

This letter (the Letter) is important and explains the impact of the Acquisition on your CSOP Options and what you need to do. Please read this Letter carefully as it requires your immediate attention.

If you are in any doubt as to the contents of this Letter, or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended from time to time), if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

**EMIS Group plc
Fulford Grange
Micklefield Lane
Rawdon
Leeds
LS19 6BA**

**Bordeaux UK Holdings II Limited
Moorcrofts LLP Thames House
Mere Park
Dedmere Road
Marlow
Buckinghamshire
SL7 1PB**

To: Participants (the **Participants**) of the EMIS Group plc Company Share Option Plan 2011 (**CSOP 2011**) and/or the EMIS Group plc Company Share Option Plan 2021 (**CSOP 2021**), and together with the CSOP 2011, the **CSOP**).

11 July 2022

Dear Participant,

Recommended Cash Acquisition of EMIS Group plc by Bordeaux UK Holdings II Limited (an affiliate company of Optum Health Solutions (UK) Limited (Optum) and a wholly owned subsidiary of UnitedHealth Group Incorporated (UnitedHealth)).

1. Introduction

As you may be aware, on 17 June 2022 the boards of EMIS Group plc (**EMIS** or the **Company**) and Bordeaux UK Holdings II Limited (**Bidco**) announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of EMIS (the **Acquisition**).

We are writing to explain how the Acquisition will affect the outstanding options that you hold under the CSOP (the **CSOP Options**) and the decisions you are able to make.

Please read everything in this Letter and the appendices carefully.

If you also hold options or awards under any other share plan operated by EMIS, you will receive a separate communication in relation to those options or awards.

2. The Acquisition

The Acquisition will be implemented by a Court-sanctioned scheme of arrangement (the **Scheme**). This is a procedure that is subject to approval by EMIS Shareholders at shareholder meetings, currently expected to take place on 9 August 2022, and by the Court on a date referred to in this Letter as **Court Sanction**, which is expected to occur before the end of 2022. This is not the date on which the Acquisition will be completed. The Acquisition is currently due to complete a couple of days after Court Sanction when the Scheme becomes effective (also referred to as the **Effective Date** of the Scheme).

The terms of the Scheme are set out in full in the Scheme Document. However, in summary, if the Scheme becomes effective, each EMIS Shareholder will receive **1,925 pence** in cash¹ (the **Acquisition Price**) for each EMIS Share that they hold at the Scheme Record Time (see paragraph 3 below).

A copy of the scheme document containing further details of the Scheme, including certain limited circumstances when an adjustment might be made to the Acquisition Price, (the **Scheme Document**) was sent to EMIS Shareholders on 8 July 2022 and can be found on the EMIS website at <https://governance.emisgroupplc.com/> and on the UnitedHealth and Optum websites at www.unitedhealthgroup.com/investors.html and www.optum.co.uk/.

3. Proposed timetable

The timing of the Acquisition will depend on a number of factors, including approval by the EMIS Shareholders, receipt of certain regulatory and competition clearances and Court Sanction. An expected timeline of key events relating to the Acquisition is set out in the Scheme Document.

It is currently expected that Court Sanction will take place before the end of 2022, with the Effective Date shortly thereafter. **This is an estimated time-frame, so please do not rely on the Scheme taking place before the end of 2022 or at all.** Once the date of Court Sanction is known, EMIS will announce this via a Regulatory Information Service (with such announcement being made available on EMIS' website at <https://governance.emisgroupplc.com/>).

Any EMIS Shares in issue at a time known as the **Scheme Record Time** will automatically be sold to Bidco under the terms of the Scheme and in return Bidco will pay the Acquisition Price. The

¹Please Note: The Acquisition Price may be adjusted by Bidco if the amount of any Permitted Interim Dividend or Permitted Final Dividend paid by EMIS prior to the Effective Date exceeds 17.60 pence and 21.10 pence respectively.

