

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006.**

This Document contains a proposal which, if implemented, will result in the cancellation of the listing of Arrow Shares on the Official List and of trading of Arrow Shares on the London Stock Exchange's Main Market for listed securities.

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

If you sell or have sold or otherwise transferred all of your Arrow Shares, please send this Document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Arrow Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the UK may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Document nor any of the documents accompanying it are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities (including, without limitation, Rollover Securities) or the solicitation of any vote or approval pursuant to the Acquisition or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document is not a prospectus or prospectus-equivalent document.

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Recommended Cash Acquisition of

**Arrow Global Group plc**  
**("Arrow")**

by

**Sherwood Acquisitions Limited**  
**("Bidco")**

(a newly formed company owned by  
investment funds managed by TDR Capital LLP)

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

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**This Document (including all information incorporated into this Document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy. Your attention is drawn to Part I (*Letter from the Chairman of Arrow*) of this Document, which contains the unanimous recommendation of the Arrow Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Goldman Sachs, J.P. Morgan Cazenove and Numis explaining the Scheme appears in Part II (*Explanatory Statement*) of this Document.**

**Action to be taken by Arrow Shareholders and Scheme Shareholders is set out on pages 11 to 15 (inclusive) and at section 18 of Part II (*Explanatory Statement*) of this Document. Arrow Shareholders are asked to appoint a proxy using CREST or online by following the instructions set out in this Document. Arrow Shareholders may request hard copy proxy forms by calling Arrow’s registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK, or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Proxies must be appointed so as to be received by Equiniti not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a non-working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to proxyvotes@equiniti.com any time prior to the commencement of the Court Meeting.**

### **COVID-19 Restrictions**

Notices of the Court Meeting and the General Meeting, both of which will be held at 2nd Floor, 6 Duke Street, St James’s, London, SW1Y 6BN on 21 May 2021, are set out in Part XIII (*Notice of Court Meeting*) and Part XIV (*Notice of General Meeting*) respectively of this Document. The Court Meeting will start at 11:00 a.m. on that date and the General Meeting at 11:15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.

The Arrow Directors note the measures issued by the UK Government in view of the ongoing COVID-19 pandemic. At the time of publication of this Document, the UK Government has prohibited large public gatherings, save in certain limited circumstances. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, we regretfully ask that Scheme Shareholders, Arrow Shareholders and other attendees do not attend the Court Meeting or the General Meeting in person, save for the Chair and anyone else nominated by the Chair in order to establish a quorum. In order to protect the health and safety of Arrow’s shareholders, staff and directors, any Scheme Shareholders, Arrow Shareholders and other persons who attempt to attend the Meetings in person may be refused entry, as we are unfortunately unable to guarantee that arrangements will be COVID-secure and legal limits on the number people able to gather may continue to apply.

Scheme Shareholders and Arrow Shareholders are strongly encouraged to appoint “the Chair of the meeting” as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. Scheme Shareholders and Arrow Shareholders may also submit written questions in advance of the relevant Meeting by email to ir@arrowglobal.net. Emails must be received no less than 48 hours before the start of the relevant Meeting.

### **Instructions for accessing the Virtual Meeting Platform**

Scheme Shareholders will be given the opportunity to attend remotely, submit written questions and vote at the Court Meeting and the General Meeting via the Virtual Meeting Platform.

Scheme Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or PC equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari. To attend remotely, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 149-520-146. You will then be prompted to enter your unique Shareholder Reference Number (“**SRN**”) and PIN. These can be found printed on your attendance card at the bottom of the Forms of Proxy. Access to the Court Meeting via the website will be available from

10:00 a.m. on 21 May 2021, as further detailed below. If you are unable to access your SRN and PIN, please call Equiniti between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the Meetings will be available from 10:00 a.m. on 21 May 2021, although the voting functionality will not be enabled until the Chair of the relevant Meeting declares the poll open. Scheme Shareholders and Arrow Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Arrow Directors during the course of the relevant Meeting. Scheme Shareholders and Arrow Shareholders may also submit written questions in advance of the relevant Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the relevant Meeting. The Chair of the relevant Meeting will ensure that matters relating to the formal business of that Meeting are addressed in that Meeting.

During the Meetings, you must ensure you are connected to the internet at all times in order to submit written questions and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Meetings. The Virtual Meeting Guide contains further information on accessing and participating in the Meetings remotely via the Virtual Meeting Platform and is available on Arrow's website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company).

The COVID-19 situation is constantly evolving and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Arrow Shareholders and Scheme Shareholders before the Meetings, including through our website [www.arrowglobal.net](http://www.arrowglobal.net) and by announcement through a Regulatory Information Service.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you intend to attend remotely and/or vote at the Meetings, you are therefore strongly advised to transmit a proxy appointment and voting instruction (electronically, by email, online or through CREST) or complete, sign and return your blue Form of Proxy (by post or email) for the Court Meeting as soon as possible. The transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this Document (or completion and return of the Forms of Proxy (by post or by email)) will not prevent you from attending remotely, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case remotely via the Virtual Meeting Platform as described above and in the Virtual Meeting Guide, if you are entitled to and wish to do so.**

**If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.**

**Certain terms used in this Document are defined in Part XII (*Definitions*). References to times in this Document are to London, UK time unless otherwise stated.**

**If you are eligible and wish to elect for the Alternative Offer in respect of all, but not some only, of your Arrow Shares, you must also complete the Form of Election in accordance with the instructions printed on such form and return it by post to Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom or, if you hold your Arrow Shares through CREST, submit a TTE Instruction in respect of the relevant Arrow Shares, in each case by the Election Return Time, being 6:00 p.m. on the date of the Sanction Hearing. The prepaid envelope provided with this Document may be used (within the UK only) for the return of the Form of Election. Arrow Shareholders who do not wish to elect to receive the Alternative Offer do not need to complete or return the Form of Election. Arrow**

**Shareholders, who are in a Restricted Jurisdiction, are only eligible to receive the Cash Offer, and are not eligible to elect for the Alternative Offer. Full instructions as to how to elect for the Alternative Offer are set out in Part VI (Notes on making an Alternative Offer Election) of this Document. In particular, Arrow Shareholders who elect for the Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to adhere to the Topco Shareholders' Agreement as a condition of such election.**

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to submit your proxies electronically or to complete the Forms of Proxy, please contact Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Goldman Sachs International, which is authorised by the PRA and regulated by the PRA and the FCA in the UK, is acting exclusively for Arrow and for no one else in connection with the Acquisition and will not be responsible to anyone other than Arrow for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Document or any other matters referred to in this Document.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the UK by the PRA and regulated in the UK by the PRA and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Arrow and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than Arrow for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the UK by the FCA, is acting exclusively for Arrow and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than Arrow for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated by the FCA in the UK is acting exclusively as Corporate Broker to Arrow and no one else in connection with the subject matter of this Document and will not be responsible to anyone other than Arrow for providing the protections afforded to clients of Panmure Gordon or for providing advice in connection with the subject matter of this Document.

Citigroup Global Markets Limited ("**Citi**"), which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting as financial adviser for Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citi nor for providing advice in connection with the Acquisition, or any other matters referred to in this Document. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this Document, any statement contained herein, the Acquisition or otherwise.

Ashcombe Advisers LLP ("**Ashcombe**"), which is regulated in the UK by the FCA, is acting as financial adviser exclusively for Bidco and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Ashcombe nor for providing advice in relation to any matter referred to herein.

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting exclusively for Bidco and no one else in connection with the matters described in this Document and will not be responsible to anyone other

than Bidco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this Document or any other matter referred to in this Document. In accordance with the Code, normal UK market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Arrow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the UK pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the UK.

### **IMPORTANT NOTICE**

The release, publication or distribution of this Document in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Document does not constitute an offer or invitation to purchase or subscribe for any securities (including, without limitation, Rollover Securities) or a solicitation of an offer to buy any securities pursuant to this Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

#### **Overseas Shareholders**

This Document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the UK Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and 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 England and Wales.

The availability of the Acquisition to Arrow Shareholders who are not resident in and citizens of the UK 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 UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Arrow Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, 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 entities 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, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving this Document and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

## **Notice to US investors in Arrow**

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

The financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If, in the future, Bidco exercises its right to implement the Acquisition by means of an Offer which is to be made into the United States, such an Offer would be made in compliance with applicable such Offer will be made in compliance with applicable US tender offer and securities laws and regulations.

The receipt of consideration by a US Holder for the transfer of its Arrow Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each Arrow Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Arrow and Bidco 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 Arrow 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.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal UK practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Arrow outside of the US, other than pursuant to such an Offer, during the period in which such an Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

The Alternative Offer will not be registered and it is proposed that the Alternative Offer will be made pursuant to an applicable exemption.

The Rollover Securities are expected to be issued in the United States in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof.

For the purposes of qualifying for the exemptions from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Arrow will advise the Court through counsel that the Court's sanction of the Scheme will be relied upon by Bidco as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Arrow Shareholders at which hearing all such Arrow Shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Arrow Shareholders.

Arrow Shareholders who are, or will be, affiliates of Bidco after the Effective Date will be subject to certain US transfer restrictions relating to the Rollover Securities received pursuant to the Scheme. Otherwise, the Rollover Securities generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities under the Scheme (other than certain affiliates of Bidco) may resell them without restriction under the US Securities Act.

None of the securities referred to in this Document have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have

such authorities passed upon or determined the adequacy or accuracy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

### **Forward-Looking Statements**

This Document (including information incorporated by reference in this Document), oral statements made regarding the Acquisition, and other information published by Bidco and Arrow contain statements which are, or may be deemed to be, “forward-looking statements”. 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 Arrow 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.

The forward-looking statements contained in this Document include statements relating to the expected effects of the Acquisition on Bidco and Arrow (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “intends”, “cost-saving”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, Arrow’s, any member of the Bidco Group’s or any member of Arrow Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, Arrow’s, any member of the Bidco Group’s or any member of the Arrow Group’s business.

Although Bidco and Arrow believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Arrow can give no assurance that such expectations will prove to be correct. 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. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions, including as a result of the ongoing impact of the COVID-19 pandemic; changes in the behaviour of other market participants; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Arrow operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco and Arrow operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Bidco nor Arrow, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Document will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Arrow Group, there may be additional changes to the Arrow Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither Bidco nor Arrow is under any obligation, and Bidco and Arrow expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure Requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. 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 per cent. 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.

### **Publication on a Website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this Document will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Arrow's website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company) and on Bidco's website at [www.tdrcapital.com/arrowglobal-offer](http://www.tdrcapital.com/arrowglobal-offer) by no later than 12 noon on the first Business Day following the

date of this Document. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this Document.

### **No Profit Forecasts, Estimates or Quantified Benefits Statements**

No statement in this Document is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Document should be interpreted to mean that earnings or earnings per share for Arrow for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Arrow.

### **Requesting Hard Copy Documents**

In accordance with Rule 30.3 of the Takeover Code, Arrow Shareholders, persons with information rights and participants in Arrow Share Plans may request a hard copy of this Document by calling Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain other information provided by Arrow Shareholders, persons with information rights and other relevant persons for the receipt of communications from Arrow may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).

### **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 figures that precede them.

### **General**

If the Acquisition is effected by way of an Offer, and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Arrow Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase Arrow Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own independent financial and/or legal advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the UK or, if not, from another appropriate authorised independent financial adviser.

This Document is dated 28 April 2021.

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## ACTION TO BE TAKEN

For the reasons set out in this Document, the Arrow Directors, who have been so advised by Goldman Sachs, J.P. Morgan Cazenove and Numis as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing their advice to the Arrow Directors, Goldman Sachs, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Arrow Directors. Numis is providing independent financial advice to the Arrow Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, in order to implement the Acquisition, the Arrow Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting, and the Special Resolution to be proposed at the General Meeting, as the Arrow Directors have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control of, in aggregate, 404,985 Arrow Shares representing approximately 0.23 per cent. of the issued ordinary share capital of Arrow as at the Latest Practicable Date, and further recommend that you take the action described below.

This page should be read in conjunction with the rest of this Document, and in particular, section 9 of Part I (*Letter from the Chairman of Arrow*), section 18 of Part II (*Explanatory Statement*) of this Document and the notices of the Court Meeting and the General Meeting at the end of this Document.

### 1. Documents

Please check that you have received the following:

- a blue Form of Proxy for use in respect of the Court Meeting on 21 May 2021;
- a yellow Form of Proxy for use in respect of the General Meeting on 21 May 2021;
- a green Form of Election for use in respect of elections under the Alternative Offer which relate to Arrow Shares held in certificated form only;
- the Virtual Meeting Guide prepared by Lumi explaining how Arrow Shareholders and Scheme Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform;
- a pre-paid envelope for use in the UK only for the return of the Forms of Proxy in respect of the Court Meeting and the General Meeting; and
- a pre-paid envelope with a green flash for use in the UK only for the return of the Form of Election in respect of the Alternative Offer.

If you have not received these documents, please contact Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

### 2. Voting at the Court Meeting and the General Meeting

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO TRANSMIT A PROXY APPOINTMENT AND VOTING INSTRUCTION ONLINE, BY EMAIL OR THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (OR COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY BY POST OR EMAIL) AS SOON AS POSSIBLE.**

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at 2nd Floor, 6 Duke Street, St James's, London, SW1Y 6BN on 21 May 2021 at 11:00 a.m. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting on 21 May 2021 at 11:15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned).

As set out in the opening pages of this Document and in Part XIII (*Notice of Court Meeting*) and Part XIV (*Notice of General Meeting*), in light of the COVID-19 Restrictions, Scheme Shareholders, Arrow Shareholders and other attendees are regretfully asked not to attend the Court Meeting or the General Meeting in person (save for the Chair and anyone else nominated by the Chair in order to establish a quorum or to facilitate the proceedings of the Meetings), but can attend remotely, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting via the Virtual Meeting Platform, as described in the opening pages of this Document and the Virtual Meeting Guide. Scheme Shareholders and Arrow Shareholders may also submit written questions in advance of the relevant Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the relevant Meeting.

Scheme Shareholders and Arrow Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by email) set out below. Scheme Shareholders and Arrow Shareholders may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. In light of the COVID-19 Restrictions, Arrow Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, as described in the opening pages of this Document and the Virtual Meeting Guide.

Scheme Shareholders and Arrow Shareholders are required to cast or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a non-working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may email to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or any adjournment thereof.

The completion and return of the Forms of Proxy by post or email (or transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this Document) will not prevent you from attending remotely, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case via the Virtual Meeting Platform as described in the opening pages of this Document and the Virtual Meeting Guide, if you are entitled to and wish to do so.

**If the Scheme becomes Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.**

***(a) Sending Forms of Proxy by post or by email***

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti (Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA) so as to be received as soon as possible and in any event not later than the relevant times set out below:

Blue Form of Proxy for the Court Meeting	11:00 a.m. on 19 May 2021
Yellow Form of Proxy for the General Meeting	11:15 a.m. on 19 May 2021

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a non-working day) before the time fixed for the adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

**(b) Online appointment of proxies**

Proxies may be appointed electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. Arrow Shareholders who have already registered with the Equiniti online portfolio service, Shareview, can appoint their proxy electronically via their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof.

In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the blue Form of Proxy may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or any adjournment thereof.

**(c) Electronic appointment of proxies through CREST**

If you hold Arrow Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part XIII (*Notice of Court Meeting*) and Part XIV (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. In the case of the Court Meeting only, if the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or any adjournment thereof.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Arrow may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

**3. Elections for the Alternative Offer**

If you hold Arrow Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer, please complete and return the Form of Election by post to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to reach Equiniti by no later than the Election Return Time. A

pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you hold Arrow Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder and you wish to elect for the Alternative Offer you should not complete a Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part VI (*Notes on making an Alternative Offer Election*) to transfer your Arrow Shares to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time, being 6:00 p.m. on the date of the Sanction Hearing. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Arrow Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Arrow Shares.

If you hold Arrow Shares in both certificated and uncertificated form and you wish to make an election under the Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted as long as the election represents the total number of Arrow Shares held by the party giving the instruction. However, any indirect holder of Scheme Shares held through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, who wishes to elect for the Alternative Offer may need first to arrange with such nominee for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, its own name.

Arrow Shareholders who elect for the Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to adhere to the Topco Shareholders' Agreement relating to Topco as a condition of such election. The power of attorney will also provide for the signing on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the Rollover as conditions of such election. As part of completing a Form of Election, holders of Arrow Shares in certificated form will be asked to provide an email address for service of notices pursuant to the Topco Shareholders' Agreement. Bidco and Topco reserve the right to treat email addresses previously given to the Arrow or Equiniti by holders of Arrow Shares in uncertificated form who wish to elect for the Alternative Offer as the addresses for notices under the terms of the Topco Shareholders Agreement. Alternatively, such holders may notify Arrow or Equiniti of their email addresses if they wish to receive such notices by email. Bidco and Topco will regard addresses in the register of members of the Arrow of holders of Arrow Shares who wish to elect for the Alternative Offer as being the addresses for notices under the Topco Shareholders' Agreement.

If you wish to receive cash for all the Arrow Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, you are not required to return the Form of Election or make a TTE Instruction electing for the Alternative Offer.

Restricted Shareholders will, under the Acquisition, only be entitled to receive Cash Consideration for the Arrow Shares they hold and they will not have the option of taking Rollover Securities under the Alternative Offer. Any purported election for the Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

#### **4. Arrow Share Plans**

Participants in the Arrow Share Plans will be contacted separately or around 4 May 2021 regarding the effect of the Scheme on their rights under the Arrow Share Plans.

#### **5. Shareholder Helpline**

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to submit your proxies electronically or to complete the Forms of Proxy, please

call Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Arrow's and Bidco's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Arrow Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Time and/or date <sup>(1)</sup>
Publication of this Document	28 April 2021
Latest time for lodging proxies for the:	
Court Meeting	11:00 a.m. on 19 May 2021 <sup>(2)</sup>
General Meeting	11:15 a.m. on 19 May 2021 <sup>(3)</sup>
Voting Record Time	6:30 p.m. on 19 May 2021 <sup>(4)</sup>
<b>Court Meeting</b>	<b>11:00 a.m. on 21 May 2021</b>
<b>General Meeting</b>	<b>11:15 a.m. on 21 May 2021<sup>(5)</sup></b>
<p><i>The following dates and times associated with the Scheme are subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. Arrow will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Arrow's website at <a href="http://www.arrowglobal.net/en/investors/Offer_for_the_Company">www.arrowglobal.net/en/investors/Offer_for_the_Company</a>. Further updates and changes to these times will be notified in the same way. See also note (1).</i></p>	
Sanction Hearing	a date expected to be in the third quarter of 2021 (and, in any event, prior to the Long Stop Date), subject to the satisfaction (or where applicable and capable of waiver, the waiver) of the Conditions ("D")
Election Return Time	6:00 p.m. on D <sup>1</sup>
Latest time for withdrawal of an election in respect of the Alternative Offer	1:00 p.m. on D
Last day for dealings in, and for the registration of transfer of, Arrow Shares	D+1 Business Day
Scheme Record Time	6:00 p.m. on D+1 Business Day
Disablement of CREST in respect of Arrow Shares	6:00 p.m. on D+1 Business Day
Suspension of dealings in Arrow Shares	by 7:30 a.m. on D+2 Business Days
<b>Effective Date of the Scheme</b>	<b>D+2 Business Days</b>
Cancellation of listing of Arrow Shares	by 7:30 a.m. on D+3 Business Days
Latest date for despatch of cheques and crediting of CREST accounts for Cash Consideration due under the Scheme	within 14 days of the Effective Date

<sup>1</sup> The Election Return Time being the latest time for the receipt of Forms of Election or TTE Instructions in respect of the Alternative Offer will be notified to Arrow Shareholders by an announcement through a Regulatory Information Service no less than five Business Days before the date fixed for the Election Return Time.

- (1) The dates and times given are indicative only and are based on current expectations and are subject to change (including as a result of changes to the regulatory timetable).  

References to times are to London, UK time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Arrow Shareholders by announcement through a Regulatory Information Service.

Participants in the Arrow Share Plans will be contacted separately on or around 4 May 2021 regarding the effect of the Scheme on their rights under the Arrow Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.
- (2) It is requested that that the blue Form of Proxy for the Court Meeting be lodged not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, the time fixed for any adjourned Court Meeting. If the blue Form of Proxy for the Court Meeting is not lodged by this time, it may be emailed to proxyvotes@equiniti.com at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (3) In order to be valid, the yellow Form of Proxy for the General Meeting must be received by no later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) prior to the time appointed for the General Meeting or, if the General Meeting is adjourned, the time fixed for any adjourned General Meeting.
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6:30 p.m. on the day which is two Business Days before the date of the adjourned meeting.
- (5) To commence at 11:15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.
- (6) This is the latest date by which the Scheme may become effective. However, the Long Stop Date may be extended to such later date as may be agreed by Bidco and Arrow (with the Panel's consent and as the Court may approve (if such consent and/or approval are required)).

**PART I**  
**LETTER FROM THE CHAIRMAN OF ARROW**

Arrow Global Group plc  
Belvedere  
12 Booth Street  
Manchester  
M2 4AW

*(Incorporated in England and Wales with registered number 08649661)*

Directors:

Jonathan Bloomer (Non-executive Chair)  
Lee Rochford (Group Chief Executive Officer)  
Matt Hotson (Group Chief Financial Officer)  
Andrew Fisher (Senior Independent Non-executive Director)  
Lan Tu (Non-executive Director) Maria Luis Albuquerque (Non-executive Director)  
Paola Bergamaschi Broyd (Non-executive Director)

28 April 2021

*To the holders of Arrow Shares and, for information only, to holders of awards and options under the Arrow Share Plans and persons with information rights.*

Dear Shareholder,

**RECOMMENDED CASH ACQUISITION OF ARROW BY BIDCO, A NEWLY FORMED  
COMPANY OWNED BY INVESTMENT FUNDS MANAGED BY TDR CAPITAL**

**1. Introduction**

On 31 March 2021, the boards of directors of Arrow and Bidco announced that they had reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of Arrow. The Acquisition will be implemented by way of a scheme of arrangement.

**I am writing to you today, on behalf of the Arrow Directors, to set out the background to the Acquisition and the reasons why the Arrow Directors consider the terms of the Cash Offer to be fair and reasonable and are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting, as the Arrow Directors have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control of, in aggregate, 404,985 Arrow Shares representing approximately 0.23 per cent. of the issued ordinary share capital of Arrow as at the Latest Practicable Date. I draw your attention to the letter from Goldman Sachs, J.P. Morgan Cazenove and Numis set out in Part II (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document. Further information relating to the irrevocable undertakings given by the Arrow Directors, including the circumstances in which they may lapse, is set out at section 4 of this letter, and in section 5 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document.**

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the resolution to be proposed at the Court Meeting and the required majority of Arrow Shareholders will need to vote in favour of the Special Resolution to be proposed at the General Meeting. The Court Meeting and the General Meeting are to be held on 21 May 2021 at 11:00 a.m. and 11:15 a.m. (or immediately after the conclusion of the Court Meeting), respectively, at 2nd Floor, 6 Duke Street, St James's, London, SW1Y 6BN. Details of the actions you should take are set out in section 18 of Part II (*Explanatory Statement*) of this Document. The recommendation of the Arrow Directors is set out in section 12 of this letter.

In light of the COVID-19 Restrictions, Scheme Shareholders, Arrow Shareholders and other attendees are regretfully asked not to attend the Court Meeting or the General Meeting in person, but Scheme Shareholders and Arrow Shareholders are reminded that they (and their respective duly appointed proxies and/or corporate representatives) can attend remotely, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting via the Virtual Meeting Platform, as described in the opening pages of this Document and the Virtual Meeting Guide.

Scheme Shareholders and Arrow Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by email) set out in this Document. Scheme Shareholders and Arrow Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform.

## **2. Summary of the terms of the Acquisition**

The Acquisition will be implemented by the acquisition of Arrow by Bidco pursuant to a scheme of arrangement between Arrow and Scheme Shareholders under Part 26 of the Companies Act.

### ***The Cash Offer***

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and the Acquisition*) of this Document, each Scheme Shareholder will be entitled to receive:

**for each Scheme Share: 307.5 pence in cash (the “Cash Offer”)**

The price per Arrow Share under the terms of the Cash Offer represents a premium of approximately:

- 33.4 per cent. to the closing price of 230.5 pence per Arrow Share on 5 February 2021 (being the last Business Day before the commencement of the offer period);
- 46.6 per cent. to the volume-weighted average price of 209.7 pence per Arrow Share for the one-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period);
- 67.3 per cent. to the volume-weighted average price of 183.8 pence per Arrow Share for the three-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period); and
- 111.8 per cent. to the volume-weighted average price of 145.2 pence per Arrow Share for the six-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period).

### ***The Alternative Offer***

As an alternative to the Cash Offer, an eligible Scheme Shareholder may elect to receive Rollover Securities in exchange for their holding of Arrow Shares at a ratio of one Rollover Security for each Scheme Share or such other ratio as may be determined, prior to the Sanction Hearing, by Bidco as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied (further details on modifications to the Scheme are set out in section 10.5 of Part II (*Explanatory Statement*)), subject to the terms and conditions of the Alternative Offer (as detailed in Part V (*Summary of the Alternative Offer*) of this Document). Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible Arrow Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Sanction Hearing. **Eligible Scheme Shareholders will only be able to elect for the Alternative Offer in relation to their entire holding of Scheme Shares and not part only. For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted as long as the election represents the total number of Arrow Shares held by the party giving the instruction.**

Further information on the Alternative Offer is contained in Part V (*Summary of the Alternative Offer*) and Part VI (*Notes on making an Alternative Offer Election*) of this Document. For the purposes of Rule 24.11 of the Takeover Code, Citi, as lead financial adviser to Bidco, has provided an estimate of the value of a Rollover Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter set out at Part VII (*Rule 24.11 Estimate of Value Letter*).

### **General**

The Acquisition values Arrow's entire issued, and to be issued, ordinary share capital at approximately £563 million.

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 Arrow Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Alternative Offer for each Arrow Share is equal to the consideration payable under the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case the relevant eligible Scheme Shareholders will be entitled to receive and retain such dividend and/or distribution and/or return of capital, and any reference in this Document to the consideration payable under the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

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

Since listing on the London Stock Exchange in 2013, Arrow has developed its position as a leading European investor and asset manager in the non-performing and non-core assets sector.

