, have each prepared a report in respect of the Dignity Trading Update Profit Estimates. Part 3 of this Appendix K contains EY’s report on the Dignity Trading Update Profit Estimates. Part 4 of this Appendix K contains Rothschild & Co’s report on the Dignity Trading Update Profit Estimates.

## PART 3 – REPORT FROM EY

*The following is the full text of a letter from EY to the Dignity Directors:*

The Directors  
Dignity plc  
4 King Edwards Court  
King Edward Square  
Sutton Coldfield  
West Midlands  
B73 6AP

N. M. Rothschild & Sons Limited  
New Court  
St Swithin's Lane  
London  
EC4N 8AL  
United Kingdom

14 February 2023

Dear Sirs/Madams

### **Profit Estimate by Dignity plc (the “Company”)**

We report on the profit estimate by the directors of the Company (the “Directors”) comprising estimates of underlying operating profit and underlying operating profit before depreciation and amortisation (pre-IFRS 16) of the Company and its subsidiaries (together “the Group”) for the 52 week period ended 30 December 2022 (the “Profit Estimate”). The Profit Estimate is set out in Part 2 of Appendix K to the offer document (“Offer Document”) dated 14 February 2023 of Yellow (SPC) Bidco Limited (the “Acquirer”).

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers (the “Takeover Code”) and is given for the purpose of complying with that requirement and for no other purpose.

Save for any responsibility that we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with, this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the Takeover Code by consenting to its inclusion in the Offer Document.

Accordingly, we assume no responsibility in respect of this report to the Acquirer or any person connected to, or acting in concert with, the Acquirer or to any other person who is seeking or may in future seek to acquire control of the Company (an “Alternative Offeror”) or to any other person connected to, or acting in concert with, an Alternative Offeror.

### **Opinion**

In our opinion, the Profit Estimate has been properly compiled on the basis stated and that the basis of accounting used is consistent with the Company’s accounting policies.

### **Responsibilities**

It is the responsibility of the Directors to prepare the Profit Estimate in accordance with the requirements of Rule 28 of the Takeover Code.

It is our responsibility to form an/our opinion, as required by Rule 28.1(a)(i) of the Takeover Code, as to the proper compilation of the Profit Estimate and to report that opinion to you as to whether the Profit Estimate has been properly compiled on the basis stated.



**Basis of preparation of the Profit Estimate**

The Profit Estimate has been prepared on the basis stated in Part 2 of Appendix K to the Offer Document and is based on unaudited consolidation schedules for the 52 week period ended 30 December 2022.

The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Company.

**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council of the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included evaluating the basis on which the historical financial information included in the Profit Estimate has been prepared and considering whether the Profit Estimate has been accurately computed based upon the accounting policies of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Estimate has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Since the Profit Estimate has not been audited the actual results reported may be affected by revisions required to accounting estimates due to changes in circumstances, the impact of unforeseen events and the correction of errors in accounting records, we express no opinion as to whether the actual profits achieved will correspond to those shown in the Profit Estimate and the difference may be material.

Yours faithfully

Ernst & Young LLP

## PART 4 – REPORT FROM ROTHSCHILD & CO

*The following is the full text of a letter from Rothschild & Co to the Dignity Directors:*

Dignity plc  
4 King Edwards Court  
Sutton Coldfield  
West Midlands  
B73 6AP

14 February 2023

Ladies and Gentlemen,

### **Recommended offer (the “Offer”) for Dignity plc (“Dignity” or the “Company”)**

We refer to the profit estimates of Dignity as set out in Part 2 of Appendix K (Dignity Profit Estimates) to the offer document issued by the Yellow (SPC) Bidco Limited (“**Bidco**”) dated 14 February 2023 (the “**Dignity Trading Update Profit Estimates**”). The Dignity Directors are solely responsible for the Dignity Trading Update Profit Estimates under Rule 28.3 of the City Code on Takeovers and Mergers (the “**City Code**”).

We have discussed with you the Dignity Trading Update Profit Estimates and the basis upon which they have been prepared by you, and you have confirmed to us that all information relevant to the Dignity Trading Update Profit Estimates has been disclosed to us. Our work has not involved an independent examination or verification of any of the financial or other information underlying the Dignity Trading Update Profit Estimates.

We have also discussed the accounting policies and calculations adopted in arriving at the Dignity Trading Update Profit Estimates with Ernst & Young LLP (“**EY**”) and we have considered the opinion set out in the letter from EY dated 14 February 2023, addressed to yourselves and ourselves on this matter.