Scheme Record Time is currently expected to be 6.00pm (UK time) on the business day before the Effective Date.

4. Proposals in relation to your CSOP Options

You can find details of the CSOP Options that you hold and the exercise prices payable to exercise your CSOP Options (the **Exercise Price**) by accessing your account on the EMIS Share Schemes Portal via <https://www.vu-live.com>.

As a consequence of the Acquisition you are being offered the opportunity to:

- (i) exercise any vested CSOP Options that you hold at Court Sanction (to the extent that they have not already been exercised or lapsed before then) and sell the resulting EMIS Shares to Bidco for the Acquisition Price under the Scheme;
- (ii) exercise any unvested CSOP Options that you hold at Court Sanction– and which vest on Court Sanction, subject to the EMIS Remuneration Committee's decision on performance vesting and time pro-rating (as applicable) – and sell the resulting EMIS Shares to Bidco for the Acquisition Price under the Scheme; and
- (iii) receive a cash payment if you are an employee of the EMIS Group on the Effective Date, in connection with any unvested CSOP Options that you hold at Court Sanction – and which do not vest on Court Sanction, solely as a result of the application of time pro-rating (the "**Cash Payment**"). The Cash Payment will be paid to you by EMIS and will be equal in value (by reference to the Acquisition Price) to the value of any portion of your unvested CSOP Options that lapse as a result of the application of time pro-rating, less the aggregate Exercise Price that would have otherwise been payable in respect of the EMIS Shares under the lapsed portion of your unvested CSOP Options. Any Cash Payment made to you will be subject to a deduction for income tax and employee's National Insurance contributions under PAYE.

As set out above, the extent to which your unvested CSOP Options will vest and become exercisable is subject to the EMIS Remuneration Committee's decision on performance vesting and the application of time pro-rating in accordance with the CSOP rules. Any portion of your CSOP Options that do not vest as a consequence of this decision, will lapse on the date that the EMIS Remuneration Committee makes its determination.

Based on current forecasts, the EMIS Remuneration Committee's expectation is that the applicable performance conditions will be satisfied, and time pro-rating will be applied, in each case as described in **Q2 in Appendix 1** to this Letter. Once the EMIS Remuneration Committee has made its final assessment of the extent to which your unvested CSOP Options will vest and become exercisable, you will be notified of its decision.

Q4 -Q6 in Appendix 1 contain further details about the Cash Payment.

5. Payment of the Exercise Price

By completing and returning the Notice of Exercise accompanying this Letter (see paragraph 7 below), you will be giving an undertaking to EMIS to pay the Exercise Price due on the exercise of your CSOP Options out of the Acquisition Price payable to you in respect of the EMIS Shares that you acquire on exercise.

This is referred to as a **Cashless Exercise Facility**.

The Cashless Exercise Facility will enable you to exercise your CSOP Options and participate in the Scheme **without** having to pay the aggregate Exercise Price due on the exercise of your CSOP Options using personal funds **prior** to exercise.

Bidco will arrange for the Acquisition Price to be paid to EMIS on your behalf, so that EMIS can deduct and retain an amount equal to the aggregate Exercise Price due, before paying the net amount to you through the next practicable EMIS payroll following the Effective Date.

If you would rather pay the Exercise Price using personal funds up-front, please contact the **EMIS HR Team** on myfeedback@emisgroupplc.com without delay.

6. UK Tax summary

Appendix 2 to this Letter sets out a brief summary of the UK tax consequences of the exercise of CSOP Options and sale of the resulting EMIS Shares in the context of the Acquisition.

7. Action required

As explained in paragraph 4 above, you can exercise any CSOP Options, which at the date of Court Sanction, have either:

- (i) already vested; and/or
- (ii) vest early as a consequence of the Acquisition, subject to the EMIS Remuneration Committee's decision on performance vesting and the application of time pro-rating (as applicable).