Over the last two years, Arrow has taken significant and successful steps in its strategy to pivot to become a fully integrated alternative asset manager. This capital-light strategy has been accelerated in response to an increasingly attractive operating environment. Total funds under management as at 31 December 2020 were €4.3 billion of which Arrow's inaugural fund represents €1.7 billion (with €1.3 billion from third party investors). Arrow is on track to achieve its 5 year targets, including growing funds under management to over €10 billion by end 2025, increasing the EBITDA contribution from capital-light businesses to over 50 per cent by end 2025 and deleveraging to 3-3.5x by 2023.

In response to the economic impact of COVID-19, Arrow booked a prudent reforecast ERC asset in H1 2020, which led to a balance sheet write-down of £133.6 million. Since then Arrow has experienced strong balance sheet collections and returned to profitability in H2 2020. Arrow's results for FY 2020 demonstrate the continued success of Arrow.

The Arrow Board has a high degree of confidence that the successful implementation of its strategy in line with its 5 year targets would provide a strong future for Arrow as an independent listed company.

TDR Capital initially approached Arrow on 2 December 2020 with a proposal of 250p in cash per Arrow Share. Subsequently, on 8 December 2020 Arrow received a second proposal from TDR Capital of 265p in cash per Arrow Share. On 26 January 2021 Arrow received a third proposal from TDR Capital of 290p in cash per Arrow Share. Each of these proposals was unanimously rejected by the Arrow Board as materially undervaluing Arrow.

On 5 February 2021, TDR Capital made a revised proposal of 305p in cash per Arrow Share. Alongside the revised proposal, TDR Capital confirmed that Zach Lewy, founder and Chief Investment Officer of Arrow and Chief Executive Officer and Chief Investment Officer of AGG Capital Management Limited had entered into a binding letter of support with TDR Capital which precluded him, in his capacity as a shareholder of Arrow (and subject always to his fiduciary and other duties and obligations as a director and employee of AGG Capital Management Limited and to Arrow), from supporting any other offer for a period of three months (i.e. until 5 May 2021). TDR Capital made its proposal and Zach Lewy's support public on 8 February 2021.

The Arrow Board subsequently engaged with TDR Capital and other potential parties. A further proposal was put forward by TDR Capital on 22 February 2021 of 307.5p in cash per Arrow Share. In an announcement on 8 March 2021, the Arrow Board confirmed that it would be minded to recommend a firm offer for Arrow at this price, subject to the agreement of other terms relating to the offer. In this announcement the Arrow Board also confirmed an extension of the PUSU deadline to 8:00 a.m. on 23 March 2021 to allow TDR Capital to complete their due diligence. Subsequently, the PUSU deadline was extended to 5:00 p.m. on 1 April 2021.

In assessing the terms of the Cash Offer, the Arrow Directors considered the all-cash nature of the consideration which provides Arrow Shareholders with the opportunity to realise their investment in Arrow immediately and with certain value.

The Arrow Directors also note that the terms of the Cash Offer represent a premium of:

- Approximately 33 per cent. to the unaffected share price (as at the day prior to the announcement by TDR Capital of a possible offer for Arrow); and
- Approximately 67 per cent. to the volume weighted average price per Arrow Share for the three-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period).

The Arrow Board also considered in detail the opportunities and risks involved in implementing its strategy and particularly in growing the fund management business which the Arrow Board believes will be a significant driver of Arrow's growth and value creation in the future. Arrow is reliant on a number of key individuals within its fund management business to deploy funds currently under management by Arrow, to manage investments and to raise further capital. Consequently, amongst the risks evaluated most closely was the prospective challenge in continuing to retain key fund management personnel, and the difficulties in attracting new talent which is of an equivalent calibre and complementary to existing fund management personnel. The Arrow Board specifically considered the difficulty experienced during the last two years in identifying and securing new senior fund management talent due to the fierce levels of competition in the market and the strength of counterbids from existing employers.

Details of certain key person provisions in the Fund Documentation are set out in section 4 of Part II (*Explanatory Statement*) of this Document.

In this context, the Arrow Board has taken into account the decision by Zach Lewy to exclusively support, for the stated period, TDR Capital's Cash Offer for Arrow as an alternative to pursuing Arrow's strategy as an independent listed company. Furthermore, the Arrow Board considered the risks to the successful implementation of that strategy without Zach Lewy's ongoing commitment and also shareholder feedback following the public announcement of Zach Lewy's intentions.

In reaching their decision, the Arrow Board has taken into account Bidco's intentions for the broader business, management, employees and other stakeholders of Arrow.

Accordingly, following careful consideration with its financial and legal advisers, the Arrow Board unanimously recommends the Cash Offer to Arrow Shareholders.

#### **4. Irrevocable undertakings**

Bidco has received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) from all of the Arrow Directors who own Arrow Shares, in respect of their own beneficial holdings which are under their control totalling 404,985 Arrow Shares (representing approximately 0.23 per cent. of the existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

In addition to the irrevocable undertakings from Arrow Directors described above, Bidco has also received irrevocable undertakings from certain other Arrow Shareholders.

Zach Lewy has undertaken to vote (or to procure a vote) in favour of the Resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of 2,650,918 Arrow Shares (representing approximately 1.49 per cent. of the existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

Fifth Street Station LLC has undertaken to vote in favour of the Resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) and to accept the terms of the Alternative Offer in respect of 16,333,966 Arrow Shares (representing approximately 9.21 per cent. of the existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

Tom Drury has undertaken to vote (or to procure a vote) in favour of the Resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of 2,566,228 Arrow Shares (representing approximately 1.45 per cent. of the existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

Each of Albacore Partners I Investment Holdings B DAC and Albacore Partners II Investment Holdings D DAC (together, "**Albacore**") has undertaken to vote (or to procure a vote) in favour of the Resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of 7,680,912 Arrow Shares (representing approximately 4.33 per cent. of the existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

In total, therefore, Bidco has procured irrevocable commitments to: (a) vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), including those from the Arrow Directors who own Arrow Shares, in respect of, in aggregate, 29,637,009 Arrow Shares (representing approximately 16.7 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date; and (b) accept the Alternative Offer in respect of, in aggregate, 16,333,966 Arrow Shares (representing approximately 9.21 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in section 5 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document. Copies of the irrevocable undertakings are available on Arrow's website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company) and on Bidco's website at [www.tdrcapital.com/arrowglobal-offer](http://www.tdrcapital.com/arrowglobal-offer) and will remain on display until the end of the Offer Period.

## **5. Background to and reasons for the Acquisition**

Bidco recognises the significant progress made by the Arrow management team to diversify its business mix, geographic coverage and funding sources since its IPO in 2013. In particular, Bidco notes Arrow's recent focus on the development of incremental capital-light earnings, particularly its Asset Management and Servicing Business, and the recent launch of its inaugural third-party fund as highly attractive components of the Arrow business plan.

TDR Capital has extensive experience investing in the financial services sector and specifically the credit management industry. In 2011, TDR Capital partnered with the Lowell management team, growing Lowell's ERC at a 25%+ CAGR during the investment period. Through this successful investment, TDR Capital developed a clear understanding of the value drivers in the industry and built a strong track record with debt investors, having issued the maiden European high yield bond in the sector in 2012.

Since its partnership with Lowell, TDR Capital has continued to actively monitor the credit management industry and has closely followed Arrow's journey in public markets to date, recognising the Arrow Group's successful delivery of strong underlying performance through a challenging period for the sector. Despite the added challenges posed by volatile debt and equity markets in recent years, Bidco believes that the Arrow team has successfully created a high quality, internationally diverse, vertically integrated credit manager.

Given management's clear ambition to become a fully diversified alternative asset manager, differentiated by its specialised in-country servicing platforms and strong third party client franchise, by 2025, Bidco believes that now is the optimal time for the Arrow business to re-enter private ownership in order to allow for the incremental investment and transformation needed to accelerate its transition to recurring, capital-light revenues, away from the constraints of public markets. Under TDR Capital's ownership and supported by its extensive access to capital, Arrow will have both the flexibility required to expedite the development of its Fund and Investment Management capabilities, whilst also benefitting from the operational best practices and fund management expertise that TDR Capital has accrued through almost 20 years of pan-European investing.

## **6. Directors, management, employees, pensions, research and development and locations**

### ***Bidco's strategic plans for Arrow***

As set out in section 5 (*Background to and reasons for the Acquisition*), Bidco believes that the Arrow team has in place a strategy to create a high quality, internationally diverse, vertically integrated credit manager.

However, Bidco believes that in order to achieve management's ambition of becoming a fully diversified alternative asset manager by 2025, now is the optimal time for the business to re-enter private ownership in order to allow for the incremental investment and transformation needed to accelerate its transition to recurring, capital-light revenues, away from the constraints of public markets.

Prior to the Rule 2.7 Announcement, consistent with market practice, Bidco has been granted access to Arrow's senior management for the purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Bidco has not yet had access to sufficiently detailed information to formulate a detailed strategy for Arrow.

Following the Acquisition becoming Effective, Bidco intends to work with Arrow's management to undertake a detailed evaluation of the Arrow Group. Bidco expects that this evaluation will be completed within approximately four months from the Effective Date. The evaluation will include:

- engaging with the key stakeholders (including regulators) of each business;
- assessing the opportunity and future capital deployment within Arrow's Fund Management Business, the Asset Management and Servicing Business and the Investment Business;
- reviewing Arrow management's plans for becoming a fully diversified alternative asset manager; and
- assessing potential investment that will support Arrow's growth ambitions and overall strategy.

Prior to receiving the outcome of this evaluation, and noting its general intention to implement a long-term growth strategy with Arrow's senior management, Bidco has no intention of changing Arrow's strategic plans.

### ***Employees and management***

Bidco attaches great importance to the skill and experience of Arrow's management and employees and recognises the important contribution that the management team and employees of Arrow have made to the success of the business.

Bidco is aware of the programme which Arrow management has previously announced in respect of the targeted reductions in overhead costs of approximately £10 million. As part of its evaluation of the Arrow Group referred to above, Bidco will be carrying out an assessment of this programme. While no decisions have yet been made by Bidco in relation to specific actions that may be taken following such review, Bidco intends to support Arrow management in seeing this programme through to completion to the extent it has not been completed prior to the Effective Date.

Once Arrow ceases to be a listed company, a limited number of listed company-related functions may be reduced in scope or become unnecessary. This will lead to a non-material reduction in the headcount of the Arrow Group.

Other than as part of the existing overhead reduction programme and the reduction in listed company-related functions in each case as described above, Bidco does not intend to make any other reductions to the Arrow Group's headcount or changes to the conditions of employment or the balance of skills and functions of the employees and management of the Arrow Group.

Bidco confirms that its intention is for any individuals impacted to be treated in a manner consistent with Arrow's high standards, culture and practices. Any headcount reductions will be carried out in accordance with applicable law (including, in jurisdictions where relevant, informing and consulting obligations).

It is intended that, with effect from the Effective Date, each of the non-executive members of the Arrow Board shall resign from his or her office as a director of Arrow. TDR Capital is exploring the possibility of retaining Andrew Fisher to act as an independent non-executive director on the boards of one or more entities within the Arrow Group following completion of the Acquisition, with a view to providing continuity of regulatory oversight.

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

Bidco confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including pension rights, of all Arrow management and employees will be fully safeguarded in accordance with applicable law.

Arrow makes available to certain employees a defined contribution pension scheme and auto enrolment scheme in accordance with its legal obligations, but does not itself offer any group defined benefit pension scheme. Bidco does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members.

### ***Headquarters, locations, fixed assets and research and development***

Following the Acquisition, Bidco intends that Arrow will continue to operate as a standalone business group. Subject to the outcome of its strategic review to be undertaken following completion of the Acquisition, Bidco has no plans to undertake any material restructurings or change in the locations of Arrow's places of business. Bidco has no plans to change the location or functions of Arrow's headquarters in Manchester.

No changes are envisaged with respect to the redeployment of Arrow's fixed asset base and, to Bidco's knowledge, Arrow has no research and development function.

### ***Management incentive arrangements***

Following the Acquisition becoming Effective, Bidco intends to review the management, governance and incentive structure of Arrow.

Bidco has not entered into, and has not had material discussions on the terms of any form of incentivisation arrangements with members of Arrow's management, but may have discussions and enter into such discussions for certain members of the Arrow management team following the Effective Date.

### ***Trading Facilities***

Arrow Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in section 13 of Part II (*Explanatory Statement*), applications will be made for the cancellation of the listing of Arrow Shares on the Official List and the cancellation of trading of Arrow Shares on the London Stock Exchange.

### ***Rule 19.5 of the Takeover Code***

None of the statements in this section 6 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **7. Arrow Share Plans**

Details of the arrangements proposed to be implemented in relation to the Arrow Share Plans in connection with the Acquisition are set out in section 8 of Part II (*Explanatory Statement*) of this Document.

## **8. Arrow current trading**

For the year ended 31 December 2019, Arrow reported total income of £339.5 million and profit before tax of £51.3m. As at 31 December 2019, Arrow had £1,668.6 million of total assets and 201.9 million of total equity.

For the year ended 31 December 2020, Arrow reported total income of £167.5 million and a loss before tax of £114.8m. As at 31 December 2020, Arrow had £1,662.9 million of total assets and 116.7 million of total equity.

On 23 March 2021, Arrow published its audited full-year results in respect of the twelve-month period ended 31 December 2020 (the “**Arrow FY2020 Results**”). Current trading for Arrow continues in line with statements made in the Arrow FY2020 Results.

Financial information relating to Arrow is set out in Part VIII (*Financial and Ratings Information*) of this Document.

## **9. Action to be taken by Arrow Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Arrow Shareholders in respect of the Acquisition and the Scheme are set out in section 18 of Part II (*Explanatory Statement*) of this Document.

Details relating to the cancellation of listing of the Arrow Shares and settlement of the consideration offered by Bidco are included in sections 13 and 14 of Part II (*Explanatory Statement*) of this Document.

## **10. Overseas shareholders**

Overseas shareholders of Arrow Shares should refer to Part X (*Additional Information for Overseas Shareholders*) of this Document, which contains important information relevant to such holders.

## **11. UK taxation**

Your attention is drawn to Part IX (*UK Taxation*) and Part X (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Arrow Shareholders (as explained further in Part IX (*UK Taxation*) and Part X (*Additional Information for Overseas Shareholders*) of this Document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme for your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the UK.

## **12. Recommendation**

The Arrow Directors, who have been so advised by Goldman Sachs, J.P. Morgan Cazenove and Numis as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing their advice to the Arrow Directors, Goldman Sachs, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Arrow Directors. Numis is providing independent financial advice to the Arrow Directors for the purposes of Rule 3 of the Takeover Code.

**Accordingly, the Arrow Directors recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Arrow Shareholders vote in favour of the Resolutions to be proposed at the Arrow General Meeting, as those Arrow Directors who own Arrow Shares have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control of, in aggregate, 404,985 Arrow Shares representing approximately 0.23 per cent. of the issued ordinary share capital of Arrow as at the Latest Practicable Date.**

In considering the terms of the Alternative Offer, the Arrow Directors, Goldman Sachs, J.P. Morgan Cazenove and Numis have considered certain disadvantages and advantages of electing for the Alternative Offer outlined below:

***Disadvantages of electing for the Alternative Offer***

- Upon the Scheme becoming Effective, Topco and its subsidiaries will be controlled by TDR Capital and the Rollover Securities will not carry any general voting rights at general meetings of Topco.
- The Rollover Securities will comprise securities in a private and unquoted company, and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities, and will therefore be illiquid.
- The value of the Rollover Securities will at all times be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value estimated by Citi at Part VII (*Rule 24.11 Estimate of Value Letter*) of this Document.
- Payments in respect of Rollover Securities will not be guaranteed or secured and, for so long as the Topco and its subsidiaries has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Rollover Securities;
- The Rollover Securities will have very limited transfer rights. They will not be transferable during an initial five year lock-up period (the “**Lock-up Period**”) (save in very limited circumstances such as in accordance with customary drag-along provisions or otherwise with the prior consent of Parentco). Following the Lock-up Period, a Topco B Shareholder shall be entitled to transfer its Rollover Securities provided that any such transfer is for all (but not part) of the Rollover Securities held by such Topco B Shareholder, subject to a right of first refusal on the part of Parentco or its nominee and to certain other restrictions in respect of the identity of the proposed transferee.
- The holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law;
- Topco B Shareholders may be required in the future to sell their Rollover Securities under the terms of a “drag along” provision in the Topco Shareholders’ Agreement; and
- Topco B Shareholders will not be afforded the same level of protections and disclosure of information that they currently benefit from as shareholders in Arrow as a listed company.

***Advantages of electing for the Alternative Offer***

- the Rollover Securities will rank economically *pari passu* with the A Ordinary Shares held by and issued to Parentco in connection with the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of the Rule 2.7 Announcement; and
- the Alternative Offer provides continued economic exposure to Arrow under private ownership.

The Arrow Directors and Goldman Sachs, J.P. Morgan Cazenove and Numis have considered the disadvantages and advantages outlined above in relation to the Alternative Offer.

Goldman Sachs, J.P. Morgan Cazenove and Numis are unable to advise the Arrow Directors whether or not the financial terms of the Alternative Offer are fair and reasonable. This is because of the

significant and variable impact of the disadvantages and advantages of the Alternative Offer for individual Arrow Shareholders including, in terms of the advantages, in particular, the continued economic exposure to the Arrow Group and in terms of the disadvantages, in particular, the terms of the Rollover Securities including that they are illiquid, are subject to a five year lock-up period and the level of uncertainty in their future value.

**Accordingly, the Arrow Directors cannot form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to Arrow Shareholders as to whether or not they should elect for the Alternative Offer.**

Each of the Arrow Directors who have interests in Arrow Shares has confirmed that they do not intend to elect for the Alternative Offer in respect of the Arrow Shares of which they are the beneficial holders, and instead wish to receive the Cash Consideration pursuant to the terms of the Cash Offer.

Arrow Shareholders should also ascertain whether acquiring or holding Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Any decision to elect for the Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this Document, including, but not limited to, the information set out in Part V (*Summary of the Alternative Offer*), Part VI (*Notes on making an Alternative Offer Election*) and Part VII (*Rule 24.11 Estimate of Value Letter*) of this Document.

### **13. Further information**

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part IV (*the Scheme of Arrangement*), Part V (*Summary of the Alternative Offer*), Part VI (*Notes on making an Alternative Offer Election*), Part VII (*Rule 24.11 Estimate of Value Letter*) and the additional information set out in Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) and the notices of the meetings set out in Parts XIII and XIV (*Notice of Court Meeting* and *Notice of General Meeting* respectively).

**You are advised to read the whole of this Document and not just rely on the summary information contained in this letter or the Explanatory Statement.**

Yours faithfully,

**Jonathan Bloomer**  
Chair  
Arrow Global Group plc

**PART II  
EXPLANATORY STATEMENT**

(in compliance with section 897 of the Companies Act)

28 April 2021

*To the holders of Arrow Shares and, for information only, to holders of awards and options under the Arrow Share Plans and persons with information rights*

Dear Shareholder,

**RECOMMENDED CASH ACQUISITION OF ARROW BY BIDCO, A NEWLY FORMED  
COMPANY OWNED BY INVESTMENT FUNDS MANAGED BY TDR CAPITAL**

**1. Introduction**

On 31 March 2021, the boards of directors of Arrow and Bidco announced that they had reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of Arrow. The Acquisition will be implemented by way of a scheme of arrangement.

The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and Arrow Shareholders at the General Meeting as well as the sanction of the Court.

Your attention is drawn to the letter set out in Part I (*Letter from the Chairman of Arrow*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things: (a) information on the background to and reasons for the Acquisition; and (b) the unanimous recommendation by the Arrow Directors to, in the case of the Court Meeting, Scheme Shareholders and, in the case of the General Meeting, Arrow Shareholders, to vote in favour of the Resolutions to be proposed at the Court Meeting and the General Meeting.

The Arrow Directors have been advised by Goldman Sachs, J.P. Morgan Cazenove and Numis in connection with the financial terms of the Acquisition. We have been authorised by the Arrow Directors to write to you to explain the terms of the Acquisition and to provide you with other relevant information.

The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document. For overseas holders of Arrow Shares, your attention is drawn to Part X (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the business of Bidco, the financial effects of the Acquisition on Bidco and/or intentions or expectations of or concerning Bidco reflect the views of the Bidco Directors and the TDR Capital Responsible Persons (whose names are set out in sections 2.2 and 2.3 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*)).

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Arrow Directors, information concerning the business of the Arrow Group and/or intentions or expectations of or concerning the Arrow Group prior to completion of the Acquisition, reflect the views of the Arrow Board.

## 2. Summary of the terms of the Acquisition and the Scheme

### ***The Cash Offer***

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and the Acquisition*) of this Document, each Scheme Shareholder will be entitled to receive:

**for each Scheme Share: 307.5 pence in cash**

The price per Arrow Share under the terms of the Cash Offer represents a premium of approximately:

- 33.4 per cent. to the closing price of 230.5 pence per Arrow Share on 5 February 2021 (being the last Business Day before the commencement of the offer period);
- 46.6 per cent. to the volume-weighted average price of 209.7 pence per Arrow Share for the one-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period);
- 67.3 per cent. to the volume-weighted average price of 183.8 pence per Arrow Share for the three-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period); and
- 111.8 per cent. to the volume-weighted average price of 145.2 pence per Arrow Share for the six-month period ended 5 February 2021 (being the last Business Day before the commencement of the offer period).

### ***The Alternative Offer***

As an alternative to the Cash Offer, an eligible Scheme Shareholder may elect to receive Rollover Securities in exchange for their holding of Arrow Shares at a ratio of one Rollover Security for each Scheme Share or such other ratio as is determined, prior to the Sanction Hearing, by Bidco as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied (see section 10.5 below for further information regarding modifications to the Scheme), subject to the terms and conditions of the Alternative Offer (as detailed in Part V (*Summary of the Alternative Offer*) of this Document). Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible Arrow Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Sanction Hearing. Eligible Scheme Shareholders will only be able to elect for the Alternative Offer in relation to their entire holding of Arrow Shares and not part only. **For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted as long as the election represents the total number of Arrow Shares held by the party giving the instruction.**

Further information on the Alternative Offer is contained in Part V (*Summary of the Alternative Offer*) of this Document. For the purposes of Rule 24.11 of the Takeover Code, Citi, as lead financial adviser to Bidco, has provided an estimate of the value of a Rollover Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter set out at Part VII (*Rule 24.11 Estimate of Value Letter*).

### ***General***

The Acquisition values Arrow's entire issued, and to be issued, ordinary share capital at approximately £563 million.

The Arrow Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Record Time.

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 Arrow Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Alternative Offer for each Arrow Share is equal to the consideration payable under the Cash Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case the relevant eligible Scheme Shareholders will be entitled to receive and retain such dividend and/or distribution and/or return of capital, and any reference in this Document to the consideration payable under the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

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

Information relating to the background to and reasons for the Arrow Directors' recommendation of the Acquisition is set out in section 3 of Part I (*Letter from the Chairman of Arrow*) of this Document.

In total, Bidco has procured irrevocable commitments to: (a) vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), including those from the Arrow Directors who own Arrow Shares, in respect of, in aggregate, 29,637,009 Arrow Shares (representing approximately 16.7 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date; and (b) accept the Alternative Offer in respect of, in aggregate, 16,333,966 Arrow Shares (representing approximately 9.21 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in section 5 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document. Copies of the irrevocable undertakings are available on Arrow's website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company) and on Bidco's website at [www.tdrcapital.com/arrowglobal-offer](http://www.tdrcapital.com/arrowglobal-offer) and will remain on display until the end of the Offer Period.

### **4. Information relating to Arrow**

Arrow was founded in the United Kingdom in 2005, with the aim of identifying, acquiring and managing secured and unsecured loan and real estate portfolios from and on behalf of financial institutions, such as banks, institutional fund investors and specialist lenders. Arrow's shares were first admitted to listing and trading on the London Stock Exchange in 2013. Since 2013, the Arrow Group has expanded into Europe and, in addition to its UK operations, it now operates in Italy, Portugal, Ireland, the Netherlands and Belgium. The Arrow Group is now a leading European investor and asset manager in the non-performing and non-core assets sector.

The Arrow Group operates three business segments: (i) its Balance Sheet Business; (ii) its Asset Management and Servicing Business; and (iii) its Fund and Investment Management Business.

#### ***Balance Sheet Business***

This element of Arrow's business comprises investment in loan portfolios. The Arrow Group's investment strategy is highly differentiated from the typical large credit fund. Its local operating platforms and operational expertise allow the Arrow Group to focus on smaller, high-return niches. This has resulted in the majority of its deals being executed outside of competitive auctions in off-market bilateral trades – in 2020, approximately 70 per cent. of the Arrow Group's investments were transacted off-market. Arrow also has a track record of co-investing with investment clients to diversify risk.

#### ***Asset Management and Servicing Business***

The Arrow Group services a large amount of assets both for its own investment business and for its clients. Its co-investment strategy with its investment clients means it increasingly services entire

portfolios in respect of which it has only a small balance sheet equity exposure, earning servicing fees from other capital providers. This drives capital light revenues. In 2020, the Arrow Group secured 26 new servicing contracts.

### **Fund and Investment Management Business**

Emerging from its strong track record of successfully investing capital into assets and servicing assets on behalf of clients, Arrow has developed a discretionary fund management business and launched its first discretionary fund in 2019. Investor demand for the exposure that Arrow can provide to its specialist, high-return asset class is strong from a wide range of alternative investors and, in 2020, Arrow announced the final close of its debut private fund, Arrow Credit Opportunities 1, with total commitments of €1.7 billion.

Under the Fund Documentation, a “**Suspension Event**” occurs if Zach Lewy and certain other specified investment professionals cease to be actively involved with the business of the Fund. If a Suspension Event occurs:

- (A) the Fund will enter into a “**Caretaker Mode**”, during which time capital can only be drawn down: (i) with the consent of the Advisory Committee; and (ii) for the purposes of acquiring committed or previously contemplated investments, subject to an aggregate cap;
- (B) within ninety days of a Suspension Event, the General Partner shall propose replacement key persons for approval by the Advisory Committee. If such replacement key persons are approved, the Caretaker Mode shall terminate. If no such replacement key persons are approved upon expiry of this ninety day period, the Fund will automatically enter into “**Suspension Mode**”, during which time its permitted investment and other activities will be extremely limited; and
- (C) if no replacement key persons have been approved within 180 days of entry into Suspension Mode, the commitment period for the Fund will immediately terminate.

Under the terms of his employment agreement, Zach Lewy’s employment can be terminated on not less than 12 months’ prior written notice by either Zach Lewy or the Manager, or by Zach Lewy on not less than six months’ prior written notice if the Manager or the Company fail to comply with certain provisions of the agreement. The agreement also includes customary non-compete obligations during the term of the agreement and for a period of twelve months following termination, or six months in the event of a termination on notice.