We have, with your consent, relied upon the accuracy and completeness of all the financial, legal, regulatory, tax, accounting and other information provided to us or otherwise discussed with or reviewed by us, without any independent verification thereof and we have assumed such accuracy and completeness for the purposes of providing this letter.

On the basis of the foregoing, we consider that the Dignity Trading Update Profit Estimates, for which you, as Directors of Dignity are solely responsible, for the purposes of the City Code, has been prepared with due care and consideration.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the City Code and for no other purpose.

Accordingly, save for any responsibility which we may have to those persons to whom this letter is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility to the Company or its shareholders or any person other than the Directors of the Company in respect of the contents of, or any matter arising out of or in connection with, this letter. No person other than the Directors of the Company may rely on this letter and, to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person for any loss suffered by any such other person as a result of, or in connection, with this letter.

This letter is not an opinion regarding, and we express no view as to, the reasonableness or achievability of the Dignity Trading Update Profit Estimates. Instead, this letter will address solely the matters required to be addressed by Rule 28.1(a)(ii) of the City Code and does not address any other matter; it does not address, among other things, the relative merits of the Offer as compared to any other transaction or business strategy or the merits of the decision by the Company to engage in the Offer.

Furthermore, this letter has been prepared independently of publication of the Dignity Trading Update Profit Estimates and may not be relied on by you in recommending that Dignity shareholders vote to approve the Offer. This letter is not intended to and does not constitute a

recommendation to any shareholder as to how such shareholder should vote or act with respect to the Offer or any matter related thereto.

Yours very truly

N. M. Rothschild & Sons Limited

## APPENDIX L

### DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

<b>“Acceleration Statement”</b>	a statement in which Bidco, in accordance with Rule 31.5 of the Takeover Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived;
<b>“Acceptance Condition”</b>	the Condition set out in paragraph 1 of Part 1 of Appendix A;
<b>“Acquisition”</b>	the proposed acquisition by Bidco of the entire issued and to be issued share capital of Dignity not already owned or controlled by Castelnau and PAMP, to be implemented by means of the Offer or, should Bidco so elect (with the consent of the Panel), by means of a Scheme;
<b>“Alternative Offers”</b>	has the meaning given to it on pages 12 and 24 of this document;
<b>“Alternative Offers Consortium Call Option”</b>	has the meaning given to it on page 138 of this document;
<b>“Alternative Offers Consortium Put and Call Option Deed”</b>	the put and call option deed to be entered into between Castelnau, the PAMP Affiliates and Valderrama, granting Valderrama the Alternative Offers Consortium Call Option and granting a put option to the other parties;
<b>“Alternative Offers Election”</b>	an election by an Eligible Dignity Shareholder for the Listed Share Alternative and/or the Unlisted Share Alternative (as applicable);
<b>“Alternative Offers Maximum”</b>	has the meaning given to it on pages 17 and 24 of this document;
<b>“Alternative Offers Other Dignity Shareholder Call Option”</b>	has the meaning given to it on page 138 of this document;
<b>“Alternative Offers Other Dignity Shareholder Put and Call Option Deed”</b>	the put and call option deed to be entered into between Valderrama and (pursuant to the Power of Attorney) the Other Dignity Shareholders who validly elect for either or both of the Alternative Offers, granting Valderrama the Alternative Offers Other Dignity Shareholder Call Option and granting a put option to the other parties;
<b>“Alternative Offers TTE instruction”</b>	a Listed Share Alternative TTE instruction and/or an Unlisted Share Alternative TTE instruction (as applicable);
<b>“APMs”</b>	has the meaning given to it on page 105 of this document;
<b>“associated undertaking”</b>	has the meaning given to it on page 53 of this document;
<b>“Bidco”</b>	Yellow (SPC) Bidco Limited, a private company limited by shares incorporated in England and Wales with registered number 14417289;
<b>“Bidco Articles”</b>	the articles of association of Bidco from time to time;
<b>“Bidco Directors” or “Bidco Board”</b>	the directors of Bidco listed in paragraph 2.3 of Appendix C;
<b>“Bidco CG1 Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Bidco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative;
<b>“Bidco CG2 Loan Notes”</b>	loan notes to be issued under a loan note instrument executed by Bidco on 23 January 2023 for the purposes of permitting the PAMP Affiliates to receive New Castelnau Consideration Shares under the Consortium Rollover SPA;