If you wish to exercise your CSOP Options on the terms set out in this Letter, you are requested to complete and return the Notice of Exercise accompanying this Letter **as soon as possible and, in any event, no later than 5.00 pm (UK time) on 9 August 2022**. By completing and returning the Notice of Exercise by this deadline, you agree and acknowledge that the instructions to exercise your CSOP Options set out in the Notice of Exercise will be conditional on, and take effect from, Court Sanction (and not before). You must return the Notice of Exercise to YBS Share Plans by email on execshareplans@ybs.co.uk.

If the exercise takes place, Bidco will arrange for the Acquisition Price (net of any Exercise Price and, if applicable, any Tax Liability) to be paid to you through the next practicable EMIS payroll following the Effective Date.

8. What happens if you do nothing?

It is important that you take the appropriate course of action in relation to your CSOP Options as soon as possible. In particular, your CSOP Options will only be exercisable for a limited period under the rules of the CSOP and if you do nothing, **your CSOP Options will eventually lapse and cease to be of any value in accordance with the rules of the CSOP.**

Please also note that nothing in this Letter or the Scheme Document extends the exercise period of your CSOP Options. The effect of the Acquisition is, in almost all cases, to shorten the normal period of exercise of your CSOP Options as otherwise set out in the rules of the CSOP.

9. What happens if you leave the EMIS Group?

If you cease to be an employee of the EMIS Group before Court Sanction, then the leaver provisions in the CSOP rules will apply to your CSOP Options and any choices you may have made under the Notice of Exercise may no longer be valid. You will receive further details at the applicable time if this becomes relevant to you. Please also see **Q6 of Appendix 1** for further details.

9. Recommendation of EMIS Directors

The EMIS Directors, who have been so advised by Numis as to the financial terms of the proposals, consider the terms of the proposals set out in this Letter, to be fair and reasonable in the context of the Acquisition. In providing their advice to the EMIS Directors, Numis has taken into account the commercial assessments of the EMIS Directors. Numis is providing independent financial advice to the EMIS Directors for the purposes of Rule 15 of the Takeover Code.

The EMIS Directors recommend that you accept the proposals and exercise your CSOP Options in accordance with the terms of this Letter.

10. Further Information

If you are in any doubt as to what action to take or as to your financial and/or tax position, you should consult your own independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended from time to time) if you are resident in the United Kingdom or, if not, consult another appropriately authorised independent financial adviser, without delay.

If you have any queries in relation to this Letter, how to complete and return the Notice of Exercise or how to access the EMIS Share Schemes Portal, you should contact the **EMIS HR Team** by email on myfeedback@emisgroupplc.com without delay.

Please note, however, that neither the HR Team nor anyone else at EMIS, Bidco or UnitedHealth, nor any of their employees, will be able to advise you of the course of action that you should take in relation to your CSOP Options nor give you any legal, tax, financial or investment advice on the Acquisition. **You are reminded that if Court Sanction is obtained and if you fail to take any action, your CSOP Options will eventually lapse and cease to be of any value.**

If you have received this Letter electronically, you may request a hard copy of this Letter, free of charge, by emailing YBS Exec Share Plans on execshareplans@ybs.co.uk. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Yours faithfully