As described in section 3 of Part I (*Letter from the Chairman of Arrow*), Arrow is reliant on a number of key persons within its fund management business to deploy funds currently under management by Arrow, to manage investments and to raise further capital. As further described above, Zach Lewy and certain other key persons are subject to customary non-compete obligations and the Arrow Board believes that their remuneration and incentivisation arrangements are set at an attractive level.

Notwithstanding these arrangements, the Arrow Board has evaluated the prospective challenge in continuing to retain key fund management persons and the difficulty experienced during the last two years in identifying and securing new senior fund management talent, due to fierce levels of competition in the market and the strength of counterbids from existing employers. In addition to the potential adverse implications under the Fund Documentation summarised above, the Arrow Board believes that the departure of certain key persons may adversely impact Arrow’s ability to raise additional funds and attract future investment opportunities.

Arrow is listed on the London Stock Exchange with a market capitalisation of £408.9 million as of 5 February 2021 (being the last Business Day before the commencement of the Offer Period). For the year ended 31 December 2020, Arrow reported total income of £167.5 million.

## **5. Information relating to Bidco, Topco and TDR Capital**

### **Bidco**

Bidco is a private limited company registered in England and Wales and incorporated on 29 March 2021. Bidco was formed for the purposes of the Acquisition and is an entity owned indirectly by investment funds managed by TDR Capital and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The current directors of Bidco are Jonathan Rosen and Jonathan Mitchell. Further details in relation to Bidco are contained in section Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document.

### **Topco**

Topco is a private limited company registered in England and Wales and incorporated on 29 March 2021. Topco was formed for the purposes of the Acquisition. Topco is a wholly-owned subsidiary of Parentco and is an entity owned indirectly by TDR Capital. Each of Bidco, Midco 1 and Midco 2 are direct or indirect wholly-owned subsidiaries of Topco and none of Topco, Midco 1 or Midco 2 has traded since its date of incorporation, nor entered into any obligations other than in connection with the Acquisition.

Further details in relation to Topco and the Rollover Securities are contained in Part V (*Summary of the Alternative Offer*) of this Document

### **TDR Capital**

TDR Capital LLP is a leading private equity firm formed in 2002 and based in London with over €8 billion of committed capital. TDR Capital seeks to invest in market leading businesses and partner with them to develop and grow their operations.

## **6. Financial effects of the Acquisition on Bidco**

Bidco has no material assets or liabilities other than those described in this Document in connection with its incorporation and the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities in the consolidated Bidco accounts will comprise the consolidated earnings, assets and liabilities of the Arrow Group.

## **7. Financing of the Acquisition**

The Cash Consideration payable to Scheme Shareholders by Bidco under the terms of the Acquisition will be financed by equity to be invested by TDR Capital.

Citi, in its capacity as lead financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the Cash Consideration payable to the Arrow Shareholders under the terms of the Acquisition.

TDR Capital may syndicate part of its funding commitments to one or more co-investors either before or after the Scheme becoming Effective. If such co-investment occurs prior to the Scheme becoming Effective, an announcement will be made by Bidco in respect of this through a Regulatory Information Service.

Bidco has also entered into the Interim Facilities Agreement in respect of the re-financing of certain existing indebtedness of the Arrow Group following completion of the Acquisition and payment of Acquisition costs. Further details of the Interim Facilities Agreement are set out in section 10 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document.

## **8. Arrow Share Plans and other incentive arrangements**

### **Existing Share Plans**

Arrow operates the Arrow Share Plans to reward and retain its employees.

Participants in the Arrow Share Plans will be contacted separately on or around 4 May 2021 regarding the effect of the Scheme on their rights under the Arrow Share Plans and with the details of the arrangements applicable to them. A summary of the effect of the Scheme on outstanding options and awards is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Arrow Share Plan, the directors' remuneration policy (where applicable) and/or the communications to participants in the Arrow Share Plans regarding the effect of the Scheme on their rights under the Arrow Share Plans and the details of the arrangements applicable to them (the "**Share Plan Notices**"), the rules of the relevant Arrow Share Plan, the directors' remuneration policy (where applicable) or the terms of the Share Plan Notices (as the case may be) will prevail.

The Scheme will apply to any Arrow Shares which are unconditionally allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the Arrow Share Plans before the Scheme Record Time. Any Arrow Shares allotted, issued or transferred to satisfy the exercise of options under the Arrow Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the General Meeting, be transferred to Bidco in exchange for the same consideration as Scheme Shareholders will be entitled to receive under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association is contained in Part XIV (*Notice of General Meeting*) of this Document.

### **8.1 LTIP**

Awards and options granted under the LTIP which would not otherwise vest prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants' contractual rights under the LTIP) vest early. The Arrow Remuneration Committee will, at its sole discretion, determine the extent to which LTIP awards and options vest, taking into account the extent to which any performance targets have been satisfied. The Arrow Remuneration Committee may also determine that the awards and options will not be subject to any time pro-rating reduction. The formal discretion as to whether or not to apply time pro-rating will be exercised on or shortly before the Court Sanction Date, along with the assessment of the extent to which performance targets have been achieved.

### **8.2 DSBP**

Options granted under the DSBP which would not otherwise vest prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants' contractual rights under the DSBP) vest in full.

### **8.3 SIP**

Under the SIP (which is an HMRC tax-qualified plan designed for all UK-based employees), employees can acquire Arrow Shares in the following forms: (1) Arrow Shares which a participant has purchased using a proportion of their pre-tax salary ("partnership shares"); and (2) Arrow Shares which have been acquired for no consideration ("matching shares"). These shares are required to be held in a special trust on an employee's behalf for a minimum of three (and up to five) years and subject to the employee's continued employment in order to benefit from favourable UK tax treatment.

All Arrow Shares held under the SIP will be Scheme Shares and will be subject to the terms of the Scheme in the same way as the Arrow Shares held by Scheme Shareholders. Participants in the SIP will be entitled to 307.5 pence in cash for every Arrow Share awarded under the SIP which they continue to hold as at the Scheme Record Time.

## **9. The Arrow Directors and the effect of the Scheme on their interests**

Details of the interests of the Arrow Directors in the ordinary share capital of Arrow, and awards in respect of such ordinary share capital, are set out in Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document. Scheme Shares held by the Arrow Directors at the Scheme Record Time will be subject to the Scheme.

The Arrow Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of their own beneficial holdings which are under their control of, in aggregate, 404,985 Arrow Shares representing approximately 0.23 per cent. of the issued ordinary share capital of Arrow as at the Latest Practicable Date. These irrevocable undertakings also extend to any shares acquired by the Arrow Directors as a result of the vesting of awards or the exercise of options under the Arrow Share Plans (if applicable, net of shares sold to cover any tax, employee national insurance or other social security liabilities).

The irrevocable undertakings from the Arrow Directors remain binding in the event a higher competing offer is made for Arrow and will only lapse and cease to have effect on the earlier of the following occurrences:

- (A) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement offer or scheme is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time;
- (B) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer;
- (C) the Scheme has not become effective by 6:00 p.m. on the Long Stop Date (or such later time or date as agreed between Bidco and Arrow, with the approval of the Court and/or the Panel if required) (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn); and
- (D) the date on which any competing offer for the entire issued and to be issued share capital of Arrow is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

Particulars of the service agreements (including termination provisions) and letters of appointment of the Arrow Directors are set out in section 6 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document.

Following completion of the Acquisition, once Arrow ceases to be a listed company, a limited number of listed company-related functions may be reduced in scope or become unnecessary. Therefore, it is intended that, with effect from the Effective Date, each of the non-executive members of the Arrow Board shall resign from his or her office as a director of Arrow. TDR Capital is exploring the possibility of retaining Andrew Fisher to act as an independent non-executive director on the boards of one or more entities within the Arrow Group following completion of the Acquisition, with a view to providing continuity of regulatory oversight.

In common with the other participants in the Arrow Share Plans, the Arrow Directors who hold options or awards under the Arrow Share Plans will be able to receive Arrow Shares to the extent that such awards vest or, in the case of options, are exercised.

Save as set out above, the effect of the Scheme on the interests of Arrow Directors does not differ from its effect on the like interests of any other Arrow Shareholder.

## **10. Description of the Scheme and the Meetings**

### **10.1 The Scheme**

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Arrow and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure requires approval by Scheme Shareholders at the Court Meeting and Arrow Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued, and to be issued, ordinary share capital of Arrow. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time to Bidco, in consideration for which Bidco will pay cash or procure the allotment of the Rollover Securities on the basis set out in this Part II (*Explanatory Statement*).

### **10.2 Arrow Meetings**

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Arrow Shareholders at the separate General Meeting, both of which will be held on 21 May 2021 at 2nd Floor,

6 Duke Street, St James's, London, SW1Y 6BN. The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Arrow Shareholders to enable the Arrow Directors to implement the Scheme and to amend the Articles of Association as described below.

Notices of both the Court Meeting and the General Meeting are set out in Part XIII (*Notice of Court Meeting*) and Part XIV (*Notice of General Meeting*) of this Document. Entitlement to attend and vote in respect of the business at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Arrow at the Voting Record Time.

**In light of the COVID-19 Restrictions, Scheme Shareholders, Arrow Shareholders and other attendees are regretfully asked not to attend the Court Meeting or the General Meeting in person (save for the Chair and anyone else nominated by the Chair in order to establish a quorum or to facilitate the proceedings of the Meetings), but can attend remotely, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting via the Virtual Meeting Platform, as described in the opening pages of this Document and the Virtual Meeting Guide. Scheme Shareholders and Arrow Shareholders may also submit written questions in advance of the relevant Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the relevant Meeting.**

Access to the Meetings will be available from 10:00 a.m. on 21 May 2021, although the voting functionality will not be enabled until the Chair of the relevant Meeting declares the poll open. Scheme Shareholders and Arrow Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Arrow Directors during the course of the relevant Meeting. Scheme Shareholders can use the same function to submit any written objections they may have to the Scheme at the Court Meeting. Scheme Shareholders and Arrow Shareholders may also submit written questions in advance of the relevant Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the relevant Meeting. The Chair of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chair's discretion, otherwise be undesirable in the interests of the Company or the good order of the Meeting.

**If the Scheme becomes Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.**

Any Arrow Shares which Bidco may acquire prior to the Court Meeting or the General Meeting (and any Arrow Shares which any member of the Bidco Group (or their nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Bidco Group (or their nominees) is entitled to vote at the Court Meeting in respect of the Arrow Shares held or acquired by them and will not exercise the voting rights attaching to these Arrow Shares at the General Meeting.

#### *(A) Court Meeting*

The Court Meeting has been convened with the permission of the Court for 11:00 a.m. on 21 May 2021 for Scheme Shareholders on the register of members of Arrow as at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person (if so nominated by the Chair in order to establish a quorum or to facilitate the proceedings of the Court Meeting), remotely (via the Virtual Meeting Platform) or by duly appointed proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) remotely or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by such Scheme Shareholders.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you intend to attend remotely and/or vote at the Court Meeting, you are therefore strongly advised to transmit a proxy appointment and voting instruction (electronically, by email, online or through CREST) or complete, sign and return your blue Form of Proxy (by post or email) for the Court Meeting as soon as possible. The transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this Document (or completion and return of the Forms of Proxy (by post or by email)) will not prevent you from attending remotely, submitting written questions and/or any objections and voting at the Court Meeting, in each case, remotely via the Virtual Meeting Platform as described in the opening pages of this Document and in the Virtual Meeting Guide, if you are entitled to and wish to do so.**

*(B) General Meeting*

In addition, the General Meeting has been convened for the same date (to be held immediately after the conclusion of the Court Meeting) to consider and, if thought fit, pass the Special Resolution to:

- (i) authorise the Arrow Directors to take all such actions as are necessary or appropriate for implementing the Scheme; and
- (ii) amend the Articles of Association in the manner described in section 10.3 of this Part II (*Explanatory Statement*) below.

Voting at the General Meeting will be by poll and each Arrow Shareholder present remotely or by duly appointed proxy will be entitled to one vote for each Arrow Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (remotely or by proxy).

Arrow will announce the details of the votes at the Meetings as required under the Takeover Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8:00 a.m. on the Business Day following the Meetings.

*(C) Sanction Hearing*

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held within 21 days of the satisfaction (or, where applicable, waiver) of the Conditions set out in this Document.

The Scheme shall lapse if:

- (i) the Court Meeting and the General Meeting are not held by the 22<sup>nd</sup> day after the expected date of the Court Meeting and the General Meeting on 21 May 2021 (or such later date as may be agreed between Bidco and Arrow with the consent of the Panel (and that the Court may approve if required));
- (ii) the Sanction Hearing to approve the Scheme is not held by the 22<sup>nd</sup> day after the expected date of the Sanction Hearing, which is expected to be in the third quarter of 2021 (or such later date as may be agreed between Bidco and Arrow with the consent of the Panel (and that the Court may approve)); or
- (iii) the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date (or such later date as may be agreed between Bidco and Arrow and the Panel and (if required) as the Court may allow),

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Sanction Hearing as set out above may be waived by Bidco, and the deadline for the Scheme to become effective may be extended by agreement between Bidco and Arrow, with the Panel's consent, and as the Court may allow.

The Sanction Hearing is expected to be held at the Royal Courts of Justice, The Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL. Scheme Shareholders are entitled to attend the Sanction

Hearing, should they wish to do so, in person or represented by counsel. If physical attendance at the Sanction Hearing is not practicable due to COVID-19 Restrictions (or related guidelines) in place at the time, the Court may direct the hearing to proceed remotely (either by telephone conference call or video conference), in which case details will be announced in due course.

Following sanction of the Scheme by the Court, the Scheme will become effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur two Business Days after the date of the Sanction Hearing, subject to the satisfaction (or, where applicable, waiver) of the Conditions.

Arrow and/or Bidco will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

**If the Scheme becomes Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.**

If the Scheme does not become Effective by the Long Stop Date, the Scheme will never become Effective.

### **10.3 Amendments to the Articles of Association**

It is proposed, in the Special Resolution, to amend Arrow's Articles of Association to ensure that any Arrow Shares issued or transferred out of treasury under the Arrow Share Plans or otherwise between the time at which the Special Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Arrow's Articles of Association so that any Arrow Shares issued or transferred out of treasury to any person other than Bidco or its nominee(s) at or after the Scheme Record Time will be automatically acquired by Bidco on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Bidco or its nominee(s)) being left with Arrow Shares after the Scheme becomes Effective.

The Special Resolution is set out in the notice of General Meeting in Part XIV (*Notice of General Meeting*) of this Document and seeks the approval of Arrow Shareholders for such amendments.

### **10.4 Entitlement to vote at the Meetings**

Each Arrow Shareholder who is entered in Arrow's register of members at the Voting Record Time (expected to be 6:30 p.m. on 19 May 2021) will be entitled to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by duly appointed proxy) on all resolutions to be put to the General Meeting and Court Meeting respectively. If either Meeting is adjourned, only those Arrow Shareholders on the register of members at 6:30 p.m. on the day which is two Business Days before the adjourned meeting will be entitled to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by duly appointed proxy).

Each eligible Arrow Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote (in each case, remotely, via the Virtual Meeting Platform), instead of him or her. A proxy need not be an Arrow Shareholder. In light of the COVID-19 Restrictions, Arrow Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, as described in the opening pages of this Document and the Virtual Meeting Guide.

The transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this Document (or completion and return of the Forms of Proxy by post or email) will not prevent you from attending remotely, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case remotely via the Virtual Meeting Platform as described in the opening pages of this Document and the Virtual Meeting Guide, if you are entitled to and wish to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (remotely, via the Virtual Meeting Platform, or by appointing a proxy), please call Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Further information on the actions to be taken is set out in section 18 of this Part II (*Explanatory Statement*).

### **10.5 Modifications to the Scheme**

The Scheme contains a provision entitling Arrow and Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

### **10.6 Implementation by way of an Offer**

Subject to obtaining the consent of the Panel and the terms of the Cooperation Agreement, Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme. In such event, unless certain circumstances set out in the Cooperation Agreement arise (for example, Arrow withdraws, adversely modifies or qualifies the recommendation set out in section 12 of Part I (*Letter from the Chairman of Arrow*), or if Arrow makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting or the General Meeting to a date which is later than the latest date permitted by Condition 2 of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, in each case without the consent of Bidco, except where such delay or adjournment is for reasons outside Arrow's control) such Offer will be implemented on substantially the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Offer including (without limitation) the inclusion of an acceptance condition set at 75 per cent. of the shares to which the Acquisition relates (or such other percentage as Bidco and Arrow may agree in writing after (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent of the Arrow Shares to which the Acquisition relates). Further, if sufficient acceptances of such Offer are received and/or sufficient Arrow Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding Arrow Shares to which such Offer relates.

## **11. Conditions to the Acquisition**

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including:

- (A) approval of the resolution proposed at the Court Meeting by the required majority of the Scheme Shareholders;
- (B) approval of the Special Resolution necessary to implement the Scheme by the required majority of the Arrow Shareholders at the General Meeting;
- (C) certain competition and regulatory approvals (including, *inter alia*, the receipt or waiver or antitrust approvals in the European Union and regulatory approvals in the UK, Italy, Ireland, Jersey and the Netherlands);
- (D) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Arrow and Bidco); and
- (E) the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme will require approval by Scheme Shareholders at the Court Meeting and Arrow Shareholders at the General Meeting and the sanction of the Court at the Sanction Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in section 10 of this Part II (*Explanatory Statement*) above. Arrow Shareholders are entitled to attend the Sanction Hearing in person or through representation to support or oppose the sanctioning of the Scheme, subject to any applicable COVID-19 Restrictions (and other relevant guidance) in place at the time.

The Scheme can become Effective only if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. This is expected to occur in the third quarter of 2021. Unless the Scheme becomes Effective by the Long Stop Date, the Scheme will not become effective and the Acquisition will not proceed.

## **12. Offer-related arrangements**

### ***Confidentiality Agreement***

On 14 February 2021, TDR Capital and Arrow entered into the Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, TDR Capital gave certain undertakings to: (i) subject to certain exceptions, keep information relating to Arrow and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 14 February 2023 and completion of the Acquisition by Bidco.

### ***Cooperation Agreement***

Pursuant to the Cooperation Agreement, Bidco and Arrow have, amongst other things, each agreed to: (i) cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition; and (ii) cooperate in preparing and implementing appropriate proposals in relation to the Arrow Share Plans. In addition, Bidco has agreed to certain provisions which will apply if the Scheme switches to an Offer. The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if prior to the Long Stop Date any Condition has been invoked by Bidco, if the Arrow Directors withdraw their recommendation of the Cash Offer or if the Scheme does not become Effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and Arrow. Pursuant to the terms of the Cooperation Agreement, Bidco undertakes that it will deliver a notice in writing to Arrow on the Business Day prior to the Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Scheme Conditions (as defined in the Cooperation Agreement)); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

Bidco has also agreed that Mr Lee Rochford, Chief Executive Officer of Arrow, and Mr Matt Hotson, Chief Financial Officer of Arrow, will each be entitled to receive cash payments totalling: (i) 100 per cent. of their respective annual salaries; plus (ii) 100 per cent. of their maximum annual bonus opportunity, subject to completion of the Acquisition and Arrow ceasing to be listed on the London Stock Exchange (the “**Executive Retention Arrangements**”). Subject to applicable leaver terms, such cash payments will be paid to each executive within 90 days following the later of completion of the Acquisition and Arrow ceasing to be listed on the London Stock Exchange. The total value of the Executive Retention Arrangements is £1,960,562.40.

As required by, and solely for the purposes of, Rule 16.2 of the Takeover Code, Numis has (in its capacity as independent adviser to the Arrow Directors for the purposes of Rule 3 of the Takeover Code) reviewed the terms of the Executive Retention Arrangements and has confirmed that, in its opinion, the Executive Retention Arrangements set out above are fair and reasonable as far as Arrow’s Shareholders are concerned. In providing this advice to the Arrow Directors, Numis has taken into account the commercial assessments of the Arrow Directors.

### **13. Cancellation of listing of Arrow Shares**

Prior to the Scheme becoming Effective, Arrow shall make an application for the cancellation of trading of the Arrow Shares on the Main Market of the London Stock Exchange for listed securities and for the cancellation of the listing of the Arrow Shares on the Official List. The last day of dealings in Arrow Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6:00 p.m. on that date.

On the Effective Date, share certificates in respect of Arrow Shares shall cease to be valid and entitlements to Arrow Shares held within the CREST system shall be cancelled.

Bidco intends, following the Effective Date, to re-register Arrow as a private limited company under the relevant provisions of the Companies Act.

### **14. Settlement**

Subject to the Acquisition becoming effective (and except as provided in Part X (*Additional Information for Overseas Shareholders*) of this Document in relation to certain overseas Arrow Shareholders), settlement of the consideration to which any Arrow Shareholder on the register of members as at the Scheme Record Time is entitled under the Scheme will be effected in the following manner:

#### ***14.1 Settlement of Cash Consideration where Arrow Shares are held in uncertificated form (that is, in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Arrow Shares in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Bidco instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Arrow Shares in respect of the Cash Consideration due to him or her not later than the 14<sup>th</sup> day following the Effective Date.

As from 6:00 p.m. on the Business Day following the Sanction Hearing, each holding of Arrow Shares credited to any stock account in CREST will be disabled and all Arrow Shares will be removed from CREST in due course.

Bidco reserves the right to pay all, or any part of, the Cash Consideration referred to above to all or any Scheme Shareholder(s) who hold Arrow Shares in uncertificated form in the manner referred to in section 14.2 below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this section 14.1 or to do so would incur material additional costs.

Each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

#### ***14.2 Settlement of Cash Consideration where Arrow Shares are held in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds Arrow Shares in certificated form, settlement of the Cash Consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (A) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (B) by such other method as may be approved by the Panel.

All such cash payments will be made in sterling and drawn on a UK clearing bank. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under the Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date to the person entitled thereto at the address as appearing in the register of members of Arrow at the Scheme Record Time or in accordance with any special standing instructions regarding communications (except that, in the case of joint holders, Bidco reserves the right to make such cheques payable to the joint holder whose name stands first in the register of members of the

Company in respect of such holding at the Scheme Record Time). None of Arrow, Bidco, any nominee(s) of Arrow or Bidco, or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person or persons entitled thereto.

If the amount payable to any such Scheme Shareholder exceeds £100,000, Bidco shall be entitled to make appropriate arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque.

Each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

### **14.3 Alternative Offer**

Where Rollover Securities are issued to Scheme Shareholders pursuant to the Rollover, certificates for the Rollover Securities will be despatched by first class post (or by international post or airmail, if overseas) within 14 days of the Effective Date to relevant Scheme Shareholders at the address appearing in the Arrow register of members at the Scheme Record Time or, in the case of joint holders, to the holder whose name appears first in such register in respect of the joint holding concerned.

Fractions of Rollover Securities shall not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Each such Scheme Shareholder's aggregate entitlement to Rollover Securities under the Alternative Offer will be rounded down to the nearest whole number of Rollover Securities respectively.

The maximum number of Rollover Securities available to Arrow Shareholders under the Alternative Offer will be limited to 10 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration (the "**Alternative Offer Maximum**").

If elections are validly received from eligible Arrow Shareholders in respect of a number of Arrow Shares that would require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Rollover Securities to be issued in respect of each Arrow Share will be rounded down on a pro rata basis, and the balance of the consideration for each Arrow Share will be paid in cash in accordance with the terms of the Cash Offer (as described above).

The availability of the Alternative Offer is conditional upon valid elections being made for such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration, failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each Arrow Share will be settled entirely in cash in accordance with the terms of the Cash Offer.

The maximum amount of Rollover Securities any eligible Arrow Shareholder who elects to receive the Alternative Offer shall be entitled to will be limited to 9.99 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration (the "**Shareholding Cap**"). If elections are validly received from an eligible Arrow Shareholder in respect of a number of Arrow Shares that would require the issue of Rollover Securities to such eligible Arrow Shareholder exceeding the Shareholding Cap, such elections will be unable to be satisfied in full. In these circumstances, the number of Rollover Securities to be issued to such shareholder would be rounded down to the Shareholding Cap and the balance of the consideration will be paid in cash in accordance with the terms of the Cash Offer (as described above).

In the event that the Scheme Shareholder has validly elected (or is deemed to have validly elected pursuant to the terms of the Scheme) to receive Rollover Securities in lieu of all the Cash Consideration to which the Scheme Shareholder would otherwise be entitled, the balance of the consideration will be disregarded and not paid to such holder. Shareholders should read Part V (*Summary of the Alternative Offer*) of this document which contains further details of the Alternative Offer (including the Rollover).

### **14.4 Right to withdraw or amend Alternative Offer Elections**

A Scheme Shareholder who has returned a Form of Election and subsequently wishes to withdraw such election must notify Equiniti in writing by no later than 1:00 p.m. on the date of the Sanction

Hearing. Such notice must contain an original signature and clearly specify whether the election is to be withdrawn. Any notices of this nature should be sent to Corporate Actions Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. If the election was made through a TTE Instruction, Equiniti should be contacted as soon as possible to seek to arrange electronic withdrawal or amendment in sufficient time to permit the withdrawal to be completed by 1:00 p.m. on the Election Return Time.

#### **14.5 General**

All documents and remittances sent to Arrow Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date each certificate representing a holding of Scheme Shares will cease to be valid documents of title and should be destroyed or, at the request of Arrow, delivered up to Arrow, or to any person appointed by Arrow to receive the same.

In accordance with the Scheme, as from the Scheme Record Time, Arrow shall procure that each holding of Scheme Shares credited to any stock account in CREST shall be disabled. With effect from, or as soon as practicable after, the Effective Date, Arrow and/or Bidco shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Arrow and/or Bidco shall procure that such entitlements to Scheme Shares are rematerialised.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required in accordance with the Scheme and the payment of any UK stamp duty thereon, Arrow shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

Except with the consent of the Panel, settlement of the consideration to which any Arrow Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco might otherwise be, or claim to be, entitled against such Arrow Shareholder.

All mandates and other instructions given to Arrow by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

#### **14.6 Arrow Share Plans**

In the case of Scheme Shares issued or transferred pursuant to the Arrow Share Plans after the making of the Court Order and prior to the Scheme Record Time, the Cash Consideration due under the Scheme in respect of those Scheme Shares will be settled by such method as shall be determined by Arrow (including, but not limited to, procuring that payments are made through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions).

#### **14.7 Dividends**

Please refer to section 2 of this Part II (*Explanatory Statement*) for further information on dividends.