<b>“Bidco D Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Bidco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative;
<b>“Bidco E Loan Notes”</b>	loan notes to be issued under a loan note instrument executed by Bidco on 23 January 2023 for the purposes of permitting Castelnau and the PAMP Affiliates to receive Valderrama E Shares under the Consortium Rollover SPA;
<b>“Bidco Group”</b>	Bidco, Midco and Topco and their respective direct and indirect subsidiary undertakings from time to time;
<b>“Bidco Loan Notes”</b>	the Bidco CG1 Loan Notes, the Bidco CG2 Loan Notes, the Bidco D Loan Notes and the Bidco E Loan Notes;
<b>“Borrower”</b>	has the meaning given to it on page 102 of this document;
<b>“Business Day”</b>	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London;
<b>“Cash Offer”</b>	550 pence per Dignity Share;
<b>“Cash Offer TTE instruction”</b>	a TTE instruction (as described in the CREST manual issued by Euroclear) in relation to the Cash Offer;
<b>“Castelnau”</b>	Castelnau Group Limited, a closed-ended investment company incorporated in Guernsey with registered number 67529;
<b>“Castelnau/Phoenix Loan Agreement (Facility A)”</b>	the loan agreement entered into between Castelnau and Phoenix Fund UK Limited dated 20 January 2023 in respect of an unsecured term loan facility in an aggregate principal amount of up to £60,000,000 (as amended and restated on 1 February 2023);
<b>“Castelnau/Phoenix Loan Agreement (Facility B)”</b>	the loan agreement entered into between Castelnau and Phoenix Fund UK Limited dated 20 January 2023 in respect of an unsecured term loan facility in an aggregate principal amount of up to £49,000,000 (as amended and restated on 1 February 2023);
<b>“Castelnau/Phoenix Loan Agreements”</b>	the Castelnau/Phoenix Loan Agreement (Facility A) and the Castelnau/Phoenix Loan Agreement (Facility B);
<b>“Castelnau B Share”</b>	has the meaning given to it on page 110 of this document;
<b>“Castelnau CG1 Call Option”</b>	has the meaning given to it on page 139 of this document;
<b>“Castelnau CG1 Put and Call Option Deed”</b>	the put and call option deed to be entered into between Castelnau and (pursuant to the Power of Attorney) the Other Dignity Shareholders who validly elect for the Listed Share Alternative, granting Castelnau the Castelnau CG1 Call Option and granting a put option to the other parties;
<b>“Castelnau CG2 Call Option”</b>	has the meaning given to it on page 138 of this document;
<b>“Castelnau CG2 Put and Call Option Deed”</b>	the put and call option deed to be entered into between Castelnau and the PAMP Affiliates who agreed to receive New Castelnau Consideration Shares under the Consortium Rollover SPA, granting Castelnau the Castelnau CG2 Call Option and granting a put option to the PAMP Affiliates;
<b>“Castelnau Directors” or “Castelnau Board”</b>	the directors of Castelnau listed in paragraph 2.9 of Appendix C;
<b>“Castelnau Placing”</b>	has the meaning given to it on page 29 of this document;
<b>“Castelnau/Phoenix Loan Agreements”</b>	has the meaning given to it on page 29 of this document;

<b>“Castelnau Prospectus”</b>	the document dated 1 February 2023 and published by Castelnau in respect of the admission to the Official List of the New Castelnau Placing Shares and the New Castelnau Consideration Shares to trading on the Specialist Fund Segment;
<b>“Castelnau Shares”</b>	ordinary shares of no par value in the capital of Castelnau;
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“CGT”</b>	has the meaning given to it on page 122 of this document;
<b>“Class A Notes”</b>	has the meaning given to it on page 102 of this document;
<b>“Class B Notes”</b>	has the meaning given to it on page 102 of this document;
<b>“Closing Price”</b>	the closing middle market price of a Dignity Share or an ordinary share in the capital of Castelnau (as applicable), in each case as derived from the Daily Official List on any particular trading day;
<b>“Companies Act”</b>	the Companies Act 2006;
<b>“Conditions”</b>	the conditions of the Offer set out in Part 1 of Appendix A and a <b>“Condition”</b> shall mean any one of them;
<b>“Confidentiality Agreement”</b>	the non-disclosure agreement between Dignity, Valderrama, SPWOne, PAMP and Castelnau dated 21 November 2022;
<b>“Consortium”</b>	SPWOne, Castelnau and PAMP;
<b>“Consortium Exclusivity Agreement”</b>	the exclusivity and co-operation agreement between SPWOne, PAMP and Castelnau dated 7 October 2022;
<b>“Consortium Rollover Shares”</b>	has the meaning given to it on page 23 of this document;
<b>“Consortium Rollover SPA”</b>	the share purchase agreement between Castelnau, the PAMP Affiliates and Bidco dated 23 January 2023 relating to the Consortium Rollover Shares;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“Court Meeting”</b>	should the Acquisition be implemented by way of a Scheme, the meeting(s) of the Dignity Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof;
<b>“CREST”</b>	the relevant system to facilitate the transfer of title to shares in uncertificated form (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations);
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
<b>“CREST payment”</b>	shall have the meaning given in the CREST manual issued by Euroclear;
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member;
<b>“DABS”</b>	the Dignity Deferred Annual Bonus Share Plan 2016;
<b>“Daily Official List”</b>	the Daily Official List of the LSE;