for and on behalf of

EMIS Holdings PLC



for and on behalf of

Bordeaux UK Holdings II Limited

Notes

- (i) The proposals described in this Letter and acceptances in respect thereof shall be governed by and construed in accordance with English law.
- (ii) A copy of the rules of the CSOP is available for inspection at Fulford Grange, Micklefield Lane, Rawdon, Leeds LS19 6BA during usual business hours or upon request to EMIS's Company Secretary, at the same address.
- (iii) Unless the context otherwise requires, words and expressions defined in the Scheme Document and the rules of the CSOP have the same meaning in this Letter relating to EMIS and the CSOP. In the event of any differences between this Letter and its appendices, and the rules of the CSOP and the relevant legislation, the rules of the CSOP and the legislation will prevail.
- (iv) The EMIS Directors, whose names are set out in paragraph 2.1 of Part 7 in the Scheme Document, accept responsibility for the information contained in this document (including expressions of opinion), other than information for which responsibility is taken by the Bidco Directors and the UnitedHealth Group Responsible Person pursuant to paragraph (v) below. To the best of the knowledge and belief of the EMIS Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (v) The Bidco Directors and the UnitedHealth Group Responsible Person whose names are set out in paragraphs 2.2 and 2.3 of Part 7 in the Scheme Document respectively, accept responsibility for the information (including expressions of opinion) contained in this document relating to Bidco, Optum UK, UnitedHealth Group and the Wider Optum Group (as defined in the Scheme Document), the Bidco Directors and their respective members of their immediate families, related trusts and persons connected with the Bidco Directors or the UnitedHealth Group Responsible Person, and persons acting in concert (as such term is defined in the Takeover Code) with Bidco. To the best of the knowledge and belief of the Bidco Directors and the UnitedHealth Group Responsible Person (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (vi) Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser, corporate broker and nominated adviser for EMIS and

no one else in connection with the Acquisition and will not be responsible to anyone other than EMIS for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition, the contents of this Letter or any other matters referred to in this Letter. Neither Numis 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 Numis in connection with this Letter, any statement contained herein or otherwise.

- (vii) Numis has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which it appears.
- (viii) Robey Warshaw, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser for UnitedHealth Group and Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than UnitedHealth Group and Bidco for providing the protections afforded to clients of Robey Warshaw or for providing advice in relation to the Acquisition, the contents of this Letter or any other matters referred to in this Letter. Neither Robey Warshaw 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 Robey Warshaw in connection with this Letter, any statement contained herein or otherwise.
- (ix) Robey Warshaw has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which it appears.
- (x) Accidental omission to despatch this Letter to, or any failure to receive the same by, any person to whom the proposals are made or should be made, shall not invalidate the proposals in any way.

APPENDIX 1 - Q&AS

1. How does the Acquisition affect my vested CSOP Options and what do I have to do to exercise them and acquire EMIS Shares??

Normally your vested CSOP Options would be exercisable up to the tenth anniversary of grant (or such earlier date as may be specified in your original option certificates or agreements) unless they lapse earlier under the rules of the CSOP.

If the Acquisition goes ahead, the exercise period for your vested CSOP Options will end early. Vested CSOP Options granted under the CSOP 2011 will lapse three months after the Effective Date and vested CSOP Options granted under the CSOP 2021 will lapse three months after Court Sanction ***unless they lapse earlier under the rules of the CSOP or later, in the exceptional circumstances of death***. If you wish to exercise your vested CSOP Options in connection with the Acquisition, an explanation of the steps you will need to take is set out in Q3 below. If you wish to exercise your vested CSOP Options prior to the Acquisition (and outside of the terms of this Letter) please follow the instructions on the EMIS Share Schemes Portal via <https://www.vu-live.com>.

If Court Sanction does not happen for any reason, your vested CSOP Options will continue to be exercisable until their normal lapse date, subject to the rules of the CSOP.

2. How does the Acquisition affect my unvested CSOP Options?

As a result of the Acquisition, your unvested CSOP Options will vest early (if they have not already vested) and become exercisable on Court Sanction, unless they lapse earlier under the rules of the CSOP.

The extent to which your unvested CSOP Options will vest and become exercisable is subject to: (i) the satisfaction of certain performance conditions and underpins as set out in the option certificates or agreements sent to you at the time of grant; and (ii) time pro-rating.