### **15. UK taxation**

Your attention is drawn to Part IX (*UK Taxation*) and Part X (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Arrow Shareholders (as explained further in Part IX (*UK Taxation*) and Part X (*Additional Information for Overseas Shareholders*) of this Document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme for your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the UK.

## **16. Overseas holders**

Overseas shareholders of Arrow Shares should refer to Part X (*Additional Information for Overseas Shareholders*) of this Document which contains important information relevant to such holders.

## **17. Further information**

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. Further information regarding Arrow and Bidco is set out in Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document. Documents published and available for inspection are listed in section 16 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document.

## **18. Actions to be taken**

### **18.1 Sending Forms of Proxy by post or by email**

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them Equiniti (Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA) so as to be received as soon as possible and in any event not later than the relevant times set out below:

Blue Form of Proxy for the Court Meeting	11:00 a.m. on 19 May 2021
Yellow Form of Proxy for the General Meeting	11:15 a.m. on 19 May 2021

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a non-working day) before the time fixed for the adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

### **18.2 Online appointment of proxies**

Proxies may be appointed electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. Arrow Shareholders who have already registered with the Equiniti online portfolio service, Shareview, can appoint their proxy electronically via their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof.

In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the blue Form of Proxy may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or any adjournment thereof.

### **18.3 Electronic appointment of proxies through CREST**

If you hold Arrow Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part XIII (*Notice of Court Meeting*) and Part XIV (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. In the case of the Court Meeting only, if the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be emailed to proxyvotes@equiniti.com any time prior to the commencement of the Court Meeting or any adjournment thereof.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Arrow may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

#### **18.4 Elections for the Alternative Offer**

If you hold Arrow Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer please complete and return the Form of Election by post to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to reach Equiniti by no later than the Election Return Time. A pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you hold Arrow Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder and you wish to elect for the Alternative Offer you should not complete a Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part VI (*Notes on making an Alternative Offer Election*) to transfer your Arrow Shares to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time, being 6:00 p.m. on the date of the Sanction Hearing. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Arrow Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Arrow Shares.

If you hold Arrow Shares in both certificated and uncertificated form and you wish to make an election under the Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

Any indirect holder of Scheme Shares held through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, who wishes to elect for the Alternative Offer may need first to arrange with such nominee for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, its own name.

Arrow Shareholders who elect for the Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to adhere to the Topco Shareholders' Agreement relating to

Topco as a condition of such election. The power of attorney will also provide for the signing on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and any exchange agreement, transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the Rollover as conditions of such election. As part of completing a Form of Election, holders of Arrow Shares in certificated form will be asked to provide an email address for service of notices pursuant to the Topco Shareholders' Agreement. Bidco and Topco reserve the right to treat email addresses previously given to the Arrow or Equiniti by holders of Arrow Shares in uncertificated form who wish to elect for the Alternative Offer as the addresses for notices under the terms of the Topco Shareholders Agreement. Alternatively, such holders may notify Arrow or Equiniti of their email addresses if they wish to receive such notices by email. Bidco and Topco will regard addresses in the register of members of the Arrow of holders of Arrow Shares who wish to elect for the Alternative Offer as being the addresses for notices under the Topco Shareholders' Agreement.

**If you wish to receive cash for all the Arrow Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, you are not required to return the Form of Election or make a TTE Instruction electing for the Alternative Offer.**

Restricted Shareholders will, under the Acquisition, only be entitled to receive Cash Consideration for the Arrow Shares they hold and they will not have the option of taking Rollover Securities under the Alternative Offer. Any purported election for the Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas shareholders of Arrow Shares should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

#### ***18.5 Remote Attendance at the Meetings***

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you intend to attend remotely and/or vote at the Meetings, you are therefore strongly advised to transmit a proxy appointment and voting instruction (electronically, by email, online or through CREST) or complete, sign and return your blue Form of Proxy (by post or email) for the Court Meeting as soon as possible. The transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this Document (or completion and return of the Forms of Proxy (by post or by email)) will not prevent you from attending remotely, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case remotely via the Virtual Meeting Platform as described above and in the Virtual Meeting Guide, if you are entitled to and wish to do so.**

#### ***18.6 Shareholder Helpline***

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to submit your proxies electronically or to complete the Forms of Proxy, please call Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours faithfully,

John Brennan  
For and on behalf of Goldman Sachs International

Matt Smith  
For and on behalf of J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove

Stuart Ord  
For and on behalf of Numis Securities Limited

**PART III**  
**CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION**

**Part A: Conditions to the Scheme and Acquisition**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date, or such later date (if any) as Bidco and Arrow may, with the consent of the Panel, agree and (if required) as the Court may allow.

**Conditions of the Scheme**

2. The Scheme will be subject to the following Conditions:
  - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of Arrow (or the relevant class or classes thereof) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and (ii) such Court Meeting (and any separate class meeting which may be required) being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting set out in this Document (or such later date as may be agreed between Bidco and Arrow with the consent of the Panel (and that the Court may approve if required));
  - (b) (i) the Special Resolutions being duly passed at the Arrow General Meeting (or any adjournment thereof) and (ii) such Arrow General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Arrow General Meeting set out in this Document (or such later date as may be agreed between Bidco and Arrow with the consent of the Panel (and that the Court may approve if required)); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to Bidco and Arrow)) and the delivery of the office copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Sanction Hearing set out in this Document (or such later date as may be agreed between Bidco and Arrow with the consent of the Panel (and that the Court may approve)).

**General Conditions**

3. In addition, subject as stated in Part B below, Bidco and Arrow have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

***Anti-trust***

*European Union*

- (a) insofar as the Acquisition or any aspect of the Acquisition constitutes, or is deemed to constitute, a concentration with a Community dimension within the scope of Council Regulation (EC) 139/2004 (as amended) (the "**Regulation**") or the European Commission otherwise accepts jurisdiction to examine the Acquisition under the Regulation:
  - (i) the European Commission having issued a decision under Article 6(1)(b) of the Regulation, or being deemed to have done so under Article 10(6) of the Regulation, declaring the Acquisition compatible with the internal market provided that such approval shall either be unconditional or, if such approval is subject to any conditions, on conditions reasonably satisfactory to Bidco; or
  - (ii) following a referral by the European Commission of the Acquisition (or part of it) to a relevant national competition authority, regulatory body or governmental department within any EU/EFTA Member State (under Article 9 of the Regulation), Bidco having received confirmation from the national competition authority concerned that the

Acquisition (or part of it) has been unconditionally approved in accordance with the relevant national legislation of that EU Member State or, if such approvals are subject to any conditions, on conditions reasonably satisfactory to Bidco;

### **Regulatory**

#### *UK FCA:*

- (b) the FCA giving notice pursuant to section 189(4)(a) of FSMA or issuing a decision notice under section 189(7) of FSMA that it approves the acquisition or increase in control over each member of the Arrow Group that is a UK authorised person (as defined in section 191G(1) of FSMA), by each member of the Wider Bidco Group whose acquisition or increase of control over such entities would take place as a result of the Acquisition or its implementation, or the FCA being treated as having given such approval under section 189(6) of FSMA and, for the purposes of this condition, “control” shall have the meaning given to it for the purposes of Part XII of FSMA (read with the FSMA (Controllers) (Exemption) Order 2009, where applicable);

#### *Bank of Italy:*

- (c) the Bank of Italy authorizing pursuant to Articles 19, 22, and 110 of Italian Legislative Decree no. 385/1993 (the Consolidated Banking Act or “**CBA**”) the indirect acquisition of control (as defined in Article 23 of the CBA) over Zenith Service S.p.A., an Italian company belonging to the Arrow Group enrolled in the register of Italian financial intermediaries held by the Bank of Italy pursuant to Article 106 of the CBA, by any member of the Wider Bidco Group that requires such authorisation where that indirect acquisition of control would take place as a result of the Acquisition or its implementation;
- (d) the Bank of Italy (i) having been notified pursuant to Article 15 of Italian Legislative Decree no. 58/1998 (the Consolidated Financial Act or “**CFA**”) of the intention by any member of the Wider Bidco Group to indirectly acquire control (as defined in Article 15 of the CFA and Article 23 of the CBA) over Sagitta SGR S.p.A., an Italian company belonging to the Arrow Group enrolled in the register of Italian asset management companies held by the Bank of Italy pursuant to Article 35 of the CFA, where the indirect acquisition of control would take place as a result of the Acquisition or its implementation, and (ii) not having forbidden the indirect acquisition of control within the deadline set forth in the applicable Bank of Italy’s regulations implementing Article 15 of the CFA;

#### *Central Bank of Ireland:*

- (e) the Central Bank of Ireland having been notified of the change to qualifying shareholders of any members of the Arrow Group who are authorised by the Central Bank of Ireland that will take place as a result of the Acquisition and the Central Bank of Ireland not having given formal written notice that it objects to such change in qualifying shareholders by the sooner of: (i) the time at which each of the other Financial Services Conditions has been satisfied; and (ii) 60 Business Days following the publication of the Rule 2.7 Announcement;

#### *Jersey Financial Services Commission:*

- (f) the Jersey Financial Services Commission (the “**JFSC**”) providing its confirmation in writing:
  - (i) that it does not object to (a) any person (including Bidco) becoming a “principal person” (as defined in Article 1(1) of the Financial Services Jersey Law 1998 (the “**FSJL**”)) of any member of the Arrow Group that is registered pursuant to the FSJL (a “**Jersey Regulated Entity**”) in accordance with Article 14(1) of the FSJL; and (b) any person (including any Arrow Shareholder) who is “shareholder controller” of a Jersey Regulated Entity disposing of its holding in a Jersey Regulated Entity, or a Jersey Regulated Entity ceasing to be a subsidiary (as defined in Article 1(1) of the FSJL) of any such person (including any Arrow Shareholder) in each case in accordance with and to the extent required by Article 14(2) of the FSJL, in each case where such change would take place as a result of the Acquisition or its implementation; and

- (ii) that, to the extent such consent is required in respect of the Acquisition or its implementation pursuant to the terms of any consents, permits or licences issued by the JFSC to a member of the Arrow Group or pursuant to the terms of any undertaking issued by a member of the Arrow Group to the JFSC, the JFSC gives its consent for the purposes of and to the extent such consent is required pursuant to such consents, permits, licences or undertakings;

*Dutch Financial Markets Authority:*

- (g) the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*) approving any member of the Wider Bidco Group who will, as a result of the Acquisition, require approval as a new (co-)policymaker of Vesting Finance Servicing B.V. or Universum Inkasso B.V. within the meaning of article 103 sub 2 of the Decree on Market Conduct Supervision of Financial Undertakings under the Wft (*Besluit Gedragstoezicht financiële ondernemingen Wft*);

*Solicitors Regulation Authority*

- (h) The approval by the SRA of:
  - (i) any member of the Wider Bidco Group who will, as a result of the Acquisition, acquire a restricted interest (as defined in Schedule 13, Paragraph 2(1) of the Legal Services Act 2007) (“**LSA**”) in Drydens Limited, and who is required to notify the SRA of this acquisition under Schedule 13, Paragraph 21(2) of the LSA; and
  - (ii) any persons required to be approved by the SRA as beneficial owners of Drydens Limited under the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 that will become beneficial owners of Drydens Limited as a result of the Acquisition.

**Other Third Party clearances**

- (i) other than in respect of Conditions 3(a), (b), (c), (d), (e), (f), (g) and (h), no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**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 required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case not having withdrawn the requirement or action) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Arrow Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent, prohibit, restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider Arrow Group by any member of the Wider Bidco Group or require amendment of the Scheme;
  - (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Arrow Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;

- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Arrow (or any member of the Wider Arrow Group) or on the ability of any member of the Wider Arrow Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities in, or to exercise management control over, any member of the Wider Arrow Group to an extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
- (iv) other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Bidco Group or the Wider Arrow Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Arrow Group or any asset owned by any third party which is material in the context of the Wider Arrow Group or the Wider Bidco Group, in either case taken as a whole;
- (v) require, prevent or delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Arrow Group;
- (vi) result in any member of the Wider Arrow Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
- (vii) impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Arrow Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Arrow Group in a manner which is adverse and material to the Wider Bidco Group and/or the Wider Arrow Group, in either case, taken as a whole or in the context of the Acquisition; or
- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider Arrow Group or any member of the Wider Bidco Group in each case in a manner which is adverse to and material in the context of the Wider Arrow Group taken as a whole or of the financing of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Arrow Shares or otherwise intervene having expired, lapsed, or been terminated;

- (j) other than in respect of Conditions 3(a), (b), (c), (d), (e), (f), (g) and (h), all notifications, filings or applications which are deemed by Bidco, acting reasonably, to be necessary or reasonably considered to be appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco to be necessary or reasonably considered to be appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Arrow by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Arrow Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Arrow Group, any member of the Bidco Group or the ability of Bidco to implement the Scheme

and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

#### **Confirmation of absence of adverse circumstances**

- (k) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Arrow Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Arrow or because of a change in the control or management of any member of the Wider Arrow Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Arrow Group taken as a whole or to the financing of the Acquisition:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Arrow Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Arrow Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Arrow Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider Arrow Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Arrow Group taken as a whole or in the context of the Acquisition;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Arrow Group being or falling to be disposed of or charged 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 member of the Wider Arrow Group otherwise than in the ordinary course of business;
  - (v) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Arrow Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
  - (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Arrow Group being prejudiced or adversely affected;
  - (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Arrow Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
  - (viii) any liability of any member of the Wider Arrow Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

## **No material transactions, claims or changes in the conduct of the business of the Arrow Group**

- (l) except as Disclosed, no member of the Wider Arrow Group having since 31 December 2020:
- (i) save as between Arrow and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of Arrow Shares on the exercise of options or vesting of awards granted in the ordinary course under the Arrow Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Arrow Shares out of treasury;
  - (ii) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Arrow or one of its wholly-owned subsidiaries;
  - (iii) save as between Arrow and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, 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, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider Arrow Group taken as a whole;
  - (iv) save as between Arrow and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider Arrow Group taken as a whole;
  - (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Arrow and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
  - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider Arrow Group to an extent which is or is reasonably likely to be material to the Wider Arrow Group taken as a whole;
  - (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Arrow Group which are material in the context of the Wider Arrow Group and outside the normal course of business;
  - (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Arrow Group save for salary increases, bonuses or variations of terms in the ordinary course;
  - (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of

employment of any employee of the Wider Arrow Group which, taken as a whole, are material in the context of the Wider Arrow Group taken as a whole;

- (x) (excluding the trustee of any pension scheme(s) established by a member of the Wider Arrow Group unless that trustee is Arrow itself) (I) made, agreed or consented to or procured any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider Arrow Group or their dependants and established by a member of the Wider Arrow Group (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (II) entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
- (xiii) 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 of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of Arrow) is material in the context of the Wider Arrow Group taken as a whole;
- (xiv) other than with respect to claims between Arrow and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
- (xv) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;
- (xvi) (other than in respect of a member of the Wider Arrow Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any 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 which is

material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;

- (xvii) 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 which is material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
- (xviii) entered into any contract, commitment, agreement or arrangement 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 an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider Arrow Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Arrow Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Arrow Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

#### **No material adverse change**

- (m) since 31 December 2020, and except as Disclosed, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Arrow Group to an extent which is material to the Wider Arrow Group taken as a whole or to the financing of the Acquisition;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Arrow Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Arrow Group or to which any member of the Wider Arrow Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might be expected to have a material adverse effect on the Wider Arrow Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Arrow Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Arrow Group which, in any such case, might be expected to have a material adverse effect on the Wider Arrow Group taken as a whole;
  - (iii) no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Arrow Group to an extent which is material to the Wider Arrow Group taken as a whole;
  - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Arrow Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider Arrow Group taken as a whole; and
  - (v) no member of the Wider Arrow Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider Arrow Group taken as a whole;

- (n) since 31 December 2020, and except as Disclosed, Bidco not having discovered:
  - (i) that any financial, business or other information concerning the Wider Arrow Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to the Rule 2.7 Announcement by or on behalf of any member of the Wider Arrow Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Arrow Group taken as a whole or in the context of the Acquisition;
  - (ii) that any member of the Wider Arrow Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider Arrow Group taken as a whole; or
  - (iii) any information which affects the import of any information disclosed to Bidco at any time prior to the Rule 2.7 Announcement by or on behalf of any member of the Wider Arrow Group which is material in the context of the Wider Arrow Group taken as a whole;

### **Environmental liabilities**

- (o) except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, any past or present member of the Wider Arrow Group, in a manner or to an extent which is material in the context of the Wider Arrow Group, (i) has committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) has incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) is likely to incur any material liability (whether actual or contingent), or is required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Arrow Group taken as a whole;

### **Intellectual Property**

- (p) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Arrow Group which would have a material adverse effect on the Wider Arrow Group taken as a whole or is otherwise material in the context of the Acquisition, including:
  - (i) any member of the Wider Arrow Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Arrow Group and material to its business being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Arrow Group to, or the validity or effectiveness of, any of its intellectual property; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Arrow Group being terminated or varied;

### **Anti-corruption and sanctions**

- (q) except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider Arrow Group taken as a whole):
  - (i) any past or present member of the Wider Arrow Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;

- (ii) any member of the Wider Arrow Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
- (iii) any past or present member of the Wider Arrow Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the Arrow Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; and

**No criminal property**

- (r) except as Disclosed, Bidco not having discovered that any asset of any member of the Wider Arrow Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B: Further terms of the Acquisition**

1. Subject to the requirements of the Panel in accordance with the Takeover Code, Bidco reserves the right in its sole discretion to waive:
  - (a) the deadline set out in paragraph 1 of Part A of this Part III (*Conditions to the Implementation of the Scheme and the Acquisition*), and any of the deadlines set out in paragraph 2 of Part A of this Part III (*Conditions to the Implementation of the Scheme and the Acquisition*) for the timing of the Court Meeting, Arrow General Meeting and the Sanction Hearing. If any such deadline is not met, Bidco shall make an announcement by 7:00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Arrow to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the Conditions listed in Part A above, except for Conditions 2(a)(i), 2(b)(i) and 2(c)(i) (*Conditions of the Scheme*) which cannot be waived.
2. Conditions 3(a) to (r) (inclusive) must each be fulfilled, determined by Bidco to be or to remain satisfied or (if capable of waiver) be waived by Bidco by no later than 11:59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will lapse. Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, 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 of such Conditions may not be capable of fulfilment.
3. If Bidco is required by the Panel to make an offer for Arrow Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition 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. Conditions 1, 2(a)(i), 2(b)(i), 2(c)(i) and 3(a) above and, if applicable, any acceptance condition if the Acquisition is implemented by means of an Offer, are not subject to this provision of the Takeover Code.
5. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Cooperation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per

cent. (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Offer are received and/or sufficient Arrow Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding Arrow Shares to which such Offer relates.

6. The Acquisition will lapse if the European Commission either initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004/EC, or the Acquisition otherwise becomes subject to a CMA Phase 2 Reference, in each case before 1:00 p.m. on or before the later of the date of the Court Meeting and the date of the Arrow General Meeting. In such event, Arrow will not be bound by the terms of the Scheme.
7. The Acquisition will be governed by the laws of England and Wales and be subject to the jurisdiction of the English courts and to the Conditions set out above. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
9. Arrow Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature 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) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
10. If, on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, any dividend, distribution or other return of value is declared, paid or made or becomes payable by Arrow in respect of the Arrow Shares, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke the Condition set out in paragraph 3(l)(ii) of Part A of this Part III (*Conditions to the Implementation of the Scheme and the Acquisition*)) to reduce the Cash Offer (and, as the case may be, the number of Rollover Securities due under the terms of the Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Alternative Offer for each Arrow Share is equal to the consideration payable under the Cash Offer) to reflect the aggregate amount of such dividend, distribution or other return of value or excess. In such circumstances, Arrow Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made in respect of the Arrow Shares prior to the Effective Date, and Bidco exercises its rights under this paragraph 10 to reduce the consideration payable under the Cash Offer (or consideration due under the Alternative Offer), any reference in this Document to the consideration payable under the Cash Offer (or consideration due under the Alternative Offer) shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable in respect of the Arrow Shares prior to the Effective Date or by reference to a record date prior to the Effective Date or is (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled before payment, the consideration payable under the Cash Offer (or consideration due under the Alternative Offer) shall not be subject to change in accordance with this paragraph 10.

Any exercise by Bidco of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme or the Acquisition.

11. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

12. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to overseas shareholders of Arrow Shares is set out in Part X (*Additional Information for Overseas Shareholders*) of this Document.

**PART IV  
THE SCHEME OF ARRANGEMENT**

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2021-000658

IN THE MATTER OF ARROW GLOBAL GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT  
*(under Part 26 of the Companies Act 2006)*

between

ARROW GLOBAL GROUP PLC

and

THE HOLDERS OF THE SCHEME SHARES  
*(as hereinafter defined)*

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

- “Acquisition”** ..... the proposed acquisition by Bidco of the entire issued and to be issued share capital of Arrow not already owned or controlled by (i) the Bidco Group or (ii) TDR Capital, to be effected by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
- “Alternative Offer”** ..... the alternative to the Cash Consideration pursuant to which Scheme Shareholders (other than Restricted Shareholders) may elect, subject to certain limitations and exceptions, to receive Bidco Loan Notes with a nominal value equal to 307.5 pence for each Scheme Share in lieu of their entitlement to the Cash Consideration (such Bidco Loan Notes being exchanged for Rollover Securities pursuant to the Rollover)
- “Alternative Offer Election”** ..... an election whereby Scheme Shareholders (other than Restricted Shareholders) may elect to accept the Alternative Offer pursuant to a Form of Election or a TTE Instruction;
- “Alternative Offer Maximum”** ..... 10 (ten) per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration;
- “Arrow” or “Company”** ..... Arrow Global Group plc, a company incorporated in England and Wales with registered number 08649661;
- “Arrow Share(s)”** ..... the existing unconditionally allotted or issued and fully paid ordinary shares of one penny each in the capital of Arrow and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury;

<b>“Arrow Share Plans”</b> .....	the Arrow 2013 Long Term Incentive Plan (including the CSOP Option sub-plan), the Arrow 2013 Deferred Share Bonus Plan and the Arrow Share Incentive Plan;
<b>“Arrow Shareholder(s)”</b> .....	the holders of Arrow Shares from time to time;
<b>“Bidco”</b> .....	Sherwood Acquisitions Limited, a company incorporated in England and Wales with registered number 13299321;
<b>“Bidco Group”</b> .....	Bidco and its direct and indirect subsidiaries including, following completion of the Acquisition, the Arrow Group;
<b>“Bidco Loan Note Instrument”</b> ....	a loan note instrument constituting the Bidco Loan Notes to be entered into on the Effective Date;
<b>“Bidco Loan Notes”</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Bidco pursuant to the Alternative Offer and to be constituted by the Bidco Loan Note Instrument;
<b>“Business Day”</b> .....	a day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;
<b>“Cash Consideration”</b> .....	the cash consideration of 307.5 pence in cash for each Arrow Share due under the Scheme;
<b>“Companies Act”</b> .....	the Companies Act 2006, as amended from time to time;
<b>“Conditions”</b> .....	the conditions to the Acquisition and to the implementation of the Scheme set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of the Document;
<b>“Court”</b> .....	the High Court of Justice in England and Wales;
<b>“Court Meeting”</b> .....	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
<b>“Court Order”</b> .....	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
<b>“CREST”</b> .....	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>“CREST Manual”</b> .....	the CREST Manual published by Euroclear, as amended from time to time;
<b>“CREST Regulations”</b> .....	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>“Document”</b> .....	the circular to the Arrow Shareholders published by Arrow on 28 April 2021 containing the Scheme;
<b>“Effective Date”</b> .....	the date on which this Scheme becomes effective in accordance with its terms;

<b>“Euroclear”</b> .....	Euroclear UK & Ireland Limited;
<b>“Excluded Shares”</b> .....	any Arrow Shares which are registered in the name of or beneficially owned by: <ul style="list-style-type: none"> <li>(i) Bidco or any subsidiary undertaking of Bidco; or</li> <li>(ii) any nominee of the foregoing,</li> </ul> in each case, immediately prior to the Scheme Record Time, and any shares in Arrow which are held in treasury;
<b>“Floating Rate”</b> .....	the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for sterling for the relevant period displayed on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) at the start of the day falling 2 Business Days before the start of, and for a period equal in length to, the period for which interest must be calculated and if that rate is less than zero, the Floating Rate shall be deemed to be zero;
<b>“Form of Election”</b> .....	the green form of election for use in respect of the Alternative Offer by Scheme Shareholders (other than Restricted Shareholders) who hold Arrow Shares in certificated form;
<b>“holder”</b> .....	a registered holder and includes any person(s) entitled by transmission;
<b>“Interim Facilities Agreement”</b> ....	the interim facilities agreement dated 31 March 2021 and made between, amongst others, Barclays Bank PLC, J.P. Morgan Securities PLC, Goldman Sachs Bank USA, Bank of America Europe Designated Activity Company, DNB (UK) Limited, HSBC Bank plc and Lloyds Bank plc as mandated lead arrangers, Barclays Bank PLC as interim facility agent and interim security agent, Bidco as borrower and guarantor and Midco 2 as guarantor;
<b>“Latest Practicable Date”</b> .....	close of business on 27 April 2021, being the latest practicable date before publication of the Document;
<b>“Long Stop Date”</b> .....	31 December 2021, or such later date as may be agreed in writing by Bidco and Arrow (with the Panel’s consent and as the Court may approve (if such consent and/or approval are required));
<b>“Midco 1”</b> .....	Sherwood Midco Limited, a company incorporated in England and Wales with registered number 13299351;
<b>“Midco 1 Loan Note Instrument”</b> ...	a loan note instrument constituting the Midco 1 Loan Notes to be entered into on the Effective Date;
<b>“Midco 1 Loan Notes”</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Midco 1 pursuant to the Rollover and to be constituted by the Midco 1 Loan Note Instrument;
<b>“Midco 2”</b> .....	Sherwood Parentco Limited, a company incorporated in England and Wales with registered number 13299333;

<b>"Midco 2 Loan Notes"</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Midco 2 pursuant to the Rollover and to be constituted by the Midco 2 Loan Note Instrument;
<b>"Midco 2 Loan Note Instrument"</b> ...	a loan note instrument constituting the Midco 2 Loan Notes to be entered into on the Effective Date;
<b>"Panel"</b> .....	The Panel on Takeovers and Mergers, or its successor from time to time;
<b>"Parentco"</b> .....	Sherwood Holding S.à r.l., a company incorporated in Luxembourg;
<b>"Put and Call Deeds"</b> .....	the put and call deeds in respect of the Rollover to be entered into between, inter alios, Bidco, Midco 2, Midco 1 and Topco;
<b>"Registrar"</b> .....	Equiniti Limited;
<b>"Restricted Jurisdiction"</b> .....	Japan, Canada, the Commonwealth of Australia (or their respective territories) and any other 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 Arrow Shareholders;
<b>"Restricted Shareholders"</b> .....	a person (including, without limitation, an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Bidco reasonably believes to be in any jurisdiction whom Bidco is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco regards as unduly onerous;
<b>"Rollover"</b> .....	the rollover pursuant to which Scheme Shareholders (other than Restricted Shareholders) who have validly elected for the Alternative Offer will pursuant to the Put and Call Deeds: <ul style="list-style-type: none"> <li>(i) in exchange for each Scheme Share receive Bidco Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for;</li> <li>(ii) Midco 2 Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for;</li> <li>(iii) Midco 1 Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for; and</li> <li>(iv) one Rollover Security (or such other number of Rollover Securities as Bidco may determine, as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied, prior to the date of any Sanction Hearing);</li> </ul>
<b>"Rollover Security"</b> .....	a rollover ordinary share of £1 in the capital of Topco having the rights of "Rollover Shares" set out in the Topco Articles and <b>"Rollover Securities"</b> shall be construed accordingly;

<b>“Sanction Hearing”</b> .....	the hearing at which the Court sanctions the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, reference to the commencement of any such hearing shall mean the commencement of the final adjournment thereof;
<b>“Scheme”</b> .....	this scheme of arrangement under Part 26 of the Companies Act between Arrow and holders of Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Arrow and Bidco;
<b>“Scheme Record Time”</b> .....	6:00 p.m. on the Business Day immediately after the Sanction Hearing;
<b>“Scheme Shareholders”</b> .....	holders of Scheme Shares;
<b>“Scheme Shares”</b> .....	Arrow Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Document;</li> <li>(ii) (if any) issued after the date of this Document but before the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme,</li> </ul> <p style="margin-left: 40px;">in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p>
<b>“Shareholding Cap”</b> .....	9.99 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration;
<b>“subsidiary undertaking”</b> .....	has the meaning given in section 1162 of the Companies Act;
<b>“Takeover Code”</b> .....	the Takeover Code issued by the Panel, as amended from time to time;
<b>“TDR Capital”</b> .....	TDR Capital IV ‘A’ L.P. and TDR Capital IV Associates L.P. each acting by their manager TDR Capital LLP;
<b>“Topco”</b> .....	Sherwood Topco Limited, a company incorporated in England and Wales with registered number 13299427;
<b>“Topco Articles”</b> .....	the articles of association of Topco (as amended from time to time);
<b>“Topco B Shareholder”</b> .....	any holder of Rollover Securities;
<b>“Topco Group”</b> .....	Topco and its subsidiary undertakings and where the context permits, each of them;
<b>“Topco Shareholders’ Agreement”</b> .....	the shareholders’ agreement to entered into by Topco, Midco 1, Midco 2, Bidco and the holders of securities of Topco;

- “TTE Instruction”** . . . . . a transfer to escrow instruction (as defined in the CREST Manual);
- “UK” or “United Kingdom”** . . . . . the United Kingdom of Great Britain and Northern Ireland;
- “uncertificated” or “in uncertificated form”** . . . . . a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
- “Voting Record Time”** . . . . . 6:30 p.m. on 19 May 2021, being the day which is two Business Days before the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6:30 p.m. on the day which is two Business Days before the date of such adjourned meeting; and
- “£” or “GBP”** . . . . . Pounds sterling, the lawful currency for the time being of the UK and references to “pence”, “penny” and “p” shall be construed accordingly.