<b>“Day 60”</b>	15 April 2023 or such other date as may otherwise be set as being such day of the timetable of the Acquisition in accordance with the Takeover Code;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>“Dignity”</b>	Dignity plc, a public limited company incorporated in England and Wales with registered number 04569346;
<b>“Dignity 2002”</b>	Dignity (2002) Limited, a company registered in England and Wales with registered number 04349697;
<b>“Dignity 2022 Annual Report and Accounts”</b>	Dignity’s annual report and accounts for the financial year ended 31 December 2022;
<b>“Dignity Articles”</b>	the articles of association of Dignity from time to time;
<b>“Dignity DB Scheme”</b>	has the meaning given to it on page 28 of this document;
<b>“Dignity Directors” or “Dignity Board”</b>	the directors of Dignity listed in paragraph 2.1 of Appendix C;
<b>“Dignity General Meeting”</b>	should the Acquisition be implemented by way of a Scheme, the general meeting of Dignity Shareholders (and any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the shareholder resolutions necessary to enable Dignity to implement the Scheme;
<b>“Dignity Group”</b>	Dignity and its subsidiary undertakings from time to time;
<b>“Dignity Remuneration Committee”</b>	the remuneration committee of the Dignity Board;
<b>“Dignity Security Group”</b>	Dignity 2002 and its subsidiaries;
<b>“Dignity Security Group Profit Estimate”</b>	has the meaning given in Part 1 of Appendix K;
<b>“Dignity Shareholders”</b>	the holders of shares in Dignity from time to time;
<b>“Dignity Shares”</b>	<p>the ordinary shares of 12<sup>48</sup>/<sub>143</sub> pence each in the capital of Dignity and includes:</p> <ol style="list-style-type: none"> <li>(1) the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 12<sup>48</sup>/<sub>143</sub> pence each in the capital of Dignity;</li> <li>(2) any further ordinary shares of 12<sup>48</sup>/<sub>143</sub> pence each in the capital of the Dignity which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes or before such earlier date as Bidco may (subject to the Takeover Code) determine, not being earlier than the date on which the Offer becomes or is declared unconditional; and</li> <li>(3) any Dignity shares held as treasury shares that cease to be held as treasury shares before the date on which the Acquisition closes or before such earlier date as Bidco may (subject to the Takeover Code) determine, not being earlier than the date on which the Offer becomes or is declared unconditional,</li> </ol> <p>but excludes any shares held as treasury shares on such date as Bidco may determine before the date on which the Acquisition closes (which may be a different date to the dates referred to in 2 and 3 above) and <b>“Dignity Share”</b> means any one of them;</p>
<b>“Dignity Share Schemes”</b>	the Sharesave, the Dignity Long Term Incentive Plan 2013, the LTIP and the DABS, each as amended from time to time;

<b>“Dignity Trading Update Profit Estimates”</b>	has the meaning given in Part 2 of Appendix K;
<b>“Disclosed”</b>	the information fairly disclosed by, or on behalf of Dignity: (i) in the annual report and accounts of the Dignity Group for the financial year ended 31 December 2021; (ii) in the Rule 2.7 Announcement; (iii) in any other public announcement made by Dignity in accordance with the Market Abuse Regulation, the Listing Rules and/or the Disclosure and Transparency Rules or otherwise made via a Regulatory Information Service, in each case prior to the Rule 2.7 Announcement; (iv) in writing prior to the date of the Rule 2.7 Announcement by or on behalf of Dignity to Bidco (or its officers, employees, agents or advisers in their capacity as such), including in the virtual data room operated by or on behalf of Dignity in respect of the Acquisition; (v) during any management due diligence sessions in connection with the Acquisition prior to the Rule 2.7 Announcement which was attended by Dignity and either Bidco or any member of the Consortium (or their respective officers, employees, agents or advisers); or (vi) in Dignity’s trading update of 23 January 2023;
<b>“Disclosure and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules of the FCA;
<b>“EBITDA”</b>	earnings before interest, taxes, depreciation and amortisation;
<b>“EEA Member State”</b>	a member state of the European Economic Area;
<b>“Effective”</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the Acquisition having been declared or having become unconditional in accordance with the requirements of the Takeover Code or (ii) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms;
<b>“Effective Date”</b>	the date on which: (i) the Offer becomes or is declared unconditional or (ii) if Bidco elects to implement the Acquisition by way of a Scheme, the date on which the Scheme becomes effective in accordance with its terms;
<b>“Equiniti”</b>	Dignity’s registrar, Equiniti Limited, a company incorporated in England and Wales with registered number 06226088;
<b>“Eligible Dignity Shareholders”</b>	Dignity Shareholders other than (i) Castelnau, (ii) the PAMP Affiliates and (iii) Restricted Dignity Shareholders;
<b>“Electronic Acceptance”</b>	means the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
<b>“ESA instruction”</b>	means an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear);
<b>“Escrow Agent”</b>	Link Group, in its capacity as an escrow agent, as described in the CREST manual issued by Euroclear;
<b>“Euroclear”</b>	Euroclear UK & International Limited;
<b>“EY”</b>	Ernst & Young LLP;
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“FCA Change in Control Condition”</b>	the Condition set out in paragraph 2 of Part 1 of Appendix A;