Performance Assessment

Based on the information available to the EMIS Remuneration Committee, it is **the current assessment** of the EMIS Remuneration Committee that the performance conditions relating to your unvested CSOP Options will vest and become exercisable in connection with the Acquisition on the following basis:

(1) Year of Grant	(2) Performance vesting
2020 CSOP Options	100%
2021 CSOP Options	100%

Time Pro-rating

In accordance with the rules of the CSOP, the EMIS Remuneration Committee must apply time pro-rating to your CSOP Options and it does not have any discretion to disapply this rule or permit a greater number of EMIS Shares in respect of your CSOP Options to vest. Time pro-rating will reduce the number of unvested CSOP Options that become exercisable because of the Acquisition, by reference to the number of whole calendar months that have passed between the Date of Grant and the date of Court Sanction.

Once the EMIS Remuneration Committee has made its final assessment as to performance vesting and once the date of Court Sanction is known in order to apply time pro-rating, you will be notified of its decision. Any portion of your unvested CSOP Options that do not vest as a result of this assessment will lapse on the Effective Date.

3. When will my unvested CSOP Options vest and become exercisable and what do I have to do to exercise them and acquire EMIS Shares?

If Court Sanction is obtained, the EMIS Remuneration Committee has determined that your unvested CSOP Options will vest and become exercisable in accordance with the description set out in Q2 above on Court Sanction ***unless they lapse earlier under the rules of the CSOP.***

To exercise your vested CSOP Options in connection with the Acquisition, to the maximum extent possible, you need to complete and return the Notice of Exercise accompanying this Letter, **by 5.00 pm (UK time) on 9 August 2022.** Exercise is conditional upon, and with effect from, Court Sanction **(and will not occur before then).**

Once exercised, the relevant number of EMIS Shares will be issued or transferred to you, on or before the Scheme Record Time, so that they can be sold to Bidco under the Scheme in return for the Acquisition Price.

The Acquisition Price will be paid to you through the next practicable EMIS payroll following the Effective Date so that the aggregate Exercise Price may be withheld and retained by EMIS. If any Tax Liability arises on the exercise of your CSOP Options, this will also be withheld and accounted

for to HMRC /other relevant tax authority. As regards the UK tax treatment of your CSOP Options please see **Appendix 2**.

Please note that you are strongly encouraged to exercise your vested CSOP Options by no later than Court Sanction and your unvested CSOP Options conditional upon Court Sanction (see Q1-2 above), as there is no benefit in delaying the exercise. If you exercise your CSOP Options more than 20 days after the Effective Date, your CSOP Options will no longer qualify for tax-advantaged treatment. In addition, any delay in exercising your CSOP Options will result in a corresponding delay in receiving the proceeds of the Acquisition.

If you do not exercise your CSOP Options granted under the CSOP 2011 within three months of the Effective Date and/or your CSOP Options granted under the CSOP 2021 within three months of Court Sanction they will lapse.

4. Do I get anything for any portion of my CSOP Options which don't vest on Court Sanction as a result of time pro-rating?

Yes, if you are an employee of the EMIS Group on the Effective Date, you will receive a Cash Payment from EMIS equal in value (by reference to the Acquisition Price) to the value of the portion of your CSOP Options that lapse as a result of the application of time pro-rating.

If any CSOP Options that you hold are subject to performance vesting, you will not receive anything for any portion of such CSOP Options that do not vest on Court Sanction due to performance vesting levels of 100% not being achieved. Similarly, you will not receive a Cash Payment for any CSOP Options that have lapsed due to the application of performance vesting and/or time pro-rating prior to, and unconnected with, the Acquisition.

More details are set out at Q5 to Q8 below.

5. How will the Cash Payment be calculated?

The Cash Payment will be equal in value (by reference to the Acquisition Price) to the value of any portion of your CSOP Options that lapse as a result of the application of time pro-rating, net of the aggregate Exercise Price that would have otherwise been payable in respect of the EMIS Shares under the lapsed portion of your CSOP Options. Any payment made to you will be made subject to a deduction for income tax and employee's National Insurance contributions.