- (B) As at the Latest Practicable Date, the issued ordinary share capital of the Company was divided into 177,386,677 ordinary shares of one penny each (excluding ordinary shares held in treasury), all of which are credited as fully paid up. As at the Latest Practicable Date, the Company does not hold any ordinary shares in treasury.
- (C) As at the Latest Practicable Date, 5,716,441 Arrow Shares may be issued on or after the date of this Document to satisfy the exercise of options or vesting of awards pursuant to the Arrow Share Plans.
- (D) Bidco was incorporated on 29 March 2021 under the laws of England and Wales as a private company limited by shares for the purpose of carrying out the Acquisition.
- (E) As at the Latest Practicable Date, no member of the Bidco Group or TDR Capital are the registered holders or beneficial owners of any Arrow shares.
- (F) Topco, Midco 1, Midco 2 and Bidco have agreed, subject to the satisfaction or (where applicable) waiver of the Conditions set out in this Document, to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to them and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by them to give effect to this Scheme.

## **THE SCHEME**

### **1. Transfer of Scheme Shares**

- (A) Upon and with effect from the Effective Date, Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever, and together with all rights at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) proposed, announced, authorised, declared, made or paid in respect of the Scheme Shares made on or after the Effective Date.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (and/or its nominee(s)) and such transfer shall be effected by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Bidco as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST of, such

Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.

- (C) Pending the transfer of the Scheme Shares on the Effective Date and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
- (i) appoints Bidco (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares,
  - (ii) appoints Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of Arrow as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of Arrow (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
  - (iii) authorises Arrow and/or its agents to send to Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Arrow in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form), such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.
- (D) With effect from the Effective Date, each Scheme Shareholder who has validly elected for the Alternative Offer irrevocably appoints the Company and/or Bidco and/or any one or more of their respective directors as its agent and/or attorney:
- (i) to sign on behalf of such Scheme Shareholder (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, instrument of transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable to effect the steps set out in clause 3; and
  - (ii) to execute and deliver as a deed on behalf of such Scheme Shareholder (in such form as Bidco may require), a deed of adherence by such Scheme Shareholder to the Topco Shareholders' Agreement.

## **2. Consideration for the transfer of Scheme Shares**

In consideration for the transfer of the Scheme Shares to Bidco and/or its nominee(s) referred to in sub-clauses 1(A) and 1(B) of this Scheme, Bidco shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of Arrow at the Scheme Record Time):

**for each Arrow Share, 307.5 pence in cash**

## **3. The Alternative Offer**

- (A) Conditional on and subject to the remainder of this clause 3, to the extent that any Scheme Shareholder (other than a Restricted Shareholder) validly elects for the Alternative Offer in respect of all of their Scheme Shares, Bidco shall, in consideration for the transfer of the Scheme Shares to Bidco and/or its nominee(s) referred to in sub-clauses 1(A) and 1(B) of this Scheme, subject as hereinafter provided, allot and issue to such Scheme Shareholder (as appearing in the register of members of Arrow at the Scheme Record Time), Bidco Loan Notes with an aggregate nominal value of 307.5 pence for each Scheme Share held by the Scheme Shareholder at the Scheme Record Time.

- (B) Immediately following the transfer of Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme and the allotment and issue by Bidco of the Bidco Loan Notes and conditional thereon, each relevant Scheme Shareholder shall transfer its holding of Bidco Loan Notes to Midco 2 in exchange for Midco 2 Loan Notes with the same nominal value as the Bidco Loan Notes transferred to Midco 2 by such Scheme Shareholder.
- (C) Immediately following the transfer of Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme and the exchange of loan notes pursuant to sub-clause 3(B) and conditional thereon, each relevant Scheme Shareholder shall transfer its holding of Midco 2 Loan Notes to Midco 1 in exchange for Midco 1 Loan Notes with the same nominal value as the Midco 2 Loan Notes transferred to Midco 1 by such Scheme Shareholder.
- (D) Immediately following the transfer of Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme and the exchange of loan notes pursuant to sub-clause 3(C) and conditional thereon, each relevant Scheme Shareholder shall transfer its holding of Midco 1 Loan Notes to Topco in exchange for the relevant number of Rollover Securities which such Scheme Shareholder has validly elected to receive under the Alternative Offer. The Midco 1 Loan Notes will be acquired on the basis that one Rollover Security (or such other number of Rollover Securities as may be determined, prior to the Sanction Hearing, by Bidco as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied) will be issued for every Midco 1 Loan Notes with a nominal value of 307.5 pence.
- (E) The Rollover shall be conditional upon valid elections having been made for the Alternative Offer in respect of such number of Rollover Securities as shall represent at least 5 (five) per cent. of the issued ordinary share capital of Topco as at the Effective Date. If the condition set out in this sub-clause 3(E) is not met, any Scheme Shares the subject of an Alternative Offer Election shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made, and the consideration in respect of all Scheme Shares shall be settled by way of Cash Consideration as provided herein.
- (F) The total number of Scheme Shares in respect of which Scheme Shareholders may elect for the Alternative Offer shall not exceed the Alternative Offer Maximum. If valid Alternative Offer Elections are received which, in aggregate, exceed this limit:
- (i) the number of Scheme Shares in respect of which each Scheme Shareholder has made a valid Alternative Offer Election shall be scaled down to the proportion of such Scheme Shares that the Alternative Offer Maximum bears to the total number of Scheme Shares in respect of which Alternative Offer Elections have been made (rounding such number of Scheme Shares down to the nearest whole number of Scheme Shares); and
  - (ii) the balance of the Scheme Shares the subject of such Alternative Offer Election shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made and the balance of the consideration shall be settled in cash as provided herein.
- (G) The total number of Scheme Shares in respect of which a Scheme Shareholder may elect for the Alternative Offer shall not exceed the Shareholding Cap. If valid Alternative Offer Elections are received which, in aggregate, exceed this limit:
- (i) the number of Scheme Shares in respect of which the relevant Scheme Shareholder has made a valid Alternative Offer Election shall be scaled down to the Shareholding Cap; and
  - (ii) the balance of the Scheme Shares the subject of an Alternative Offer Election by the relevant Scheme Shareholder shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made and the balance of the consideration due to the relevant Scheme Shareholder shall be settled in cash as provided herein.
- (H) Subject to sub-clause 3(F) and 3(G), a Scheme Shareholder may only make an Alternative Offer Election in respect of their entire holding of Scheme Shares and any purported Alternative Offer Election in relation to part only of a Scheme Shareholder's holding of Scheme Shares shall be invalid. For these purposes each portion of a Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.

- (I) Fractions of Rollover Securities shall not be allotted or issued to Scheme Shareholders pursuant to this Scheme. The aggregate number of Rollover Securities to which a Scheme Shareholder shall be entitled under the Alternative Offer shall be rounded down to the nearest whole number of Rollover Securities. For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- (J) The Rollover Securities issued pursuant to this clause 3 shall be issued credited as fully paid and together with all rights attaching thereto including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made by Topco in relation to such Rollover Securities (as applicable) by reference to a record date falling on or after the Effective Date.
- (K) In the case of Scheme Shareholders who hold Scheme Shares in certificated form, an Alternative Offer Election shall be made by completion of a Form of Election which shall be signed by the Scheme Shareholder or his duly authorised attorney (or, in the case of a body corporate, executed by an authorised representative), and in the case of joint holders by or on behalf of all such holders. To be effective, the Form of Election must be completed and returned, in accordance with the instructions printed thereon so as to arrive by no later than 1:00 p.m. on the date of the Sanction Hearing to the Registrar at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. In the case of Scheme Shareholders who hold Scheme Shares in uncertificated form, an Alternative Offer Election shall be made by delivery of a TTE Instruction validly electing for the Alternative Offer by no later than 1:00 p.m. on the date of the Sanction Hearing.
- (L) If a Form of Election or TTE Instruction electing for the Alternative Offer is received after 6:00 p.m. on the date of the Sanction Hearing or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless the Company and Bidco, in their absolute discretion, elect to treat as valid in whole or in part any such election.
- (M) Upon execution and delivery by a Scheme Shareholder of a valid Form of Election or TTE Instruction electing for the Alternative Offer, such Scheme Shareholder shall be bound by the terms and provisions contained in the Form of Election or the TTE Instruction (as the case may be) and by the terms and provisions contained in this Document.
- (N) A Form of Election duly completed and delivered or TTE Instruction electing for the Alternative Offer made in accordance with this clause 3 may be withdrawn by notice to the Registrar in writing (in the case of a Form of Election) or through CREST (in the case of a TTE Instruction) so as to be received, in either case, by no later than 1:00 p.m. on the date of the Sanction Hearing.
- (O) If a Scheme Shareholder delivers more than one Form of Election electing for the Alternative Offer (in each case electing for the Alternative Offer) in respect of their Scheme Shares, in the case of an inconsistency between such Forms of Election or TTE Instructions, the last Form of Election or TTE Instruction which is delivered by 1:00 p.m. on the date of the Sanction Hearing shall prevail over any earlier Form of Election or TTE Instruction. The delivery time for a Form of Election or TTE Instruction shall be determined on the basis of which Form of Election or TTE Instruction is last sent or, if the Registrar are unable to determine which is last sent, is last received. Forms of Election which are sent in the same envelope shall be treated for these purposes as having been sent and received at the same time and, in the case of an inconsistency between such Forms of Election, none of them shall be treated as valid (unless the Company and Bidco otherwise determine in their absolute discretion).
- (P) Any Alternative Offer Elections made by Scheme Shareholders for the Alternative Offer shall not affect the entitlements of Scheme Shareholders who do not make any such Alternative Offer Election. If a Scheme Shareholder has elected for the Alternative Offer, then:
  - (i) the validity of the Alternative Offer Election shall not be affected by any alteration in the number of Scheme Shares held by such holder at any time prior to the Scheme Record Time; and
  - (ii) accordingly, the Alternative Offer Election shall apply, subject to sub-clause 3(F), in respect of all of the Scheme Shares held by such holder at the Scheme Record Time.

- (Q) Minor adjustments to the entitlements of Scheme Shareholders pursuant to any Alternative Offer Election made under this Scheme may be made by the Registrar with the prior consent of the Company and Bidco on a basis that the Company and Bidco consider to be fair and reasonable. Such adjustments shall be final and binding on Scheme Shareholders. Neither Bidco nor the Company shall be liable to any Scheme Shareholder in respect of any adjustment, decision or determination made pursuant to this clause 3.

#### **4. Dividends**

- (A) If, prior to the Effective Date, any dividend and/or other distribution and/or other return of capital is proposed, announced, authorised, declared, made or paid in respect of Scheme Shares, Bidco shall be entitled to reduce the Cash Consideration (and, as the case may be, the number of Rollover Securities due under the terms of the Alternative Offer, assuming that the value of the Rollover Securities to be issued under the Alternative Offer for each Arrow Share is equal to the consideration payable under the Cash Consideration) by an amount up to the amount of such dividend and/or distribution and/or return of capital so proposed, announced, authorised, declared, made or paid per Scheme Share.
- (B) If Bidco exercises the right referred to in sub-clause 4(A) of this Scheme to reduce the consideration payable for each Scheme Share:
- (i) Scheme Shareholders shall be entitled to receive and retain that dividend and/or other distribution and/or other return of capital in respect of each Arrow Share that they hold;
  - (ii) any reference in this Scheme and the Document to Cash Consideration (or the consideration due under the Alternative Offer) shall be deemed to be a reference to the consideration as so reduced; and
  - (iii) the exercise of such right shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (C) To the extent that any such dividend and/or distribution and/or other return of capital is proposed, announced, authorised, declared, made or paid and: (i) the Scheme Shares are transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend and/or distribution and/or return of capital and to retain it; or (ii) such dividend and/or distribution and/or other return of capital is cancelled, the Cash Consideration (or the consideration due under the Alternative Offer) shall not be subject to reduction in accordance with this clause 4.

#### **5. Settlement and despatch of Cash Consideration**

- (A) Not more than 14 days after the Effective Date (unless the Panel consents otherwise), Bidco shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable to the Scheme Shareholder to the persons entitled thereto in accordance with clause 2 of this Scheme;
  - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Bidco reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 5(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 5(A)(ii) or to do so would incur material additional costs; or
  - (iii) in the case of Scheme Shares issued or transferred pursuant to the Arrow Share Plans after the making of Court Order and prior to the Scheme Record Time, procure that the sums payable in respect of those Scheme Shares are settled by such method as shall be determined by Arrow (including, but not limited to, procuring that payments are made through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions),

provided that, in each case, each Scheme Shareholder's aggregate entitlement to Cash Consideration will be rounded down to the nearest whole penny.

- (B) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares shall be removed from CREST in due course.
- (C) All deliveries of notices, cheques, certificates in respect of the Rollover Securities or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Arrow at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of Arrow, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this sub-clause 5(C), which shall be sent at the risk of the person or persons entitled thereto.
- (D) All cheques shall be in sterling and drawn on a United Kingdom clearing bank (provided that, if the amount payable to any Scheme Shareholder exceeds £100,000, Bidco shall be entitled to make appropriate arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque) and shall be made payable to the Scheme Shareholder(s) concerned (except that, in the case of joint holders, Bidco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time), and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date.
- (E) In respect of payments made through CREST, Bidco shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Effective Date. The instruction of Euroclear shall be a complete discharge of Bidco's obligations under this Scheme in relation to payments made through CREST.
- (F) None of Arrow, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this clause 5, which shall be sent at the risk of the person or persons entitled thereto.
- (G) The preceding sub-clauses of this clause 5 shall take effect subject to any prohibition or condition imposed by law.

## **6. Settlement of consideration due in respect of Alternative Offer**

- (A) Settlement of the consideration to be satisfied by the issue of Rollover Securities shall be effected by the issue of Rollover Securities to which the relevant Scheme Shareholder is entitled (regardless of whether the Scheme Shares are held in certificated or uncertificated form) in certificated form only.
- (B) Definitive share certificates for Rollover Securities will be despatched to each relevant Scheme Shareholder (or such other person as they may direct) within 14 days of the Effective Date.

## **7. Certificates in respect of Scheme Shares and cancellation of CREST entitlements**

With effect from, or as soon as practicable after, the Effective Date:

- (A) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of Arrow to deliver up the same to Arrow (or any person appointed by Arrow to receive such certificates), or, as Arrow may direct, to destroy the same;
- (B) Arrow shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (C) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Arrow shall procure that such entitlements to Scheme Shares are rematerialised; and

- (D) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme and the payment of any UK stamp duty thereon, Arrow shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

## **8. Overseas Shareholders**

- (A) The provisions of clauses 2, 3 and 6 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in the case of any Scheme Shareholder who is resident in, ordinarily resident in, or is a citizen or national of, jurisdictions outside the United Kingdom (an “**Overseas Shareholder**”), Bidco is advised that:
- (i) the allotment and issue to such Overseas Shareholder of Rollover Securities under clause 3; or
  - (ii) the provision to such Overseas Shareholder of the right to make an election under the Alternative Offer pursuant to clause 3,

would or might infringe the laws of the relevant jurisdiction or would or might require Bidco to obtain or observe any governmental or other consent or any registration, filing or other formality with which Bidco is unable to comply, or compliance with which Bidco regards as unduly onerous, then Bidco may, in its sole discretion, require the Company to treat such Scheme Shareholder as a Restricted Shareholder for the purposes of this Scheme and any purported Alternative Offer Election by such Scheme Shareholder shall be void and Rollover Securities will not be issued to such Overseas Shareholder who will instead receive Cash Consideration in accordance with the terms of the Acquisition. The omission to send a Form of Election to any such Scheme Shareholder shall not constitute a breach by the Company or Bidco (as the case may be) of any of their respective obligations under this Scheme.

- (B) All Scheme Shareholders who are Restricted Shareholders shall receive Cash Consideration and there shall be no issue of Rollover Securities to such Scheme Shareholders.
- (C) Neither the Company nor Bidco shall be liable to any Scheme Shareholder in respect of any determination made pursuant to this clause 8.

## **9. Mandates**

All mandates and other instructions given to Arrow by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

## **10. Operation of this Scheme**

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before the Long Stop Date, or such later date, if any, as may be agreed in writing by Bidco and Arrow (with the Panel’s consent and as the Court may approve (if such consent and/or approval are required)), this Scheme shall never become effective.

## **11. Modification**

Arrow and Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

## **12. Governing law**

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Takeover Code apply to this Scheme.

Dated 28 April 2021

**PART V**  
**SUMMARY OF THE ALTERNATIVE OFFER**

**1. The Alternative Offer**

Under the Alternative Offer, eligible Arrow Shareholders may elect in respect of all (but not some only) of their Arrow Shares to receive Rollover Securities at the following ratio:

**for each Scheme Share: one Rollover Security,**

or such other ratio as may be determined, prior to the Sanction Hearing, by Bidco as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied (further details on modifications to the Scheme are set out in section 10.5 of Part II (*Explanatory Statement*)), subject to the terms and conditions of the Alternative Offer (as detailed in Part V (*Summary of the Alternative Offer*) of this Document). Any adjustments to the ratio of Scheme Shares to Rollover Securities shall be solely for the purposes of adjusting the number of Rollover Securities issued for each Scheme Share (and shall not, for the avoidance of doubt, be an adjustment to the proposed value of Rollover Securities received by an eligible Arrow Shareholder in exchange for each Scheme Share) and shall be announced through a Regulatory Information Service prior to the date of the Sanction Hearing.

The maximum number of Rollover Securities available to Arrow Shareholders under the Alternative Offer will be limited to 10 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration (the “**Alternative Offer Maximum**”).

If elections are validly received from eligible Arrow Shareholders in respect of a number of Arrow Shares that would require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Rollover Securities to be issued in respect of each Arrow Share will be rounded down on a *pro rata* basis, and the balance of the consideration for each Arrow Share will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made for such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration, failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each Arrow Share will be settled entirely in cash in accordance with the terms of the Cash Offer.

The maximum amount of Rollover Securities any eligible Arrow Shareholder who elects to receive the Alternative Offer shall be entitled to will be limited to 9.99 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration (the “**Shareholding Cap**”). If elections are validly received from an eligible Arrow Shareholder in respect of a number of Arrow Shares that would require the issue of Rollover Securities to such eligible Arrow Shareholder exceeding the Shareholding Cap, such elections will be unable to be satisfied in full. In these circumstances, the number of Rollover Securities to be issued to such shareholder would be rounded down to the Shareholding Cap and the balance of the consideration will be paid in cash in accordance with the terms of the Cash Offer.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Alternative Offer will only be valid if all regulatory approvals (if any) required by an Arrow Shareholder to acquire the Rollover Securities have been obtained.

For the purposes of Rule 24.11 of the Takeover Code, Citi, as lead financial adviser to Bidco, has provided an estimate of the value of a Rollover Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter set out at Part VII (*Rule 24.11 Estimate of Value Letter*).

If the Scheme becomes Effective, Arrow Shareholders who do not validly elect to receive all their consideration by means of the Alternative Offer will automatically receive the full amount of the Cash Offer for their entire holding of Arrow Shares.

If the Scheme becomes Effective, eligible Arrow Shareholders that validly elect to receive consideration by means of the Alternative Offer will receive their Rollover Securities pursuant to a roll-over mechanism in the Scheme whereby on or shortly following the Effective Date:

- (A) **First Exchange** – firstly, all of the Arrow Shares of the relevant electing Arrow Shareholders will be exchanged for the Bidco Loan Notes;
- (B) **Second Exchange** – secondly, and immediately following the first exchange, the Bidco Loan Notes will be exchanged for the Midco 2 Loan Notes;
- (C) **Third Exchange** – thirdly, and immediately following the second exchange, the Midco 2 Loan Notes will be exchanged for the Midco 1 Loan Notes; and
- (D) **Fourth Exchange** – fourthly, and immediately following the third exchange, the Midco 1 Loan Notes will be exchanged for the relevant number of Rollover Securities to which eligible Arrow Shareholders are entitled in accordance with the Alternative Offer, (the “**Rollover**”).

## **2. Details of the Topco Group and the Rollover Securities**

Information of the Topco Group, including each of the Topco Group entities which will participate in the Rollover, is set out, along with a summary of the proposed provisions of the Topco Shareholders’ Agreement and the Topco Articles governing the terms on which eligible Arrow Shareholders who elect for the Alternative Offer will hold interests in Rollover Securities.

### **2.1 The Topco Group**

Parentco is indirectly owned by TDR Capital. Topco is a wholly owned subsidiary of Parentco, and was formed for the purpose of implementing the Acquisition. Each of the Intermediate Holding Companies is a direct or indirect wholly owned subsidiary company of Topco. None of Parentco, Topco, nor any of the Intermediate Holding Companies have traded since the date of their incorporation nor entered into any obligations, other than in connection with the Acquisition.

Parentco is a Luxembourg société à responsabilité limitée incorporated on 29 March 2021. The share capital of Parentco currently comprises of 1 ordinary share of £1.00.

Topco is directly wholly owned by Parentco. Topco is a private limited company incorporated on 29 March 2021 under the laws of England and Wales. The share capital of Topco currently comprises 1 ordinary share of £1 each but will be reorganised on or prior to the Effective Date so that it comprises A Ordinary Shares and Rollover Securities on the terms set out in this Document. The A Ordinary Shares in Topco will be held by Parentco, and the Rollover Securities will be held by eligible Arrow Shareholders who elect for the Alternative Offer.

Midco 1 is wholly owned by Topco. Midco 1 is a private limited company incorporated on 29 March 2021 under the laws of England and Wales. The share capital of Midco 1 currently comprises 1 ordinary share of £1 each.

Midco 2 is wholly owned by Midco 1. Midco 1 is a private limited company incorporated on 29 March 2021 under the laws of England and Wales. The share capital of Midco 2 currently comprises 1 ordinary share of £1 each.

Bidco is wholly owned by Midco 2. Bidco is a private limited company incorporated on March 29 2021 under the laws of England and Wales. The share capital of Bidco currently comprises 1 ordinary share of £1 each. Further information on Bidco is set out in Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document

A structure diagram showing the Topco Group is set out in Part XV (*Topco Group Structure Diagram*) of this Document.

### **2.2 Terms of Issue of Rollover Securities**

The Rollover Securities to be issued to eligible Arrow Shareholders who elect for the Alternative Offer in accordance with the Rollover will be issued credited as fully paid and will rank economically *pari*

*passu* with the A Ordinary Shares held and issued to Parentco in connection with the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date.

### **2.3 Economic Rights**

The economic rights described below are subject to the risks described below and in section 12 of Part I (*Letter from the Chairman of Arrow*) of this Document (for example, that (i) holders of Rollover Securities may be diluted over time, potentially significantly, should holders of Rollover Securities not elect to participate in further issues of additional shares, loan notes or other securities of the Topco Group; and (ii) holders of Rollover Securities are not always entitled to participate in such issues).