<b>“Fitch”</b>	Fitch Ratings, Inc.;
<b>“Form of Acceptance”</b>	the form of acceptance and election relating to the Offer, which accompanies this document and which may only be completed by holders of Dignity Shares in certificated form;
<b>“FSMA”</b>	Financial Services and Markets Act 2000 (as amended);
<b>“HMRC”</b>	HM Revenue & Customs;
<b>“holder”</b>	a registered holder (including any person(s) entitled by transmission);
<b>“IFRS”</b>	International Financial Reporting Standards (as adopted in the European Union);
<b>“IMA”</b>	has the meaning given to it on page 133 of this document;
<b>“Investec”</b>	Investec Bank plc, corporate broker to Dignity;
<b>“ISIN”</b>	International Securities Identification Number, used to identify a security;
<b>“Issuer”</b>	has the meaning given to it on page 102 of this document;
<b>“Issuer/Borrower Facility”</b>	has the meaning given to it on page 103 of this document;
<b>“Issuer/Borrower Loan Agreement”</b>	has the meaning given to it on page 102 of this document;
<b>“ITA 2007”</b>	has the meaning given to it on page 124 of this document;
<b>“Kroll”</b>	Kroll, LLC of 55 East 52nd Street, Floor 17 New York, NY 10055, United States of America;
<b>“KYC”</b>	Know Your Customer;
<b>“Last Accounts Date”</b>	30 September 2022;
<b>“Latest Practicable Date”</b>	13 February 2023, being the last Business Day before the date of this document;
<b>“Lender”</b>	has the meaning given to it on page 103 of this document;
<b>“LGPS”</b>	has the meaning given to it on page 28 of this document;
<b>“Liberum”</b>	Liberum Capital Limited, corporate broker to Castelnau;
<b>“Link Group”</b>	Link Market Services Limited, a company incorporated in England and Wales with registered number 2605568, acting in its capacity as the receiving agent for the Offer and trading under the name “Link Group”;
<b>“Liquidity Facility”</b>	has the meaning given to it on page 104 of this document;
<b>“Liquidity Facility Agreement”</b>	has the meaning given to it on page 104 of this document;
<b>“Liquidity Facility Provider”</b>	has the meaning given to it on page 103 of this document;
<b>“Listed Share Alternative”</b>	has the meaning given to it on pages 12 and 24 of this document;
<b>“Listed Share Alternative TTE instruction”</b>	a TTE instruction (as described in the CREST manual issued by Euroclear) in relation to the Listed Share Alternative in relation to Dignity Shares in uncertificated form meeting the requirements set out in paragraph 13.1.2.2 of Part II of this document;
<b>“Listing Rules”</b>	the rules and regulations made by the FCA under Part VI of FSMA and contained in the FCA’s publication of the same name (as amended from time to time);
<b>“Loan Notes”</b>	(i) the Bidco Loan Notes, (ii) the Midco Loan Notes and (iii) the Topco Loan Notes;