The Cash Payment will be calculated as follows:

$$(A \times (B - C)) = D$$

Where:

A is the total number of EMIS Shares comprised in the portion of a Participant's CSOP Options that do not vest on Court Sanction due to time pro-rating;

B is the Acquisition Price;

C is the Exercise Price; and

D is the GBP value of a Participant's Cash Payment.

By way of illustrative example only:

If you hold a 2021 CSOP Option over 2,000 EMIS Shares granted on 1 April 2021 with an Exercise Price of £11.40 per EMIS Share and Court Sanction takes place on 1 September 2022, assuming 100% performance vesting and your continued employment with the EMIS Group:

- (i) 17/36ths of the total number of EMIS Shares subject to your 2021 CSOP Option (i.e., 945 EMIS Shares) will vest on Court Sanction and be sold to Bidco under the Scheme for 1,925 pence per EMIS Share, £18,191 in total (gross of tax). After a deduction for the exercise price due (i.e., £11.40 x 945 EMIS Shares = £10,773) this will leave you with a gain of **£7,418 (gross of tax)**; and
- (ii) the remaining 19/36ths of the total number of EMIS Shares subject to your 2021 CSOP Option (i.e., a further 1,055 EMIS Shares), will lapse and you will receive a Cash Payment equal in value to the Acquisition Price of 1,925 pence per EMIS Share less the aggregate Exercise Price that would otherwise been payable in respect of the EMIS Shares subject to the lapsed portion of your 2021 CSOP Option (i.e., £11.40 x 1,055 EMIS Shares = £12,027), **£8,281.75 (gross of tax)**. As explained above, the £8,281.75 you receive will be subject to a deduction for income tax and employee's National Insurance contributions.

The Cash Payment will only be made by EMIS to Participants who are employees of the EMIS Group on the Effective Date.

6. What if I leave EMIS before the Effective Date?

Before the Effective Date, the leaver rules under the CSOP will apply in the normal way to your CSOP Options. Depending on the reason(s) for leaving, your CSOP Options may lapse or you may be permitted to retain some or all of your CSOP Options for a limited period of time.

If you resign, for example, both your vested and unvested CSOP Options will lapse on cessation of employment and the Scheme does **not** change this. Under the rules of the CSOP, you will be

treated as ceasing to be an employee of the EMIS Group when you no longer hold any office or employment with any member of the EMIS Group.

If you are a 'good leaver' under the CSOP rules, for example by reason of disability, ill-health injury or redundancy, you may be permitted to retain some or all of your CSOP Options and if this is the case, then you will be eligible to participate in the Scheme in respect of any CSOP Options that you still hold on Court Sanction, on the terms set out in this Letter.

Either way, however, you will not be eligible to receive a Cash Payment once you have become a leaver.

7. What if the Acquisition does not go ahead?

If the Court does not sanction the Scheme, your CSOP Options will remain unaffected and will continue as before, subject to the rules of the CSOP. Your unvested CSOP Options will **not** vest early and will **not** be subject to time pro-rating in connection with the Acquisition and you will not become entitled to a Cash Payment.

8. What are the UK Tax consequences of the Acquisition?

Please refer to Appendix 2.

9. Who should I ask any questions I have in relation to the content of the Letter and this Appendix?

If you have any questions about this Letter, please email the **EMIS HR Team** on **myfeedback@emisgroupplc.com**. Please note, however, that neither the HR Team nor anyone at EMIS, Bidco or UnitedHealth, nor any of their employees, will be able to advise you of the course of action that you should take in relation to your CSOP Options nor provide you with any legal, tax, financial or investment advice on the Acquisition.

If you are in any doubt about what action you should take you should consult with an independent financial adviser without delay.