Subject to the above, any return of proceeds to security holders of Topco, whether on an Exit (as described below) or otherwise, including the right to receive and retain dividends and all other distributions and returns of capital made or paid, shall be distributed to each holder of A Ordinary Shares and Rollover Securities, *pro rata* to their shareholdings. The A Ordinary Shares and the Rollover Securities shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Topco.

### **2.4 Voting Rights**

The Rollover Securities will not carry any general voting rights at general meetings of Topco.

### **2.5 Transfers of the Rollover Securities**

No Rollover Securities will be transferable during an initial five year lock-up period (the “**Lock-up Period**”) without the prior written consent of Parentco, except pursuant to the drag and tag rights described below, a reorganisation approved by Parentco or in respect of customary permitted transfers to associates.

No changes in direct or indirect interests or economic entitlements in a Rollover Security shall be permitted which circumvent the restrictions on transfer during the Lock-up Period and, without prejudice to damages claims, economic rights shall be suspended during any such breach.

Following the expiration of the Lock-up Period, a Topco B Shareholder will be entitled to transfer its Rollover Securities (provided that any such transfer is for all (but not part) of the Rollover Securities held by such Topco B Shareholder), subject to a right of first refusal on the part of Parentco or its nominee and to certain other restrictions in respect of the identity of the proposed transferee. In particular, any proposed transferee of Rollover Securities after the Lock-up Period:

- (A) shall adhere to the Topco Shareholders’ Agreement;
- (B) shall complete any applicable anti-money laundering, anti-bribery and corruption, anti-sanctions and “know your client” checks reasonably required by TDR Capital and/or its associates or Topco (to be undertaken promptly) and/or any antitrust or regulatory change in control approvals required by any regulator (which Topco shall provide reasonable information and assistance in obtaining, if required); and
- (C) must not be considered by the board of Topco (acting reasonably and without delay) to be a competitor of the Arrow Group, or a person whose investment is likely to result in reputational harm to TDR Capital, its associates or the Arrow Group.

### **2.6 Additional Topco Securities Issues**

Parentco and the Topco B Shareholders will be entitled to participate *pro rata* in securities issues by the Topco Group after the Effective Date, excluding:

- (A) by one wholly owned member of the Topco Group to another wholly owned member of the Topco Group;
- (B) to Parentco and/or its associates to finance the Acquisition;
- (C) to the Topco B Shareholders pursuant to the Scheme and/or the Rollover in connection with the Acquisition;

- (D) to actual or potential employees, directors or consultants (whether directly or indirectly), which will dilute the holders of A Ordinary Shares and Rollover Securities *pro rata*;
- (E) other than to Parentco, TDR Capital or their respective associates, for non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets;
- (F) other than to Parentco, TDR Capital or their respective associates, in connection with the debt financing arrangements of the Topco Group which will dilute the holders of A Ordinary Shares and Rollover Securities *pro rata*;
- (G) in connection with an IPO or a pre-IPO reorganisation; or
- (H) in respect of which Parentco and a majority of the Topco B Shareholders give their prior written consent to pre-emption rights not applying.

All such securities in which Topco B Shareholders are entitled to participate shall be offered on a pre-emptive basis, provided that Parentco shall have the right for any emergency securities issues to be initially made to the Parentco and for Topco B Shareholders to then have customary *pro rata* “catch up” rights.

## **2.7 Terms of Alternative Offer in the event of a switch**

In the event that Bidco elects, with the consent of the Panel and subject to the Cooperation Agreement, to switch to an Offer, and less than 100 per cent. of the Arrow Shares are acquired by Bidco on or around the date of such Offer becoming wholly unconditional, the total number of Rollover Securities to be issued to Arrow Shareholders who elect for the Alternative Offer and A Ordinary Shares to be issued to Parentco will be reduced (and in the same proportions as between A Ordinary Shares and Rollover Securities such that the maximum number of Rollover Securities available to Arrow Shareholders under the Alternative Offer will remain equal to 10 per cent. of the total ordinary share capital of Topco in issue at such time).

In that event, if elections for the Alternative Offer are unable to be satisfied in full as a result, the number of Rollover Securities available for each Arrow Share will be reduced on a *pro rata* proportional basis and the balance of the consideration for each Arrow Share will be paid in cash in accordance with the terms of the Cash Offer.

If: (i) further Arrow Shares are acquired for cash by or on behalf of Bidco after the Offer becomes wholly unconditional (under the compulsory acquisition procedure or otherwise); and (ii) the A Ordinary Shares to be issued to fund those acquisitions were not included in the calculation of the above 10 per cent. entitlement of Arrow Shareholders who elect for the Alternative Offer, then Topco B Shareholders shall be entitled to customary catch-up pre-emption rights in relation to any such additional issue of A Ordinary Shares in order to maintain their percentage shareholdings in Topco.

## **2.8 Information Rights**

A Substantial Shareholder shall have the right to receive the Topco Group’s annual audited accounts and quarterly financial reports.

## **2.9 Exit Arrangements**

Any future share sale, asset sale, IPO, winding-up or other form of liquidity event relating to the Topco Group (an “Exit”) shall occur at the absolute discretion of Parentco or TDR Capital.

All holders of Rollover Securities are required to co-operate and take such actions in respect of any proposed Exit as are reasonably requested by the Topco Group, Parentco or TDR Capital. This shall include without limitation: any reorganisation, restructuring or other corporate (or similar) action required to facilitate such Exit; providing warranties as to the title to the Rollover Securities held by such holder and its capacity to transfer such Rollover Securities; and, in the case of an IPO, entering into customary “lock-up” undertakings.

### **2.10 Drag-Along and tag-along**

Parentco shall have a full drag right over all security holders in Topco on the same economic terms on any transfers of direct or indirect shareholdings in shares of Topco held by Parentco or TDR Capital to a *bona fide* purchaser which is not connected with either Parentco or TDR Capital if, following such transfer, TDR Capital would thereafter directly or indirectly cease to hold a majority of the A ordinary shares of Topco.

Topco B Shareholders shall have a “pro rata” tag right on the same economic terms on any transfer of direct or indirect shareholdings in Topco shares by Parentco (other than in respect of certain excluded instances including, but not limited to, customary permitted transfers to affiliates, any current or prospective director, officer, employee or consultant of the Topco Group, reorganisation, IPO and where a drag right has been exercised).

### **2.11 Governing Law and Jurisdiction**

The Topco Shareholders’ Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law. The courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Topco Shareholders’ Agreement and accordingly any proceedings arising out of or in connection with the Topco Shareholders’ Agreement shall be brought in such courts.

## **3. Risk factors and other investment considerations**

The attention of eligible Arrow Shareholders who may consider electing to receive all their consideration by means of the Alternative Offer is drawn to the advantages, disadvantages and certain other investment considerations relevant to such an election set out in section 12 of Part I (*Letter from the Chairman of Arrow*) of this Document. As further detailed in that section 12, the Arrow Directors cannot form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to Arrow Shareholders as to whether or not they should elect for the Alternative Offer.

Arrow Shareholders should also ascertain whether acquiring or holding Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Any decision to elect for the Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this Document, including, but not limited to, the information set out in this Part V (*Summary of the Alternative Offer*), Part VI (*Notes on making an Alternative Offer Election*) and Part VII (*Rule 24.11 Estimate of Value Letter*) of this Document.

**PART VI**  
**NOTES ON MAKING AN ALTERNATIVE OFFER ELECTION**

**1. Making an election**

**1.1 Shares held in certificated form**

You should note that if you hold Scheme Shares in certificated form and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer you must complete and sign the Form of Election in accordance with the instructions printed thereon and return it to Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received by no later than 1:00 p.m. on the date of the Sanction Hearing. A pre-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

**If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, do not return the Form of Election.**

If you wish to make an election under the Alternative Offer, it can be only be made by an eligible shareholder and in respect of ALL the Scheme Shares held by you as at the Scheme Record Time.

Overseas shareholders of Arrow Shares should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

You cannot elect to receive Rollover Securities for some but not all of your Scheme Shares, but you may make different elections for portions of your holding which are recorded with separate designations in Arrow's register of members. If you have more than one designation in Arrow's register of members in respect of Scheme Shares in respect of which you wish to elect for the Alternative Offer, you are required to complete a separate Form of Election for each designation of such Scheme Shares.

If you need further copies of the Form of Election, please call Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

**1.2 Shares held in uncertificated form (CREST)**

You should note that if you hold Scheme Shares in uncertified form and you wish to elect for the Alternative Offer (and you are not a Restricted Shareholder) you should not complete a Form of Election but instead take (or procure to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to elect for the Alternative Offer to the relevant escrow account using a transfer to escrow instruction ("**TTE Instruction**") specifying Equiniti (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent ("**Escrow Agent**"), as soon as possible and in any event so that the TTE Instruction settles no later than 6:00 p.m. on the date of the Sanction Hearing.

For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted as long as the election represents the total number of Arrow Shares held by the party giving the instruction.

If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares. You should send (or, if you are a CREST personal member or other CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which

must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (A) the number of Scheme Shares to be transferred to escrow being all (but not some only), of your Scheme Shares (such Scheme Shares to be transferred to an escrow balance);
- (B) your member account ID;
- (C) your participant ID;
- (D) the participant ID of the Escrow Agent, which is 5RA92;
- (E) the member account ID of the Escrow Agent for the Rollover Securities, which is RA513302;
- (F) the ISIN number of the Scheme Shares. This is GB00BDGTXM47;
- (G) the intended settlement date. This should be as soon as possible and in any event by 6:00 p.m. on the date of the Sanction Hearing;
- (H) the corporate action number for the transaction. This is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (I) CREST standard delivery instructions priority of 80; and
- (J) a contact name and telephone number (in the shared note field of the TTE Instruction).

After settlement of the TTE Instruction, save as set out below, you will not be able to access the Scheme Shares in CREST for any transaction or for charging purposes. If the Scheme becomes effective, the Escrow Agent will transfer the Scheme Shares to Bidco or its nominees. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

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 Scheme Shares to settle prior to 6:00 p.m. on the date of the Sanction Hearing. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that, if: (i) you elect for the Alternative Offer in respect of Scheme Shares which are held in CREST; and (ii) you fail to give the TTE Instructions to settle prior to 6:00 p.m. on the date of the Sanction Hearing in accordance with the instructions set out above, your election for the Alternative Offer will to that extent be invalid and you will receive cash as if you had not elected for the Alternative Offer.

An election for the Alternative Offer is revocable until 1:00 p.m. on the date of the Sanction Hearing. If you have submitted a TTE Instruction, you may withdraw your TTE Instruction through CREST by sending (or, if you are a CREST sponsored member, procuring that your CREST sponsor sends) an ESA instruction to settle in CREST by no later than 1:00 p.m. on the date of the Sanction Hearing. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- (A) the number of Scheme Shares to be withdrawn being all but not some of your Scheme Shares;
- (B) your member account ID;
- (C) your participant ID;
- (D) the ISIN number of the Scheme Shares. This is GB00BDGTXM47;
- (E) the participant ID of the Escrow Agent, which is 5RA92;
- (F) the member account ID of the Escrow Agent for the Rollover Securities, which is RA513302;
- (G) the CREST transaction ID of the TTE Instruction to be withdrawn;
- (H) the intended settlement date for the withdrawal;

- (I) the corporate action number for the transaction: this is allocated by Euroclear and can be found by viewing the relevant corporate action details onscreen in CREST; and
- (J) a CREST standard delivery instructions priority of 80.

Any such withdrawal will be conditional upon Equiniti verifying that the withdrawal request is validly made. Accordingly, Equiniti will, on behalf of Arrow and Bidco, reject or accept the withdrawal by transmitting in CREST a receiving agent reject or receiving agent accept message.

Alternatively, you may revoke an election for the Alternative Offer by notice in writing in accordance with this Document.

### **1.3 Nominee Shareholder elections for the Alternative Offer**

Nominee and similar holders of Scheme Shares are responsible for ensuring that elections made by them for the Alternative Offer are consistent with the instructions they have received from the relevant underlying indirect owner and are validly completed. None of Arrow, Bidco or Equiniti shall: (a) have any obligation to verify that an election made by a nominee or similar Scheme Shareholder for the Alternative Offer is consistent with the instructions given by the underlying indirect owner or is validly completed by the nominee or similar holder; or (b) have any liability to nominee or similar holders of Scheme Shares or any underlying indirect owner in the event that an election by any such nominee or similar holder for the Alternative Offer is rejected or treated as invalid, or is not made in accordance with the instructions received from the relevant underlying indirect owner.

For CREST nominees that operate pooled accounts, partial elections to receive Rollover Securities will be permitted as long as the election represents the total number of Arrow Shares held by the party giving the instruction. However, any indirect Scheme Shareholder held through a nominee or similar arrangement, either in uncertificated form through CREST or in certificated form, who wishes to elect for the Alternative Offer may need first to arrange with such nominee for the transfer of such Scheme Shares into, and then make an election for such Alternative Offer in, its own name.

If you have any questions relating to this procedure, please contact Equiniti between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

## **2. General**

Persons who have made valid elections under the Alternative Offer will not be entitled to transfer their Scheme Shares after the Scheme Record Time.

No election under the Alternative Offer will be valid unless, in the case of certificated shares, a Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, in each case, by 6:00 p.m. on the date of the Sanction Hearing.

If any Form of Election, in the case of certificated shares, or TTE Instruction, in the case of uncertificated shares, to make an election under the Alternative Offer is either received after 6:00 p.m. on the date of the Sanction Hearing or is received before such time and date but is not valid or complete in all respects at such time and date, such election shall, for all purposes, be void and the Scheme Shareholder purporting to make such election shall not, for any purpose, be entitled to receive any variation of consideration under the Alternative Offer and the relevant Scheme Shareholder will, upon the Scheme becoming effective, only be entitled to receive the Cash Consideration due under the Scheme in respect thereof.

Without prejudice to any other provision of this Part VI (*Notes on making an Alternative Offer Election*) or the Form of Election or otherwise, Bidco and Arrow reserve the right in their absolute discretion to treat as valid in whole or in part any election for the Alternative Offer which is not entirely in order.

No acknowledgements of receipt of any Form of Election or other documents will be given. All communications, notices, other documents and remittances to be delivered by or to or sent to or from

holders of Scheme Shares (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such holders of Scheme Shares (or their designated agents(s)) at their risk. Bidco and Arrow and/or their respective agents reserve the right to notify any matter to all or any Scheme Shareholders: (i) with registered addresses outside the UK; or (ii) whom Bidco, Arrow and/or their respective agents know to be nominees, trustees or custodians for such Scheme Shareholders by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Scheme Shareholders to receive or see such notice. All references in this Document to notice in writing, or the provision of information in writing, by or on behalf of Bidco, Arrow and/or their respective agents shall be construed accordingly. No such document shall be sent to an address outside the United Kingdom where it would or might infringe the laws of that jurisdiction or would or might require Bidco or Arrow to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of Bidco and Arrow, it would be unable to comply or which it regards as unduly onerous.

Each Scheme Shareholder by whom, or on whose behalf, either a Form of Election is executed and lodged with Equiniti, or a TTE Instruction is submitted to Euroclear, irrevocably undertakes, represents, warrants and agrees to and with each of Topco, Bidco and Equiniti (as applicable) (so as to bind him/her/it and his/ her/its heirs, successors and assigns) to the effect that the execution of the Form of Election, or submission of a TTE Instruction to Euroclear (as applicable) will, conditionally on (and with effect from) the Scheme becoming Effective, constitute:

- (A) an irrevocable authority pursuant to which Bidco 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 Arrow or any class of its shareholders) attaching to the Scheme Shares to which such Form of Election or TTE Instruction (as applicable) relates;
- (B) an authority to Arrow from such Scheme Shareholder to send any notice, warrant, document or other communication issued after the Effective Date which may be required to be sent to him/her/it as a member of Arrow (including any share certificate(s) or other document(s) of title issued as a result of the conversion of such Scheme Shares into certificated form) to Bidco c/o Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom;
- (C) an authority to Bidco or any director of Bidco to sign any instrument of transfer or consent to short notice on his/her/its behalf in respect of such Scheme Shares, and to attend any such meeting or execute a form of proxy (and, where appropriate, any appointment pursuant to section 323 of the Companies Act) in respect of such Scheme Shares appointing any person nominated by Bidco to attend general meetings and separate class meetings of Arrow or its members (or any of them) (and any adjournment thereof);
- (D) a further authority to Bidco or any director of Bidco to exercise or refrain from exercising the votes attaching to such Scheme Shares on his/her/its behalf;
- (E) the agreement of such Scheme Shareholder not to exercise any such rights without the consent of Bidco and the irrevocable undertaking of such Scheme Shareholder not to appoint a proxy or corporate representative to attend, and not himself/herself/itself to attend, any such general meeting or separate class meeting;
- (F) the appointment of Arrow and/or Bidco and/or any one or more of their respective directors as its agent and/or attorney to execute (in such form as Bidco may require) the Put and Call Deeds and/or any exchange agreement, instrument of transfer, instrument, or other document deemed by Bidco (in its absolute discretion) to be necessary or desirable in respect of the Rollover;
- (G) the irrevocable appointment of Arrow and/or Bidco and/or any one or more of their respective directors as his/her/its agent and/or attorney to execute and deliver, on behalf of such Scheme Shareholder, as a deed, a deed of adherence by such Scheme Shareholder to the Topco Shareholders' Agreement in accordance with Clause 2 of the Scheme; and
- (H) a representation and warranty to each of Topco and Bidco that he/she/it is not prohibited by law from electing to receive the Alternative Offer.

All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this document or in the Form of Election are given by way of security for the performance of the

obligations of the Scheme Shareholder concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except as required by law or as determined by the Panel in accordance with the Takeover Code.

The Form of Election and TTE Instructions and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the terms of this Part VI (*Notes on making an Alternative Offer Election*) and the relationship between a Scheme Shareholder, Topco, any Intermediate Holding Company and/or Equiniti shall be governed by and construed in accordance with English law.

The execution by or on behalf of a Scheme Shareholder of a Form of Election or the submission by or on behalf of a Scheme Shareholder of a TTE Instruction (as applicable) will constitute his/her/its agreement that the courts of England and Wales are (subject to the paragraph below), to have exclusive jurisdiction to settle any dispute which may arise in relation to all matters arising out of or in connection with the creation, validity, effect, interpretation or performance of the legal relationships established by the election for the Alternative Offer, or otherwise arising in connection with the Scheme and such election (but, for the avoidance of doubt, not in respect of the Rollover Securities themselves), and for such purposes that he/she/it irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.

The execution of a Form of Election, or TTE Instruction (as applicable) by or on behalf of a Scheme Shareholder will constitute his/her/its agreement that the provision set out above is included for the benefit of Bidco, Arrow, Equiniti and their respective agents and accordingly, notwithstanding the exclusive agreement in the paragraph above in this Part VI (*Notes on making an Alternative Offer Election*), each of Topco, any Intermediate Holding Company, Arrow, Equiniti and their respective agents shall retain the right to, and may in their absolute discretion, bring any action, suit or proceedings arising out of or in connection with the Scheme and Form of Election or TTE Instruction in the courts of any other country which may have jurisdiction and that the electing Scheme Shareholder irrevocably submits to the jurisdiction of the courts of any such country.

If the Scheme does not become effective in accordance with its terms, any election made shall cease to be valid.

Neither Topco, any of the Intermediate Holding Companies, Arrow, nor any of their respective advisers or any person acting on behalf of either of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections under the Scheme on any of the bases set out in this Part VI (*Notes on making an Alternative Offer Election*) or otherwise in connection therewith.

Any Scheme Shareholder who has validly elected for the Alternative Offer may, by written notice to Equiniti, cancel their election for the Alternative Offer, provided that such notice is received by Equiniti by no later than 1:00 p.m. on the date of the Sanction Hearing.

Such date will be notified to the Arrow Shareholders by announcement through a Regulatory Information Service once known, with such announcement being made available on Arrow's website.

If you hold your Scheme Shares in uncertificated form and the Scheme does not become Effective in accordance with its terms, Equiniti as the escrow agent will transfer back to you all of your Scheme Shares that were transferred to an escrow balance.

**PART VII**  
**RULE 24.11 ESTIMATE OF VALUE LETTER**

The  
Sherwood Acquisitions Limited  
Bartholomew Lane  
London EC2N 2AX  
United Kingdom

Directors

27 April 2021

**Recommended Cash Acquisition of  
Arrow Global Group plc (“Arrow”) by  
Sherwood Acquisitions Limited (“Bidco”)  
(a newly formed company owned by investment funds managed by TDR Capital LLP  
 (“TDR Capital”))  
(the “Acquisition”)  
Estimated Value of Rollover Securities**

Dear Sirs,

Pursuant to the requirements of Rule 24.11 of the Takeover Code, you have requested our opinion as to the estimated value of the Rollover Securities offered by Bidco to eligible Arrow Shareholders under the Alternative Offer (the “**Estimated Value**”). Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the Scheme Document published by Arrow on 28 April 2021 and providing details of the Acquisition (the “**Scheme Document**”).

Pursuant to the Alternative Offer, eligible Arrow Shareholders may elect in respect of all (but not some only) of their Arrow Shares to receive Rollover Securities at the following ratio:

**for each Scheme Share: one Rollover Security,**

or such other ratio as may be determined, prior to the Sanction Hearing, by Bidco as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied, subject to the terms and conditions of the Alternative Offer (as detailed in Part V (*Summary of the Alternative Offer*)) of the Scheme Document.

The maximum number of Rollover Securities available to Arrow Shareholders under the Alternative Offer will be limited to 10 per cent. of the issued ordinary share capital of Sherwood Topco Limited (“**Topco**”) at completion of the Acquisition (the “**Alternative Offer Maximum**”).

If elections are validly received from eligible Arrow Shareholders in respect of a number of Arrow Shares that would require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Rollover Securities to be issued in respect of each Arrow Share will be rounded down on a pro rata basis, and the balance of the consideration for each Arrow Share will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made for such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition, failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each Arrow Share will be settled entirely in cash in accordance with the terms of the Cash Offer.

The maximum amount of Rollover Securities any eligible Arrow Shareholder who elects to receive the Alternative Offer shall be entitled to will be limited to 9.99 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition (the “**Shareholding Cap**”). If elections are validly received from an eligible Arrow Shareholder in respect of a number of Arrow Shares that would require the issue of Rollover Securities to such eligible Arrow Shareholder exceeding the Shareholding Cap, such elections will be unable to be satisfied in full. In these circumstances, the number of Rollover Securities to be issued to such shareholder would be rounded down to the Shareholding Cap and the balance of the consideration will be paid in cash in accordance with the terms of the Cash Offer.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Alternative Offer will only be valid if all regulatory approvals (if any) required by an Arrow Shareholder to acquire the Rollover Securities have been obtained.

The Rollover Securities are unlisted securities and therefore do not have a public valuation. We understand from Bidco that there are no plans to seek a public quotation on any stock exchange or other market nor is it proposed that any alternative trading facilities in relation to the Rollover Securities will be made available. The Rollover Securities are described in paragraphs 13 to 15 of the Rule 2.7 Announcement and Part V of the Scheme Document.

## **Purpose**

This Estimated Value has been provided to the directors of Bidco (the “**Bidco Directors**”) solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Acquisition and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Citi expressly disclaims any duty, liability or responsibility (whether direct or indirect, whether in contract, tort, under statute or otherwise) to any third party with respect to the contents of this letter. The Estimated Value assumes both a willing buyer and seller of equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm’s length basis and where each party has knowledge of all relevant information.

The Estimated Value is limited to an estimate of the value of the Rollover Securities being offered to eligible Arrow Shareholders in connection with the Acquisition as at 28 April 2021 and is given and valid as at the date hereof only. The Estimated Value does not represent the value that a holder of Rollover Securities may realise on any future sale of such Rollover Securities, it being noted that such value realised on any future sale of Rollover Securities may be higher or lower than the figure in this letter. The Estimated Value may also differ substantially from estimates available from other sources. Citi assumes no obligation to update or revise the Estimated Value at any date in the future based upon circumstances or events occurring after the date hereof, unless otherwise required to by the Takeover Code.

## **Information**

In arriving at our Estimated Value for each of the Rollover Securities, we have considered, among other things:

- (A) certain publicly available financial statements as well as certain other publicly available business and financial information relating to Arrow;
- (B) certain information provided by Arrow relating to the business, operations, financial condition and prospects of Arrow;
- (C) the financial projections of the Topco Group (the “Financial Projection”), including certain internal financial analyses and forecasts, prepared by or at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group;
- (D) the commercial assessments of the Bidco Directors with respect to the business, operations, financial condition and prospects of the Topco Group;
- (E) the rights and restrictions attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders’ Agreement and the Topco Articles (as applicable);
- (F) the terms of the Acquisition and its proposed financing; and
- (G) such other financial analyses and such other information as we deemed appropriate for the purposes of this letter.

In addition, we have met with certain Bidco Directors and members of the investment advisory teams of TDR Capital to discuss the above, as well as the Acquisition and other matters we believed to be relevant to our enquiry, and we have considered and relied upon their commercial assessments.

In performing our analyses, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or which was furnished to or discussed with us by or on behalf of Bidco or TDR Capital or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy, reasonableness or completeness. We have not conducted any valuation or appraisal of any assets or liabilities of the Topco Group, nor have we been provided with any appraisal of any assets or liabilities of the Topco Group, nor have we evaluated the solvency of the Topco Group under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses, projections and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably and properly prepared in good faith based on assumptions reflecting the best currently available estimates and judgements by the Bidco Directors as to the expected future results of operations, performance and financial condition of the Topco Group to which such analyses, projections or forecasts relate. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based. We have assumed for the purposes of this letter that the Rollover Securities are already in issue, that the Acquisition has been implemented and the Scheme has become effective in accordance with its terms (with no modification or delay), that the conditions to the issue and allotment of the Rollover Securities and the Alternative Offer have been satisfied or (if applicable) waived (without adverse effect) and that Bidco has acquired the entire issued and (if applicable) to be issued ordinary share capital of Arrow.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of Rollover Securities may be different from, including potentially considerably less than or more than, the Estimated Value. Our view as expressed in this letter is necessarily based on economic, market and other conditions, the prospects of the Topco Group and other factors which generally influence the valuation of companies and securities, in each case as they exist at the date hereof and on the information made available to us as of the date of this letter.

The Estimated Value is being arrived at during a period of unusual volatility in the financial markets. It should be understood that subsequent developments and/or changes to prevailing financial, economic and market conditions, the financial condition and prospects of the Topco Group (and other factors which generally influence the valuation of companies and securities) may affect the views provided in this letter and that we assume no obligation to update, revise or reaffirm the views expressed in this letter, unless otherwise required to by the Takeover Code.