<b>“Longstop Date”</b>	midnight on 23 January 2024, or such later date (if any) as Bidco may, with the consent of Dignity or with the consent of the Panel, specify;
<b>“LSE”</b>	London Stock Exchange plc;
<b>“LTIP”</b>	the Dignity Long Term Incentive Plan 2019;
<b>“Main Market”</b>	the LSE’s Main Market for listed securities;
<b>“Market Abuse Regulation”</b>	Regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as applicable in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended from time to time (including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310));
<b>“Midco”</b>	Yellow (SPC) Midco Limited, a private company limited by shares incorporated in England and Wales with registered 14416044;
<b>“Midco CG1 Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative;
<b>“Midco CG2 Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting PAMP Affiliates to receive New Castelnau Consideration Shares under the Consortium Rollover SPA;
<b>“Midco Consortium Call Option”</b>	has the meaning given to it on page 136 of this document;
<b>“Midco Consortium Put and Call Option Deed”</b>	the put and call option deed to be entered into between Castelnau, the PAMP Affiliates (each acting by their discretionary investment manager, PAMP) and Midco, granting Midco the Midco Consortium Call Option and granting a put option to the other parties;
<b>“Midco D Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative;
<b>“Midco E Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Midco for the purposes of permitting Castelnau and the PAMP Affiliates to receive Valderrama E Shares under the Consortium Rollover SPA;
<b>“Midco Loan Notes”</b>	the Midco CG1 Loan Notes, the Midco CG2 Loan Notes, the Midco D Loan Notes and the Midco E Loan Notes;
<b>“Midco Other Dignity Shareholder Call Option”</b>	has the meaning given to it on page 136 of this document;
<b>“Midco Other Dignity Shareholder Put and Call Option Deed”</b>	the put and call option deed to be entered into between Midco and (pursuant to the Power of Attorney) the Other Dignity Shareholders, granting Midco the Midco Other Dignity Shareholder Call Option and granting a put option to the other parties;
<b>“member account ID”</b>	the identification code or number attached to any member account in CREST;
<b>“Minimum Acceptance Threshold”</b>	has the meaning given to it on page 44 of this document;
<b>“Morgan Stanley”</b>	Morgan Stanley & Co. International plc, financial adviser to Bidco and the Consortium;
<b>“NAV”</b>	net asset value;

<b>“New Castelnau Consideration Shares”</b>	has the meaning given to it on pages 12 and 24 of this document;
<b>“New Castelnau Placing Shares”</b>	has the meaning given to it on page 29 of this document;
<b>“Nil Rate Amount”</b>	has the meaning given to it on page 125 of this document;
<b>“Notes”</b>	has the meaning given to it on page 102 of this document;
<b>“Note Trustee”</b>	has the meaning given to it on page 102 of this document;
<b>“Offer”</b>	the recommended offer to be made by or on behalf of Bidco by means of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act to acquire the entire issued and to be issued share capital of Dignity not already owned or controlled by Castelnau and PAMP, on the terms and subject to the conditions set out in this document, the Castelnau Prospectus and the Form of Acceptance, including, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>“Offer Period”</b>	the period referred to in paragraph (l) of Part 3 of Appendix A;
<b>“Official List”</b>	the official list maintained by the FCA;
<b>“Opening Position Disclosure”</b>	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position;
<b>“Other Dignity Shareholders”</b>	has the meaning given to it on page 135 of this document;
<b>“Other Valderrama Shareholders”</b>	has the meaning given to it on page 130 of this document;
<b>“Overseas Shareholders”</b>	has the meaning given to it on page 67 of this document;
<b>“PAMP”</b>	Phoenix Asset Management Partners Limited, a company registered in England and Wales with registered number 03514660;
<b>“PAMP Affiliates”</b>	the funds and accounts on whose behalf PAMP manages the relevant Consortium Rollover Shares as discretionary investment manager;
<b>“PAMP Directors”</b>	the directors of PAMP listed in paragraph 2.7 of Appendix C;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>“Power of Attorney”</b>	the power of attorney included in the Form of Acceptance (in respect of Dignity Shares held in certificated form) or this document (in respect of Dignity Shares held in uncertificated form), pursuant to which any Eligible Dignity Shareholders who validly elect for either or both of the Alternative Offers will irrevocably appoint Bidco, and any director of, or person authorised by, Bidco, as their attorney and/or agent to execute on their behalf all documents necessary or desirable to give effect to the terms of the Acquisition (including the rollover mechanics described in Appendix I);
<b>“Performance Fee”</b>	has the meaning given to it on page 133 of this document;
<b>“Performance Fee Shares”</b>	has the meaning given to it on page 133 of this document;
<b>“Performance Period”</b>	has the meaning given to it on page 133 of this document;
<b>“Phoenix Facility”</b>	has the meaning given to it on page 103 of this document;