APPENDIX 2 – TAX SUMMARY

This Appendix is intended as a general guide to the **UK tax** implications of the exercise of your CSOP Options and the resulting EMIS Shares participating in the Scheme if you are resident and domiciled for tax purposes in the UK only, at all material times. This Appendix is not a full description of all the circumstances in which a tax liability may arise. **If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser without delay.**

1. Income tax and National Insurance Contributions

Approved Exercise

- 1.1 If you exercise your CSOP Options in connection with the Acquisition (and in accordance with the terms of this Letter), there should be no income tax and employee's National Insurance contributions charge to pay on exercise.
- 1.2 Instead, if you sell the EMIS Shares you acquire through the Scheme, the difference between the Acquisition Price and the Exercise Price may be subject to capital gains tax (**CGT**). CGT is payable by you under self-assessment and not by EMIS under the PAYE system (for further details see paragraph 2 below).

Unapproved Exercise

- 1.3 If you exercise CSOP Options prior to the Acquisition (and outside the terms of this Letter) – depending on the timing and circumstances of such exercise, an income tax and employee's National Insurance contributions charge (a **Tax Liability**) may become payable on the difference between the market value of the EMIS Shares you acquire and the Exercise Price (the **Option Gain**).
- 1.4 Any Tax Liability must be accounted for by EMIS (or the relevant employing company) to HMRC on your behalf through PAYE.

2. Capital gains tax

Approved Exercise

- 2.1 As noted in paragraph 1.2 above, if you exercise your CSOP Options on Court Sanction, and then sell the EMIS Shares through the Scheme, any excess of the Acquisition Price over the Exercise Price may be subject to CGT to the extent that the excess (together with any other capital gains) exceeds your CGT annual exemption in the relevant tax year (see below).

Annual Exemption

You will not be liable to CGT unless your total chargeable gains (less allowable losses) from all sources for the applicable tax year exceed the annual exemption, which for 2022/2023 is **£12,300**. Currently, basic rate tax-payers pay CGT at a rate of 10%, whilst

higher and additional rate tax-payers pay CGT at a rate of 20%. To the extent that a CGT charge arises, you must declare and pay any CGT under self-assessment (see paragraph 3 below).

Transfers to your Spouse or Civil Partner

If you exercise your CSOP Options in connection with the Acquisition (by completing the Notice of Exercise accompanying this Letter) you may, immediately following such exercise, transfer to your spouse or registered civil partner (provided in either case you are living together) some or all of the EMIS Shares you acquire on exercise.

The above transfer is, effectively, neutral for CGT purposes and means that your spouse or civil partner will be able to use their CGT annual exemption for the relevant tax year (to the extent it is not already used) on the EMIS Shares transferred to them. Your spouse/civil partner may also pay CGT at a rate of 10% rather than 20% thereby potentially further reducing the CGT liability.

The number of EMIS Shares that may be transferred to your spouse/civil partner may, however, have to be scaled back in order to ensure that you retain a sufficient number of EMIS Shares to pay the Exercise Price due on exercise of your CSOP Options if you elect to utilise the Cashless Exercise Facility. The Notice of Exercise accompanying this Letter allows you to transfer all or some of the EMIS Shares you acquire or exercise to your spouse/civil partner. **Before making any decision, you should take personal tax advice if you are considering transferring EMIS Shares you acquire on exercise of your Approved Options to your spouse or civil partner.**

Unapproved Exercise

- 2.2 If you exercise your CSOP Options prior to Court Sanction, and the timing and circumstances of the exercise means you have to pay a Tax Liability, when you sell the resulting EMIS Shares through the Scheme, a CGT liability will only arise on the difference (if any) between the value of the EMIS Shares acquired on exercise (and on which you paid the Tax Liability) and the Acquisition Price received in the Scheme.

3. Accounting For Tax Under Self-Assessment

Under the self-assessment regime, taxpayers are required to provide HMRC with all the information needed to calculate their taxable income (from all sources) and any chargeable gains. The calculation of tax may then be carried out either by the taxpayer or by HMRC. The time limit for filing a return on-line and paying your tax (if any) for the 2022/2023 tax year is 31 January 2024.