## **Methodology**

In arriving at the Estimated Value, we have, among other things:

- (A) undertaken a discounted cash flow analysis based on the Financial Projection as prepared by the Bidco Directors and TDR Capital;
- (B) referenced the historical trading prices and the implied trading valuations of Arrow Shares on the London Stock Exchange;
- (C) a range of other widely accepted valuation methods including, inter alia, comparable company trading multiples;
- (D) taken into account the proposed financing structure for the Topco Group and certain estimated transaction expenses expected to be incurred in relation to the Acquisition; and
- (E) considered the lack of a liquid market for the Rollover Securities, the Rollover Securities will be subject to a lock-up period of five years, and the lack of voting rights attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders' Agreement and the Topco Articles (as applicable).

The Estimated Value is based on theoretical valuation techniques and is highly sensitive to changes in assumptions about the future financial performance of the Topco Group. This is particularly the case for Arrow given its high leverage relative to overall enterprise value as evidenced by Arrow having net debt (as at 31 December 2020) of approximately £1,226 million and fully diluted equity value (i.e. the value of the Acquisition based on the Cash Offer of 307.5p per Arrow Share and 183,103,118 Arrow Shares) of approximately £563 million. As a result, there can be no assurance that the actual value of the Rollover Securities will not be higher or lower than the Estimated Value.

The taxation position of individual Arrow Shareholders will vary and so we have not taken account of the effect of any taxation exemptions, allowances or reliefs which may be available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be of significance in the case of certain shareholders.

No account has been taken of any potential transaction costs that a holder of Rollover Securities may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Topco to a third party or a liquidation of Topco and which might be expected to reduce any return to a holder of Rollover Securities upon the occurrence of such an event.

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. Reasons for this inherent uncertainty, include, but are not limited to, the following factors:

- (A) the Rollover Securities are unquoted and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities;
- (B) the Rollover Securities will not carry any right to attend or vote at any general meeting of Topco;
- (C) the Rollover Securities will not be transferable for a period of five years, save in accordance with customary “drag-along” or “tag-along” provisions (and other very limited circumstances), and thereafter will be subject to a right of first refusal on the part of TDR Capital and certain other restrictions in respect of the identity of the proposed transferee;
- (D) the holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights provided for in the Topco Shareholders’ Agreement and the Topco Articles and those rights prescribed by applicable law;
- (E) the holders of Rollover Securities will have rights of pre-emption in respect of specific future issuances; however such rights will be subject to a number of important exceptions, as outlined in Part V of the Scheme Document;
- (F) payments in respect of Rollover Securities will not be guaranteed or secured and, for so long as the Topco Group has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Rollover Securities;
- (G) upon the Scheme becoming Effective, the Topco Group will be controlled by TDR Capital;
- (H) holders of Rollover Securities may be required in the future to sell Rollover Securities under the terms of a “drag along” provision contained in both the Topco Shareholders’ Agreement and the Topco Articles;
- (I) Topco is not a company to which the Takeover Code applies and the protections of the Takeover Code may no longer be available to Arrow Shareholders electing for the Alternative Offer; and
- (J) the value of Rollover Securities will be subject to the same trading risks as are faced by Arrow currently, including risk in the trading performance of Arrow.

For the avoidance of doubt, Citi has considered paragraphs (a) – (c) and (j) above in our assessment of the Estimated Value, however we have not attempted to apply any discount to reflect paragraphs (d) – (i) as we believe the eligible Arrow Shareholders may each have a different view of the impact of these factors on their assessment of the value of Rollover Securities.

The amount that may be realised will be dependent on numerous factors that are beyond the control of Bidco, Arrow, and TDR Capital. Consequently, the view expressed in this letter is not necessarily indicative of the amount which might be realised upon a sale of Rollover Securities.

## **General**

Citi is acting as lead financial adviser to TDR Capital and Bidco and no one else solely for the purposes of providing this letter in accordance with Rule 24.11 of the Takeover Code in connection with the Acquisition and Citi will not be responsible to anyone other than TDR Capital and Bidco for providing the protections afforded to clients of Citi, nor for providing advice in connection with the Acquisition or any matter referred to in the Scheme Document or this letter.

Citi has not provided, nor will it provide, legal, tax, regulatory, accounting or other specialist advice, and nothing herein should be taken to reflect any such advice. For the avoidance of doubt, Citi expresses no opinion (whether as to the fairness or otherwise) of the financial terms of the Acquisition, the Cash Offer or the Alternative Offer. Any decision to elect for the Alternative Offer should be based on independent financial, tax and legal advice and a full consideration of the Scheme Document and the other documents in relation to the Acquisition.

Eligible Arrow Shareholders who may be considering a continuing investment in the future of Arrow through the Rollover Securities should ascertain whether acquiring or holding the Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Alternative Offer. In particular, Scheme Shareholders should note that the Rollover Securities are not transferable for a period of five years, save in accordance with customary drag-along or tag-along provisions (and other very limited circumstances), will not be listed and that no market exists or is expected to exist in them. Any assessment of the value of the Rollover Securities should therefore take into account an individual shareholder's assessment of an appropriate liquidity discount. The Rollover Securities will be of uncertain value and there can be no assurance that they will be capable of being sold in the future.

### **The Estimated Value**

On the basis of and subject to the foregoing, it is our view as at the date of this letter that the Estimated Value of a Rollover Security, using the aforementioned valuation methodologies, and there being no additional issuances by Topco of ordinary shares except for issuances related to the Acquisition is a range of 185 pence – 300 pence.

Any assessment of the value of the Alternative Offer and the Rollover Securities needs to take into account an individual eligible Arrow Shareholder's assessment of an appropriate discount given the factors outlined above.

As noted above, the Estimated Value only incorporates an assumed level of discount for trading illiquidity and the non-voting nature of the Rollover Securities. The Estimated Value does not incorporate a discount for other structural features and risk factors pertaining to the Rollover Securities; each eligible Arrow Shareholder should individually take these factors into account.

The eligible Arrow Shareholders who may be considering a continuing investment in the future of Bidco through the Rollover Securities should read carefully all the information relating to the Alternative Offer and the Rollover Securities contained in the Scheme Document, including, without limitation, the section headed "Risk factors and other investment considerations" contained in Part V of the Scheme Document.

This letter is provided solely for the benefit and use of the Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Acquisition and for no other purpose. 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. Without prejudice to the generality of the foregoing, this letter does not constitute a recommendation or opinion to, or for the benefit of, any Scheme Shareholder as to whether such Scheme Shareholder should vote in favour of the Scheme at the Court Meeting or the resolution to be proposed at the General Meeting in order to give effect to the Acquisition or whether any such Scheme Shareholder should accept the Cash Offer or make any election pursuant to the Alternative Offer. Other than as required pursuant to the Takeover Code or as the Panel or the Court may otherwise require, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval in each case. This letter may be reproduced in full in the Scheme Document to be sent to Scheme Shareholders on the basis that it is addressed to the Bidco Directors and no duties, liabilities or responsibilities are accepted by Citi 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,

For and on behalf of:  
Citigroup Global Markets Limited

## **PART VIII FINANCIAL AND RATINGS INFORMATION**

### **Part A: Financial information relating to Arrow**

The following sets out financial information in respect of Arrow as required by Rule 24.3 of the Takeover Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of Arrow for the financial year ended 31 December 2019 are set out on pages 103-179 (both inclusive) of Arrow's Annual Report and Accounts 2019 available from Arrow's website at [www.arrowglobal.net](http://www.arrowglobal.net); and
- the audited accounts of Arrow for the financial year ended 31 December 2020 are set out on pages 111-185 (both inclusive) of Arrow's Annual Report and Accounts 2020 available from Arrow's website at [www.arrowglobal.net](http://www.arrowglobal.net).

### **Part B: Arrow ratings information**

Prior to the commencement of the Offer Period, Arrow had been assigned BB- from S&P Global Ratings and Ba3 from Moody's Investors Service. As at the Latest Practicable Date, there had not been any change to these ratings.

### **Part C: Financial Information relating to Bidco**

Bidco was incorporated on 29 March 2021 for the purpose of carrying out the Acquisition and has not traded or paid any dividends since its date of incorporation. Accordingly, no financial information is available or has been published in respect of it. Bidco has no material assets or liabilities, in each case other than those described in this Document in connection with the Acquisition.

Following the Scheme becoming Effective, the earnings, assets and liabilities of Bidco will include the consolidated earnings, assets and liabilities of the Arrow Group on the Effective Date.

### **Part D: Bidco ratings information**

As Bidco was incorporated on 29 March 2021 for the purpose of carrying out the Acquisition, there are no current ratings or outlooks publicly accorded to Bidco by ratings agencies.

### **Part E: No incorporation of website information**

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

## PART IX UK TAXATION

The comments set out below and in section 3 of Part X (*Additional Information for Overseas Shareholders*) summarise certain limited aspects of the UK taxation treatment of certain Arrow Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. 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 Arrow Shareholder such as charities, trustees, market makers, brokers, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Arrow Shares by reason of an office or employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to “**UK Holders**” are to Arrow Shareholders 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 Arrow Shares 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 Arrow Shares.

Overseas holders of Arrow Shares are referred to Part X (*Additional Information for Overseas Shareholders*) of this Document, which summarises certain UK tax consequences of the Scheme for such holders.

**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 transfer of Arrow Shares under the Scheme in return for Cash Consideration should be treated as a disposal of the relevant UK Holder’s Arrow 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 Arrow 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 Arrow Shareholders*

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Arrow Shares by an individual UK Holder should be subject to CGT at the rate of 10 per cent. or 20 per cent. depending on the individual’s personal circumstances, including their other taxable income and chargeable gains in the relevant tax year.

The CGT annual exemption may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Arrow Shares.

#### *Corporate Arrow Shareholders*

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Arrow Shares by a UK Holder within the charge to UK corporation tax should be subject to UK corporation tax.

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption discussed below in respect of their Arrow Shares), indexation allowance may be available where the Arrow Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Arrow Shares up to and including 31 December 2017 to reduce any chargeable

gain arising (but not to create or increase any allowable loss) on the transfer of their Arrow Shares under the Scheme in return for Cash Consideration.

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 (together with certain associated companies) has held not less than 10 per cent. of the issued ordinary share capital of Arrow for a continuous period of at least one year beginning not more than six years prior to the date of disposal.

## **2. UK taxation of chargeable gains – Alternative Offer**

UK Holders who elect for the Alternative Offer should consult their own professional advisers as to their tax position resulting from the making of such an election and the holding of Rollover Securities. In this regard we note that it is intended that the Bidco Loan Notes, Midco 1 Loan Notes and Midco 2 Loan Notes constitute non-qualifying corporate bonds for holders of such loan notes who are UK tax resident individuals.

UK Holders are advised that no application for clearance has been made to HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 that section 137 of that Act will not apply in respect of the Alternative Offer.

## **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 transfer of their Arrow Shares under the Scheme.

**PART X**  
**ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS**

**1. General**

This Document has been prepared for the purposes of complying with English law, the Takeover Code, the UK Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules 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 UK.

The availability of the Acquisition to holders of Arrow Shares who are not resident in the UK may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the UK into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this Document in certain jurisdictions may be restricted by law. Persons who are not resident in the UK or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the UK to vote their Arrow Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, or to elect for the Alternative Offer, 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, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any purported vote in respect of the Acquisition.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares (including, without limitation, Rollover Securities) in any jurisdiction in which such offer or solicitation is unlawful.

**Overseas shareholders of Arrow Shares should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.**

**2. US Holders of Arrow Shares**

US Holders of Arrow Shares should note that the Scheme relates to the shares of an English company that is a “foreign private issuer” as defined under Rule 3b-4 under the US Exchange Act and will be governed by English law. Neither the proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and to the Scheme. Moreover, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK that may not be comparable with the accounting

standards applicable to financial statements of US companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Bidco were to elect to implement the acquisition of the Arrow Shares by way of an Offer, the offer will be made in compliance with applicable US securities laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.

The Rollover Securities are expected to be issued in the United States in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof.

For the purposes of qualifying for the exemptions from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Arrow will advise the Court through counsel that the Court's sanction of the Scheme will be relied upon by Bidco as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Arrow Shareholders at which hearing all such Arrow Shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Arrow Shareholders.

Arrow Shareholders who are, or will be, affiliates of Bidco after the Effective Date will be subject to certain US transfer restrictions relating to the Rollover Securities received pursuant to the Scheme. Otherwise, the Rollover Securities generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities under the Scheme (other than certain affiliates of Bidco) may resell them without restriction under the US Securities Act.

None of the securities referred to in this document have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

In accordance with normal UK practice, Bidco, its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Arrow Shares outside the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn, in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

The receipt of cash pursuant to the Acquisition by a US Holder of Arrow Shares as consideration for the transfer of its Arrow Shares pursuant to the Scheme will likely be a taxable transaction for US federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US Holder of Arrow Shares is strongly advised to consult an appropriately qualified independent professional tax adviser immediately with respect to the tax consequences of the Scheme applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

### **3. UK taxation of certain overseas shareholders**

Non-UK Holders should not be subject to UK taxation of chargeable gains in respect of the Scheme (including the Rollover), however they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK Holders on the transfer of their Arrow Shares under the Scheme.

References above to "**Non-UK Holders**" are to Arrow Shareholders who are not resident for tax purposes in the UK, have not within the past five years been resident for tax purposes in the UK and are not carrying on a trade (or profession or vocation) in the UK.

If an individual is only temporarily resident outside the UK for capital gains tax purposes as at the date of disposal of their Arrow Shares, the individual could, on becoming resident for tax purposes in the UK again, be liable for UK taxation of chargeable gains in respect of those disposals made while the individual was temporarily resident outside the UK for capital gains tax purposes.

**PART XI**  
**ADDITIONAL INFORMATION ON ARROW, TDR CAPITAL AND BIDCO**

**1. Responsibility**

- 1.1 The Arrow Directors, whose names are set out in section 2.1 below, 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 pursuant to section 1.2 and the TDR Capital Responsible Persons pursuant to section 1.3. To the best of the knowledge and belief of the Arrow 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.
- 1.2 Each Bidco Director whose name is set out in section 2.2 below accepts responsibility for the information contained in this Document (including any expressions of opinion) relating to Bidco, the Bidco Group, the Bidco Director and his immediate family and the related trusts of and persons connected with the Bidco Director, and persons acting in concert with Bidco (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The TDR Capital Responsible Persons, whose names are set out in section 2.3 below, each accept responsibility for the information relating to them (and their close relatives, related trusts and other persons connected with them), TDR Capital and Bidco. To the best of the knowledge and belief of the TDR Capital Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) 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 Arrow Directors and their respective positions are:

Jonathan Bloomer	<i>Non-executive Chair</i>
Lee Rochford	<i>Group Chief Executive Officer</i>
Matt Hotson	<i>Group Chief Financial Officer</i>
Andrew Fisher	<i>Senior Non-executive Director</i>
Lan Tu	<i>Independent Non-executive Director</i>
Maria Luis Albuquerque	<i>Independent Non-executive Director</i>
Paola Bergamaschi Broyd	<i>Independent Non-executive Director</i>

The business address of Arrow and each of the Arrow Directors is Belvedere, 12 Booth Street, Manchester, M2 4AW.

The company secretary of Arrow is Louise Brace.

- 2.2 The Bidco Directors and their respective positions are:

Jonathan Mitchell	Investment Professional
Jonathan Rosen	Investment Professional

The business address of Bidco and each of the Bidco Directors is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

The company secretary of Bidco is Intertrust (UK) Limited.

Bidco is a private limited company registered in England and Wales and incorporated on 29 March 2021, with its registered office at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

**2.3** The TDR Capital Responsible Persons and their respective positions are as follows:

Manjit Dale	Founding Partner
Stephen Robertson	Founding Partner
Blair Thompson	Partner, General Counsel and COO
Jonathan Rosen	Partner

The business address of each TDR Capital Responsible Person is 20 Bentinck Street, London, United Kingdom W1U 2EU.

**3. Interests in Arrow Shares**

**3.1** For the purposes of this section 3 and section 4:

- (A) **“acting in concert”** has the meaning given to it in the Takeover Code;
- (B) **“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;
- (C) **“dealing”** has the meaning given to it in the Takeover Code;
- (D) **“derivative”** has the meaning given to it in the Takeover Code;
- (E) **“interest”** or **“interests”** in relevant securities has the meaning given to it in the Takeover Code;
- (F) **“relevant Bidco securities”** mean 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 in Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (G) **“relevant Arrow securities”** mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of Arrow including equity share capital of Arrow (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (H) **“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.

**3.2** As at the Latest Practicable Date, the Arrow Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Arrow securities:

<b>Arrow Director</b>	<b>Number of Arrow Shares</b>
Jonathan Bloomer	50,896
Lee Rochford	241,100
Matt Hotson	2,158
Lan Tu	23,309
Andrew Fisher	87,522

3.3 As at the Latest Practicable Date, the Arrow Directors held the following outstanding awards and options over relevant Arrow securities under the Arrow Share Plans set out below:

Name	Share Plan	Number of ordinary shares under option/ award	Vesting date	Exercise price (per share) (£)
Lee Rochford	2017 LTIP	46,062	2020	Nil
Lee Rochford	2019 LTIP	390,780	2022	Nil
Lee Rochford	2020 LTIP	1,016,805	2023	Nil
Lee Rochford	2021 LTIP	302,367	2024	Nil
Lee Rochford	2018 DSBP Award	43,205	2021	Nil
Lee Rochford	2019 DSBP Award	93,198	2022	Nil
Lee Rochford	2020 DSBP Award	115,211	2023	Nil
Matt Hotson	2020 LTIP	690,636	2023	Nil
Matt Hotson	2021 LTIP	234,714	2024	Nil
Matt Hotson	2020 DSBP Award	32,938	2023	Nil

3.4 As at the Latest Practicable Date, the following persons acting in concert with Arrow (who are not exempt principal traders for the purposes of the Code) held the following interests in, or rights to subscribe in respect of, relevant Arrow securities:

Name	Number of Arrow Shares
J.P. Morgan Securities plc*	1

\* Interest held by J.P. Morgan Chase Bank (Custody)

#### 4. Interests and Dealings - General

4.1 Save as disclosed in section 5 (*Irrevocable Undertakings*) below and section 3 (*Interests in Arrow Shares*) above, as at the Latest Practicable Date:

- (A) no member of the Bidco Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant Arrow securities, nor has any member of the Bidco Group dealt in any relevant Arrow securities during the Disclosure Period;
- (B) none of the Bidco Directors nor TDR Capital Responsible Persons had any interest in, right to subscribe in respect of or any short position in relation to any relevant Arrow securities, nor has any such person dealt in any relevant Arrow securities or during the Disclosure Period;
- (C) no 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 Arrow securities, nor has any such person dealt in any relevant Arrow securities, during the Disclosure Period;
- (D) no person who has an arrangement with Bidco or any 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 Arrow securities, nor has any such person dealt in any relevant Arrow securities during the Disclosure Period; and
- (E) none of Bidco or any person acting in concert with Bidco, has borrowed or lent any relevant Arrow securities (including for these purposes any financial or collateral arrangements) in the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.

4.2 Save as disclosed in section 3 (*Interests in Arrow Shares*) above:

- (A) as at the Latest Practicable Date, no member of the Arrow Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Bidco securities, nor has any such person dealt in any relevant Arrow securities or relevant Bidco securities during the Offer Period;

- (B) as at the Latest Practicable Date, none of the Arrow Directors had any interest in, right to subscribe in respect of or any short position in relation to any relevant Bidco securities, nor has any such person dealt in any relevant Arrow securities or relevant Bidco securities during the Offer Period;
- (C) as at 26 April 2021, no person who has an arrangement with Arrow or any person acting in concert with Arrow had any interest in, right to subscribe in respect of or any short position in relation to any relevant Arrow securities, nor has any such person dealt in any relevant Arrow securities during the Offer Period;
- (D) as at 26 April 2021, no person acting in concert with Arrow had any interest in, right to subscribe in respect of or any short position in relation to any relevant Arrow securities, nor has any such person dealt in any relevant Arrow securities during the Offer Period; and
- (E) as at 26 April 2021, neither Arrow nor any person acting in concert with Arrow has borrowed or lent any relevant Arrow securities, save for any borrowed shares which have been either on-lent or sold.
- 4.3 Save as disclosed in section 5 (*Irrevocable undertakings*) below, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.
- 4.4 Save as disclosed herein, none of: (i) Bidco or any person acting in concert with Bidco; or (ii) Arrow or any person acting in concert with Arrow, has any arrangement in relation to relevant securities.
- 4.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any person acting in concert with it and any of the Arrow Directors or the recent directors, shareholders or recent shareholders of Arrow having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.6 Save as disclosed herein and save that Bidco reserves the right to transfer any such shares to any other member of the Wider Bidco Group, there is no agreement, arrangement or understanding whereby the beneficial ownership of any Arrow Shares to be acquired by Bidco pursuant to the Scheme will be transferred to any other person.
- 4.7 No relevant securities of Arrow have been redeemed or purchased by Arrow during the Disclosure Period.

## 5. Irrevocable undertakings

### 5.1 Irrevocable undertakings given by the Arrow Directors

Bidco has received support for the Acquisition in the form of irrevocable undertakings from each of the Arrow Directors, who are together interested in a total of 404,985 Arrow Shares, representing, in aggregate, approximately 0.23 per cent. of the issued ordinary share capital of Arrow as at the Latest Practicable Date.

Name of Arrow Director	Number of Shares in respect of which undertaking is given	Percentage of Arrow issued share capital
Jonathan Bloomer	50,896	0.03
Lee Rochford	241,100	0.14
Matt Hotson	2,158	0.001
Lan Tu	23,309	0.01
Andrew Fisher	87,522	0.05
Maria Luis Albuquerque	0	0
Paola Bergamaschi Broyd	0	0

These irrevocable undertakings also extend to any shares acquired by the Arrow Directors as a result of the vesting of awards or the exercise of options under the Arrow Share Plans (if applicable, net of shares sold to cover any tax, employee national insurance or other social security liabilities).

The irrevocable undertakings from the Arrow Directors remain binding in the event a higher competing offer is made for Arrow and will only lapse and cease to have effect on the earlier of the following occurrences:

- (A) this Document is not sent to Arrow Shareholders within 28 days (or such longer period as the Panel may agree) after the date of the Rule 2.7 Announcement;
- (B) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement offer or scheme is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time;
- (C) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer;
- (D) the Scheme has not become effective by 6:00 p.m. on the Long Stop Date (or such later time or date as agreed between Bidco and Arrow, with the approval of the Court and/or the Panel if required) (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn); and
- (E) the date on which any competing offer for the entire issued and to be issued share capital of Arrow is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

## 5.2 Irrevocable undertakings given by Arrow Shareholders

In addition to the irrevocable undertakings from Arrow Directors described in section 5.1 above, Bidco has also received irrevocable undertakings from certain other Arrow Shareholders as described below.

In total, therefore, Bidco has procured irrevocable commitments to: (a) vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), including those from the Arrow Directors who own Arrow Shares, in respect of, in aggregate, 29,637,009 Arrow Shares (representing approximately 16.7 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date; and (b) accept the Alternative Offer in respect of, in aggregate, 16,333,966 Arrow Shares (representing approximately 9.21 per cent. of existing issued ordinary share capital of Arrow) as at the Latest Practicable Date.

### **Zach Lewy**

Zach Lewy and Zambry, LLC (as general partner of Lewy Lang LP) have each given an irrevocable undertaking to vote in favour of the Resolutions relating to the Acquisition at the Meetings in respect Zach Lewy's or Lewy Lang LP's (as applicable) beneficial holding of Arrow Shares:

Name	Total Number of Arrow Shares	Percentage of Arrow issued share capital
Zach Lewy . . . . .	501,663	0.28
Zambry, LLC . . . . .	2,149,255	1.21

The obligations contained in the irrevocable undertaking cease to be binding on the earlier of the following occurrences:

- (A) this Document is not sent to Arrow Shareholders within 28 days (or such later period as the Panel may agree) after the date of the Rule 2.7 Announcement;
- (B) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time;
- (C) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer or otherwise;

- (D) the Scheme has not become effective by 6:00 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and Arrow, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn)); or
- (E) the date on which any competing offer for the entire issued and to be issued share capital of Arrow becomes Effective.

***Fifth Street Station LLC***

Fifth Street Station LLC has given an irrevocable undertaking to vote in favour of the resolutions relating to the Acquisition at the Meetings and to accept the Alternative Offer in respect of its own beneficial holdings of Arrow Shares:

Name	Total Number of Arrow Shares	Percentage of Arrow issued share capital
Fifth Street Station LLC . . . . .	16,333,966	9.21

The obligations contained in the irrevocable undertaking cease to be binding on the earlier of the following occurrences:

- (A) this Document is not sent to Arrow Shareholders within 28 days (or such later period as the Panel may agree) after the date of the Rule 2.7 Announcement;
- (B) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme (to which the undertaking applies) is announced;
- (C) the Acquisition lapses or is withdrawn in accordance with its terms (other than in circumstances where the Acquisition is withdrawn or lapses solely as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than the Scheme) and no new, revised or replacement Scheme or Offer (to which the undertaking applies) has been announced by Bidco or its affiliates in accordance with Rule 2.7 of the Takeover Code, or is announced by Bidco or its affiliates contemporaneously in accordance with Rule 2.7 of the Takeover Code; or
- (D) if a third party announces a firm intention pursuant to Rule 2.7 of the Takeover Code to acquire the entire issued and to be issued ordinary share capital of Arrow and the consideration payable to each Arrow Share under such proposal represents in the reasonable opinion of the Arrow Board a premium of more than 10 per cent. to the value of the Cash Offer and Bidco does not announce a firm intention to increase the consideration to be paid for the Arrow Shares to at least an equivalent amount per share within seven days of such competing offer.

***Tom Drury***

Tom Drury has given an irrevocable undertaking to vote (or to procure a vote) in favour of the Resolutions relating to the Acquisition at the Meetings in respect of Tom Drury's, Mrs Jane Drury and JTCG Investments beneficial holding of Arrow Shares:

Name	Total Number of Arrow Shares	Percentage of Arrow issued share capital
Tom Drury . . . . .	906,447	0.51
Mrs Jane Drury . . . . .	906,447	0.51
JTCG Investments . . . . .	753,334	0.42

The obligations contained in the irrevocable undertaking cease to be binding on the earlier of the following occurrences:

- (A) if the Scheme has not become effective by 6:00 p.m. on the Long Stop Date (or such later time or date as agreed between Bidco and Arrow, with the approval of the Court and/or the Panel if required); or

- (B) if a third party announces a firm intention pursuant to Rule 2.7 of the Takeover Code to acquire the entire issued and to be issued ordinary share capital of Arrow and the consideration payable to each Arrow Share under such proposal represents in the reasonable opinion of the Board a premium of more than 10 per cent. to the value of the Cash Offer and Bidco does not increase the consideration to be paid for the Arrow Shares to at least an equivalent amount per share within seven days of such competing offer.