<b>“Phoenix Facility Agreement”</b>	has the meaning given to it on page 103 of this document;
<b>“PRA”</b>	the Prudential Regulation Authority;
<b>“Premium Segment”</b>	the Premium Segment of the Main Market;
<b>“Previous Acceptor”</b>	has the meaning given to it on page 61 of this document;
<b>“Put and Call Option Deeds”</b>	the Midco Consortium Put and Call Option Deed, Midco Other Dignity Shareholder Put and Call Option Deed, Topco Consortium Put and Call Option Deed, Topco Other Dignity Shareholder Put and Call Option Deed, Alternative Offers Consortium Put and Call Option Deed, Alternative Offers Other Dignity Shareholders Put and Call Option Deed, Castelnau CG2 Put and Call Option Deed and the Castelnau CG1 Put and Call Option Deed;
<b>“Receiving Agent”</b>	Link Group, in its capacity as receiving agent for the purposes of the Acquisition;
<b>“Regulation S”</b>	Regulation S under the US Securities Act;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
<b>“Relevant Dividend Income”</b>	has the meaning given to it on page 125 of this document;
<b>“Resident Agent”</b>	Elysium Fund Management Limited, Valderrama’s resident agent (as defined by, and as appointed in accordance with, the Companies (Guernsey) Law, 2008);
<b>“Restricted Dignity Shareholders”</b>	(i) US Persons, (ii) in relation to the Listed Share Alternative, Dignity Shareholders who (a) are located in a Restricted Jurisdiction or (b) whose registered address is in an EEA Member State and (iii) in relation to the Unlisted Share Alternative, Dignity Shareholders who are located in a Restricted Jurisdiction;
<b>“Restricted ESA Instruction”</b>	has the meaning given to it on page 69 of this document;
<b>“Restricted Escrow Transfer”</b>	has the meaning given to it on page 69 of this document;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Dignity Shareholders in that jurisdiction (including each of Australia, Canada, Japan, South Africa and the US);
<b>“Rollover Shares”</b>	has the meaning given to it on page 123 of this document;
<b>“Rule 2.7 Announcement”</b>	the announcement by Bidco on 23 January 2023 of its firm intention to make the Offer;
<b>“Rothschild &amp; Co”</b>	N. M. Rothschild & Sons Limited, financial adviser and Rule 3 adviser to Dignity;
<b>“Scale Back Date”</b>	the date falling 14 days after the date on which the Offer has become or been declared unconditional;
<b>“Scheme”</b>	should the Acquisition be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, such scheme of arrangement between Dignity and the Dignity Shareholders to implement the Acquisition with or subject to any modification, addition or condition approved or imposed by the Court;

<b>“Scheme Court Order”</b>	should the Acquisition be implemented by way of a Scheme, the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>“Secured Notes Trust Deed”</b>	has the meaning given to it on page 102 of this document;
<b>“Secured Shares”</b>	has the meaning given to it on page 102 of this document;
<b>“SDRT”</b>	has the meaning given to it on page 124 of this document;
<b>“Sharesave”</b>	the Dignity Sharesave Plan 2016;
<b>“Share Schemes Letter”</b>	means the letter dated 23 January 2023 between Bidco, Valderrama, the Consortium Members and Dignity relating to, amongst other things, the Dignity Share Schemes and certain employee-related matters;
<b>“significant interest”</b>	has the meaning given to it on page 53 of this document;
<b>“Specialist Fund Segment”</b>	the Specialist Fund Segment of the Main Market;
<b>“SPW Loan”</b>	has the meaning given to it on page 101 of this document;
<b>“SPWOne”</b>	SPWOne V Limited, a company registered in England and Wales with registered number 1349085;
<b>“SPWOne Directors”</b>	the directors of SPWOne listed in paragraph 2.5 of Appendix C;
<b>“SPWOne Loan Agreement”</b>	has the meaning given to it on page 29 of this document;
<b>“SPWOne Share Charge”</b>	has the meaning given to it on page 29 of this document;
<b>“SONIA”</b>	the Sterling Overnight Index Average administered by the Bank of England;
<b>“Standard &amp; Poor’s”</b>	Standard & Poor’s Financial Services LLC;
<b>“subsidiary undertaking”</b>	has the meaning given to it on page 53 of this document;
<b>“Substantial Shareholding Condition”</b>	has the meaning given to it on page 123 of this document;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers;
<b>“TCGA”</b>	has the meaning given to it on page 123 of this document;
<b>“TFE instruction”</b>	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear);
<b>“Third Party”</b>	has the meaning given to it on page 47 of this document;
<b>“Topco”</b>	Yellow (SPC) Topco Limited, a private company limited by shares incorporated in England and Wales with registered number 14415281;
<b>“Topco CG1 Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Eligible Dignity Shareholders to elect for the Listed Share Alternative;
<b>“Topco CG2 Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting PAMP Affiliates to receive New Castelnau Consideration Shares under the Consortium Rollover SPA;
<b>“Topco Consortium Call Option”</b>	has the meaning given to it on page 137 of this document;
<b>“Topco Consortium Put and Call Option Deed”</b>	the put and call option deed to be entered into between Castelnau, the PAMP Affiliates (each acting by their discretionary investment manager, PAMP) and Topco, granting Topco the Topco Consortium Call Option and granting a put option to the other parties;

<b>“Topco D Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Eligible Dignity Shareholders to elect for the Unlisted Share Alternative;
<b>“Topco E Loan Notes”</b>	loan notes to be issued under a loan note instrument to be executed by Topco for the purposes of permitting Castelnau and the PAMP Affiliates to receive Valderrama E Shares under the Consortium Rollover SPA;
<b>“Topco Loan Notes”</b>	the Topco CG1 Loan Notes, the Topco CG2 Loan Notes, the Topco D Loan Notes and the Topco E Loan Notes;
<b>“Topco Other Dignity Shareholder Call Option”</b>	has the meaning given to it on page 137 of this document;
<b>“Topco Other Dignity Shareholder Put and Call Option Deed”</b>	the put and call option deed to be entered into between Topco and (pursuant to the Power of Attorney) the Other Dignity Shareholders, granting Topco the Topco Other Dignity Shareholder Call Option and granting a put option to the other parties;
<b>“Total Commitment”</b>	has the meaning given to it on page 100 of this document;
<b>“Trusts”</b>	has the meaning given to it on page 105 of this document;
<b>“TTE instruction”</b>	a Cash Offer TTE instruction and/or an Alternative Offers TTE instruction (as applicable);
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Holders”</b>	has the meaning given to it on page 122 of this document;
<b>“UK Individual Holder”</b>	has the meaning given to it on page 123 of this document;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“Unconditional Date”</b>	Day 60 or such earlier date as Bidco may specify in any Acceleration Statement unless, where permitted, it has set aside that statement;
<b>“undertaking”</b>	has the meaning given to it on page 53 of this document;
<b>“Unlisted Share Alternative”</b>	has the meaning given to it on pages 12 and 24 of this document;
<b>“Unlisted Share Alternative TTE instruction”</b>	a TTE instruction (as described in the CREST manual issued by Euroclear) in relation to the Unlisted Share Alternative in relation to Dignity Shares in uncertificated form meeting the requirements set out in paragraph 13.1.2.1 of Part II of this document;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“US Persons”</b>	has the meaning given to it in Regulation S;
<b>“US Securities Act”</b>	the US Securities Act of 1933, as amended;
<b>“Valderrama”</b>	Valderrama Limited, a non-cellular company incorporated in Guernsey with registered number 70991;
<b>“Valderrama Articles”</b>	the articles of incorporation of Valderrama from time to time;
<b>“Valderrama A Shares”</b>	the Valderrama A1 Shares and the Valderrama A2 Shares;
<b>“Valderrama A1 Shares”</b>	voting A1 shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama A2 Shares”</b>	voting A2 shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;

<b>“Valderrama B Shares”</b>	non-voting B shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama C Shares”</b>	the Valderrama C1 Shares and the Valderrama C2 Shares;
<b>“Valderrama C1 Shares”</b>	non-voting C1 shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama C2 Shares”</b>	non-voting C2 shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama D Shareholders”</b>	holders of Valderrama D Shares from time to time;
<b>“Valderrama D Shares”</b>	non-voting D shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama E Shares”</b>	non-voting E shares in the capital of Valderrama, having the rights set out in the Valderrama Articles and summarised in Appendix G;
<b>“Valderrama JVA”</b>	the joint venture agreement regarding Valderrama originally entered into by Valderrama, SPWOne, Castelnau and PAMP on 29 September 2022, as amended and restated on 23 January 2023;
<b>“Valderrama KYC Form”</b>	the form requesting certain KYC information from Eligible Dignity Shareholders who wish to make an election for the Unlisted Share Alternative;
<b>“Valderrama Shareholders”</b>	holders of Valderrama Shares from time to time;
<b>“Valderrama Shares”</b>	the Valderrama A Shares, the Valderrama B Shares, the Valderrama C Shares, the Valderrama D Shares and the Valderrama E Shares;
<b>“Wider Bidco Group”</b>	has the meaning given to it on page 53 of this document; and
<b>“Wider Dignity Group”</b>	has the meaning given to it on page 53 of this document.

All times referred to are London time, unless otherwise stated.

All references to “**GBP**”, “**pence**”, “**p**”, “**sterling**” or “**£**” are to the lawful currency of the United Kingdom.

Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or similar expressions shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

Terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