***Albacore Partners I Investment Holdings B DAC and Albacore Partners II Investment Holdings D DAC***

Each of Albacore Partners I Investment Holdings B DAC and Albacore Partners II Investment Holdings D DAC has given an irrevocable undertaking to procure a vote in favour of the Resolutions relating to the Acquisition at the Meetings in respect of its own beneficial holding of Arrow Shares:

<b>Name</b>	<b>Total Number of Arrow Shares</b>	<b>Percentage of Arrow issued share capital</b>
State Street Nominees Limited A/C ABK4 .....	4,047,427	2.28
State Street Nominees Limited A/C ABKB .....	3,633,485	2.05

The obligations contained in the irrevocable undertaking cease to be binding on the earlier of the following occurrences:

- (A) the Scheme has not become effective by 6:00 p.m. on the Long Stop Date (or such later time or date as agreed between Bidco and Arrow, with the approval of the Court and/or the Panel if required);
- (B) if the Acquisition lapses or is withdrawn and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer or otherwise; or
- (C) if a third party announces a firm intention pursuant to Rule 2.7 of the Takeover Code to acquire the entire issued and to be issued ordinary share capital of Arrow and the consideration payable to each Arrow Share under such proposal represents in the reasonable opinion of the Board a premium of more than 10 per cent. to the value of the Cash Offer and Bidco does not increase the consideration to be paid for the Arrow Shares to at least an equivalent amount per share within seven days of such competing offer.

Each of Albacore Partners I Investment Holdings B DAC and Albacore Partners II Investment Holdings D DAC shall be permitted to sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such actions to occur in respect of) any interest in any of its Arrow Shares on or following the business day following the day on which the properly convened and duly held (and not adjourned) Court Meeting and General Meeting are held.

**6. Directors' service agreements and letters of appointment**

***Arrow Executive Directors***

6.1 The Arrow Executive Directors have entered into service agreements with Arrow as summarised below:

- (A) Lee Rochford's appointment as Group Chief Executive Officer commenced on 3 January 2017 and he is currently engaged under a service agreement with Arrow dated 6 December 2016, pursuant to which his current annual base salary of £459,901. Matt Hotson's appointment as Group Chief Financial Officer commenced on 8 October 2019 and he is currently engaged under a service agreement with Arrow dated 15 July 2019, pursuant to which his current annual base salary of £357,000. Each Arrow Executive Director's base salary is generally reviewed (but not necessarily increased) annually.
- (B) The Group Chief Executive Officer receives a cash allowance in lieu of an Arrow pension contribution equal to 15 per cent. of his base salary. The Group Chief Financial Officer

receives an Arrow pension contribution equal to 5 per cent. of his base salary and he can elect to receive a cash allowance in lieu of pension benefits (subject to deductions for tax and national insurance contributions).

- (C) Benefits available to the Arrow Executive Directors include private medical and dental insurance, life insurance and private health insurance.
- (D) The Arrow Executive Directors are eligible to participate in Arrow's annual bonus scheme, subject to the approval of the Arrow Remuneration Committee. The maximum annual bonus potential for each of the Arrow Executive Directors is 140 per cent of salary.
- (E) The Arrow Executive Directors are eligible to participate in the LTIP, subject to the approval of the Arrow Remuneration Committee. The maximum LTIP participation is 200 per cent. of base salary. The Arrow Executive Directors are also eligible to participate in the SIP, up to a maximum limits set by applicable tax legislation.
- (F) The appointment of the Arrow Executive Directors is terminable: (i) on 12 months' notice where the Arrow Executive Director resigns without good reason or his employment is terminated by Arrow without cause; or (ii) with immediate effect in specified circumstances, including in the event of the Arrow Executive Director's misconduct or fault, in which case he will be not be entitled to any payment other than amounts accrued but unpaid as at termination. In addition, at any point after notice in (i) is given, Arrow may terminate the Arrow Executive Director's appointment with immediate effect and make a payment in lieu of his base salary and contractual benefits (other than accrued holiday and bonuses) to which the Arrow Executive Director would have been entitled during the unexpired period of notice, which will be paid in monthly instalments.
- (G) As each Arrow Executive Director's service agreement can be terminated as outlined in paragraph (F) above, their service agreements have no fixed expiry date.
- (H) Each Arrow Executive Director is subject to post-termination restrictions for a period of 12 months after termination (less any period of garden leave).

#### ***The Chair and other non-executive Arrow Directors***

- 6.2 The non-executive Arrow Directors have entered into letters of appointment. The appointment of each non-executive Arrow Director is subject to the Articles of Association and re-election at Annual General Meetings of the Company.
- 6.3 Each non-executive Arrow Director's letter of appointment is terminable by either side on one months' written notice. They may also cease to hold office as a director in accordance with the Articles of Association. In the event that the non-executive Arrow Director stands for re-election and is not re-elected, their appointment will terminate immediately. Each non-executive Arrow Director's letter of appointment is also terminable by the Arrow Board with immediate effect without payment of compensation if the non-executive Arrow Director commits a material or serious breach or non-observance of their obligations to Arrow, including a breach of their statutory, fiduciary, contractual or common-law duties.
- 6.4 Under the letters of appointment, the non-executive Arrow Directors are typically appointed for an initial three-year term. They may be invited to serve additional three-year terms, subject to invitation by the Arrow Board and re-election by Arrow Shareholders.

6.5 The details of the letters of appointment are summarised in the table below:

Director	Date appointed Director	Letter of appointment date	Fees (per annum)
Jonathan Bloomer (Chair) .....	5 October 2013	7 October (amended by extension letter dated 2 October 2019)	2013 £170,000
Lan Tu .....	9 March 2015	2 March (amended by extension letter dated 23 February 2018)	2015 £65,000
Maria Luis Albuquerque .....	7 March 2016	7 March (amended by extension letter dated 2 April 2019)	2016 £55,000
Andrew Fisher .....	9 December 2016	8 December (amended by extension letter dated 28 January 2020)	2016 £75,000
Paola Bergamaschi Broyd .....	17 June 2020	1 July 2020	£65,000

6.6 Arrow also maintains directors' and officers' insurance for the benefit of each non-executive Arrow Director. Arrow has also granted an indemnity for the benefit of each non-executive Arrow Director, indemnifying each non-executive Arrow Director against certain losses in respect of acts or omissions whilst in the course of their acting as an Arrow Director.

#### ***Other service agreements***

- 6.7 Save as disclosed above, there are no service agreements or letters of appointment, between any Arrow Director or proposed director of Arrow and Arrow and save as disclosed above, no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.
- 6.8 Save as set out in section 9 of Part II (*Explanatory Statement*) of this Document, the effect of the Scheme on the interests of the Arrow Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

## **7. Market quotations**

7.1 The following table shows the Closing Price for Arrow Shares as derived from the Official List for the first Business Day of each of the six months before the date of this Document, for 5 February 2021 (being the last Business Day prior to the commencement of the Offer Period) and for the Latest Practicable Date:

Date	Arrow Share price (p)
2 November 2020 .....	126.2
1 December 2020 .....	180.2
4 January 2021 .....	185.2
1 February 2021 .....	215.0
5 February 2021 .....	230.5
1 March 2021 .....	272.5
1 April 2021 .....	303.5
Latest Practicable Date .....	304.0

## **8. Material contracts**

### **8.1 Arrow material contracts**

Save as disclosed below, no member of the Arrow Group has, during the period beginning on 8 February 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Arrow Group in the period beginning on 8 February 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date.

*Confidentiality Agreement*

See section 12 of Part II (*Explanatory Statement*) for details of the Confidentiality Agreement entered into by Arrow and TDR Capital.

*Cooperation Agreement*

See section 12 of Part II (*Explanatory Statement*) for details of the Cooperation Agreement entered into by Arrow and Bidco.

**8.2 Bidco material contracts**

Save as disclosed below, Bidco has not, during the period beginning on 8 February 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract 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 and/or, in connection with the Acquisition, TDR Capital, in the period beginning on 8 February 2019 and ending on the Latest Practicable Date.

*Confidentiality Agreement*

See section 12 of Part II (*Explanatory Statement*) for details of the Confidentiality Agreement entered into by Arrow and TDR Capital.

*Cooperation Agreement*

See section 12 of Part II (*Explanatory Statement*) for details of the Cooperation Agreement entered into by Arrow and Bidco.

*Topco Shareholders' Agreement*

See section 3 of Part V (*Summary of the Alternative Offer*) for details of the Topco Shareholders' Agreement.

*Bidco Loan Note Instrument*

See Part XII (*Definitions*) for details of the Bidco Loan Note Instrument.

*Put and Call Deeds*

See Part XII (*Definitions*) for details of the Put and Call Deeds.

*Finance Documents*

See section 10 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) for details of the finance documents in respect of the Interim Facilities.

## 9. Offer-related fees and expenses

### 9.1 Fees and Expenses of Bidco

The aggregate fees and expenses expected to be incurred by Bidco and/or TDR Capital in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

Category	Amount (£m)
Financing arrangements <sup>(1)</sup>	36.6
Financial and corporate broking advice <sup>(1)</sup>	9.5
Legal advice <sup>(1) (2)</sup>	8.6
Accounting and tax advice <sup>(1)</sup>	1.6
Public relations advice <sup>(1)</sup>	0.2
Other professional services <sup>(1)</sup>	0.2
Other costs and expenses (including stamp duty) <sup>(1)</sup>	2.8
<b>Total</b>	<b>59.5</b>

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.
- (2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.

### 9.2 Arrow Fees and Expenses

The aggregate fees and expenses expected to be incurred by Arrow in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

Category	Amount (£m)
Financial and corporate broking advice <sup>(1)</sup>	20.3
Legal advice <sup>(1) (2)</sup>	4.3
Public relations advice <sup>(1)</sup>	0.3
Other professional services <sup>(1)</sup>	0.3
Other costs and expenses <sup>(1) (3)</sup>	0.1
<b>Total</b>	<b>25.3</b>

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.
- (2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.
- (3) Includes amounts related to fees payable to the London Stock Exchange.

## 10. Financing arrangements relating to Bidco

The Cash Consideration payable to the Arrow Shareholders by Bidco under the terms of the Acquisition will be financed by equity to be invested by TDR Capital.

Bidco has also entered into the Interim Facilities Agreement in respect of the re-financing of certain existing indebtedness of the Arrow Group following completion of the Acquisition and payment of Acquisition costs.

Under the terms of the Interim Facilities Agreement, the interim lenders party thereto agree to make available to Bidco: (a) an interim senior secured bridge term loan facility in an aggregate amount of EUR 725,000,000 (the “**Interim Senior Secured Bridge (EUR) A Facility**”); (b) an interim senior secured bridge term loan facility in aggregate amount of EUR 250,000,000 (the “**Interim Senior Secured Bridge (EUR) B Facility**”); (c) an interim senior secured bridge term loan facility in an aggregate amount of GBP 400,000,000 (the “**Interim Senior Secured Bridge (GBP) C Facility**”); and (d) an interim revolving credit facility in an aggregate amount of GBP 285,000,000 (the “**Interim Revolving Facility**”, and together with the Interim Senior Secured Bridge (EUR) A Facility, the Interim Senior Secured Bridge (EUR) B Facility and the Interim Senior Secured Bridge (GBP) C Facility, the “**Interim Facilities**”).

The proceeds of loans drawn under the Interim Facilities are to be made available to Bidco and applied by Bidco, among other things, towards (i) the refinancing, purchasing or otherwise discharging of existing indebtedness of the Arrow Group; (ii) financing the payment of costs, fees and expenses incurred in connection with the finance documents relating to the Interim Facilities, the Acquisition and the refinancing, purchasing or otherwise discharging of any indebtedness of the Arrow Group; and/or (iii) in the case of the Interim Revolving Facility, financing any amount payable in connection with the Acquisition and the working capital requirements and general corporate purposes of the Bidco Group.

The Interim Facilities are available to be drawn, subject to satisfaction of the conditions precedent set forth in the Interim Facilities Agreement, from the date of the Interim Facilities Agreement to and including the last day of the Certain Funds Period (as defined below). The Interim Revolving Facility is available to be drawn by way of loans and/or bank guarantees.

Under the Interim Facilities Agreement, the “**Certain Funds Period**” is defined as the period commencing on the date of the Interim Facilities Agreement and ending on the earlier of:

- (a) where the Acquisition proceeds by way of the Scheme, (i) the date on which the Scheme lapses or it is withdrawn with the consent of the Panel or by order of the Court (unless prior to that date Bidco has elected to effect a switch from the Scheme to an Offer and issued a Rule 2.7 announcement in accordance with the terms of the Interim Facilities Agreement); (ii) if the Court (in its final judgment) refuses to grant a court order sanctioning the Scheme (unless prior to that date Bidco has elected to effect a switch from the Scheme to an Offer and issued a Rule 2.7 announcement in accordance with the terms of the Interim Facilities Agreement); (iii) 11.59 p.m. on the day falling fourteen (14) days after the Effective Date; or (iv) 11:59 p.m. on 31 January 2022; or
- (b) where the Acquisition is to be consummated pursuant to an Offer, (i) the date on which such Offer lapses or is withdrawn or the applicable offer document is not published within twenty eight (28) dates following the applicable Rule 2.7 announcement (or such longer period as the Panel may agree) (such that the Offer does not proceed); (ii) the date which is thirty (30) days after the later of the Offer becoming or being declared wholly unconditional or the date on which the Offer has closed for further acceptances or, in each case, if Bidco has issued the requisite notices prior to such date, such longer period as is necessary to complete a squeeze-out in accordance with Chapter 3 of Part 28 of the Companies Act to acquire all of the outstanding Arrow Shares which Bidco has not acquired, contracted to acquire or in respect of which it has not received valid acceptances; or (iii) 11.59 p.m. on 31 January 2022,

in each case, as extended in accordance with the terms of the Interim Facilities Agreement.

The Interim Facilities Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, restricted payments, liens, sales of assets and subsidiary stock and conduct of the Offer and/or Scheme), indemnities and events of default, each with appropriate carve-outs and materiality thresholds and applicable.

The rate of interest payable on each loan drawn under the Interim Facilities is the aggregate of the applicable margin plus the applicable IBOR (as defined below) or, from the relevant rate switch date specified in the Interim Facilities Agreement (which date, in respect of loans denominated in GBP, is the date of the Interim Facilities Agreement), the aggregate of the applicable margin plus the applicable SONIA or SOFR-based rate (or other applicable replacement rate) plus the applicable credit adjustment spread in each case as specified in the Interim Facilities Agreement. The applicable margins on loans under the Interim Facilities are as follows: (a) in relation to the Interim Senior Secured Bridge (EUR) Facility A, 4.00% per annum; (b) in relation to the Interim Senior Secured Bridge (EUR) Facility B, 4.00% per annum; (c) in relation to the Interim Senior Secured Bridge (GBP) Facility C, 5.00% per annum; and (d) in relation to the Interim Revolving Facility, 3.25% per annum.

“**IBOR**” means: (a) for any loans under the Interim Facilities denominated in EUR, EURIBOR (subject to zero floor); and (b) for loans denominated in GBP or USD, LIBOR (subject to zero floor).

Underwriting fees and upfront fees, among other fees, are also payable under the terms of the Interim Facilities Agreement and ancillary documentation.

The secured parties under the Interim Facilities Agreement receive the benefit of security under an English law security interest over substantially all the assets of Midco 2 and Bidco.

The Interim Facilities are intended to be replaced in due course by permanent financing as more particularly described in the commitment letter dated 31 March 2021 and entered into by Midco 2 and certain financial institutions named therein.

## 11. Cash confirmation

Citi, in its capacity as lead financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the Cash Consideration payable to the Arrow Shareholders under the terms of the Acquisition.

## 12. Persons acting in concert

12.1 In addition to the Bidco Directors (together with their close relatives and related trusts), 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:

Name	Registered Office	Relationship with Bidco
Citi	33 Canada Square, Canary Wharf, London, E14 5LB	Connected Adviser
Ashcombe	50 Albemare Street, London, W1S 4BD	Connected Adviser
Barclays	5 The North Colonnade, Canary Wharf, London, E14 4BB	Connected Adviser

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

Name	Registered Office	Relationship with TDR
Citi	33 Canada Square, Canary Wharf, London, E14 5LB	Connected Adviser
Ashcombe	50 Albemare Street, London, W1S 4BD	Connected Adviser
Barclays	5 The North Colonnade, Canary Wharf, London, E14 4BB	Connected Adviser

12.3 Other than the Arrow Directors (together with their close relatives and related trusts) and members of the Arrow Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Arrow are:

Name	Registered Office	Relationship with Arrow
Goldman Sachs	Plumtree Court, 25 Shoe Lane, London, EC4A 4AU	Connected Adviser
J.P. Morgan Cazenove	25 Bank Street, Canary Wharf, London, E14 5JP	Connected Adviser
Numis	The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT	Connected Adviser
Panmure Gordon	One New Change, London, EC4M 9AF	Connected Adviser

### **13. No significant change**

There has been no significant change in the financial or trading position of Arrow since 31 December 2021, being the date to which the latest audited consolidated financial statements published by Arrow were prepared.

### **14. Consent**

Each of Citi, Ashcombe, Barclays, Goldman Sachs, J.P. Morgan Cazenove, Numis and Panmure Gordon has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included.

### **15. Documents incorporated by reference**

15.1 Parts of other documents are incorporated by reference into, and form part of, this Document.

15.2 Part VIII (*Financial and Ratings Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.

15.3 Arrow Shareholders and other persons who received this Document may request a hard copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested, free of charge, by calling Arrow's registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the United Kingdom, or +44 371 384 2050 if calling from outside the United Kingdom or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, stating your name, and the address to which the hard copy should be sent.

### **16. Documents available for inspection**

16.1 Copies of the following documents will be available for viewing on Arrow's and Bidco's websites at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company) and <https://www.tdrcapital.com/arrowglobal-offer>, respectively, by no later than 12:00 p.m. on the Business Day following the date of publication of this Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (A) this Document;
- (B) the Forms of Proxy;
- (C) the Form of Election;
- (D) the Virtual Meeting Guide;
- (E) the memorandum and articles of association of each of Arrow and Bidco;
- (F) a draft of the articles of association of Arrow as proposed to be amended at the General Meeting;
- (G) the Rule 2.7 Announcement;
- (H) the financial information relating to Arrow referred to Part A of Part VIII (*Financial and Ratings Information*) of this Document;
- (I) the written consents referred to in section 14 above;
- (J) the material contracts referred to in section 8 above entered into in connection with the Acquisition (including relating to the financing of the Acquisition);
- (K) the Confidentiality Agreement;
- (L) the Cooperation Agreement;
- (M) the Topco Shareholders' Agreement;
- (N) the Bidco Loan Note Instrument;
- (O) the Midco 1 Loan Note Instrument;
- (P) the Midco 2 Loan Note Instrument;

- (Q) the Put and Call Deeds; and
- (R) copies of the irrevocable undertakings referred to in section 5 above.

## 17. Sources of information and bases of calculation

In this Document, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- (A) Arrow's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 183,103,118 Arrow Shares, calculated as:
  - (i) 177,386,677 Arrow Shares in issue as at the Latest Practicable Date; plus
  - (ii) 5,716,441 Arrow Shares which may be issued on or after the date of this Document pursuant to the Arrow Share Plans and expected new issues as at the Latest Practicable Date.
- (B) The premium calculations to the price per Arrow Share used in this Document have been calculated by reference to:
  - (i) the closing price on 5 February 2021 (being the last business day before the commencement of the Offer Period) of 230.5 pence derived from Bloomberg;
  - (ii) the one-month volume weighted average price of 209.7 pence per Arrow Share on 5 February 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg;
  - (iii) the three-month volume weighted average price of 183.8 pence per Arrow Share on 5 February 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg; and
  - (iv) the six-month volume weighted average price of 145.2 pence per Arrow Share on 5 February 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg.
- (C) Certain figures included in this Document have been subject to rounding adjustments.
- (D) Unless otherwise stated, the financial information of Arrow is extracted from Arrow's results for the twelve months ended 31 December 2020, which were released on 23 March 2021.

## PART XII DEFINITIONS

- “2020 Arrow Annual Report”** . . . . . the annual report and audited accounts of the Arrow Group for the year ended 31 December 2020
- “Acquisition”** . . . . . the proposed acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of Arrow not already owned or controlled by the Bidco Group, by means of the Scheme, or should Bidco so elect in accordance with the terms of the Cooperation Agreement with the consent of the Panel, by means of an Offer, and where the context admits, any subsequent revision, variation, extension or renewal thereof
- “Advisory Committee”** . . . . . the advisory committee of the Fund, consisting of representatives of the limited partners of the Fund
- “Alternative Offer”** . . . . . the alternative to the Cash Consideration pursuant to which Scheme Shareholders (other than Restricted Shareholders) may elect, subject to certain limitations and exceptions, to receive Bidco Loan Notes with a nominal value equal to 307.5 pence for each Scheme Share in lieu of their entitlement to the Cash Consideration (such Bidco Loan Notes being exchanged for Rollover Securities pursuant to the Rollover)
- “Alternative Offer Election”** . . . . . an election whereby Scheme Shareholders (other than Restricted Shareholders) may elect to accept the Alternative Offer pursuant to a Form of Election or a TTE Instruction
- “Alternative Offer Maximum”** . . . . . 10 (ten) per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration
- “Arrow” or “Company”** . . . . . Arrow Global Group plc, a company incorporated in England and Wales with registered number 08649661
- “Arrow Board” or “Arrow Directors”** . . . . . the persons whose names are set out in section 2.1 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document or, where the context so requires, the directors of Arrow from time to time
- “Arrow Company Secretary”** . . . . . the person whose name is set out in section 2.1 of Part XI (*Additional Information on Arrow, TDR Capital and Bidco*) of this Document or, where the context so requires, the company secretary of Arrow from time to time
- “Arrow Executive Director(s)”** . . . . . the executive directors of Arrow, being Lee Rochford and Matt Hotson as at the date of this Document
- “Arrow Group”** . . . . . Arrow and its subsidiary undertakings and where the context permits, each of them
- “Arrow Remuneration Committee”** . . . . . the remuneration committee of the board of directors of Arrow
- “Arrow Share(s)”** . . . . . the existing unconditionally allotted or issued and fully paid ordinary shares of one penny each in the capital of Arrow and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury

<b>“Arrow Share Plans”</b> .....	each of the LTIP, the DSBP and the SIP
<b>“Arrow Shareholder(s)”</b> .....	the holders of Arrow Shares from time to time
<b>“Articles of Association”</b> .....	the articles of association of Arrow from time to time
<b>“Ashcombe”</b> .....	Ashcombe Advisers LLP
<b>“associated undertaking”</b> .....	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
<b>“Authorisations”</b> .....	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party
<b>“Barclays”</b> .....	Barclays Bank PLC, acting through its Investment Bank
<b>“Bidco”</b> .....	Sherwood Acquisitions Limited, a company incorporated in England and Wales with registered number 13299321
<b>“Bidco Board” or “Bidco Directors”</b> .....	persons whose names are set out in section 2.1 of Part XI ( <i>Additional Information on Arrow, TDR Capital and Bidco</i> ) of this Document or, where the context so requires, the directors of Bidco, from time to time
<b>“Bidco Group”</b> .....	Bidco and its direct and indirect subsidiaries including, following completion of the Acquisition, the Arrow Group
<b>“Bidco Loan Note Instrument”</b> .....	a loan note instrument constituting the Bidco Loan Notes to be entered into on the Effective Date;
<b>“Bidco Loan Notes”</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Bidco pursuant to the Alternative Offer and to be constituted by the Bidco Loan Note Instrument
<b>“Business Day”</b> .....	a day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business
<b>“Confidentiality Agreement”</b> .....	the confidentiality agreement entered into by Arrow and TDR Capital on 14 February 2021
<b>“Cooperation Agreement”</b> .....	the cooperation agreement entered into by Arrow and Bidco on 31 March 2021
<b>“Cash Consideration”</b> .....	the cash consideration of 307.5 pence in cash for each Arrow Share due under the Scheme
<b>“Cash Offer”</b> .....	307.5 pence in cash for each Arrow Share
<b>“certificated” or “in certificated form”</b> .....	a share or other security which is not in uncertificated form (that is, not in CREST)
<b>“Chair”</b> .....	the chair of the Court Meeting and the General Meeting from time to time

“Citi”	Citigroup Global Markets Limited
“Closing Price”	the closing middle market price of an Arrow Share as derived from the Daily Official List of the London Stock Exchange on any particular trading day
“CMA Phase 2 Reference”	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
“Companies Act”	the Companies Act 2006, as amended from time to time
“Conditions”	the conditions to the Acquisition and to the implementation of the Scheme set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document
“Court”	the High Court of Justice in England and Wales
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part XIII ( <i>Notice of Court Meeting</i> ) of this Document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, including any adjournment thereof
“Court Order”	the order of the court sanctioning the Scheme under section 899 of the Companies Act
“Court Sanction Date”	the date on which the Scheme is sanctioned by the Court
“COVID-19 Restrictions”	the measures implemented by the UK Government from time to time in order to address the ongoing COVID-19 pandemic, as described in the opening pages of this Document and which, at the time of publication of this Document, include a prohibition on large public gatherings save in certain limited circumstances, together with the associated uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“Daily Official List”	the daily official list of the London Stock Exchange
“Dealing Disclosure”	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code
“Disclosed”	the information disclosed by, or on behalf of Arrow: (i) in the 2020 Arrow Annual Report; (ii) in the Rule 2.7 Announcement; (iii) in any other announcement to a Regulatory Information

Service by, or on behalf of Arrow prior to the publication of the Rule 2.7 Announcement; or (iv) fairly disclosed in writing (including via the virtual data room operated by or on behalf of Arrow in respect of the Acquisition) before the date of the Rule 2.7 Announcement to Bidco or Bidco’s advisers (in their capacity as such)

<b>“Disclosure Guidance and Transparency Rules”</b> .....	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
<b>“Disclosure Period”</b> .....	the period commencing on 8 February 2020 (being the date 12 months prior to the start of the Offer Period) and ending on the Latest Practicable Date
<b>“Document”</b> .....	the circular to the Arrow Shareholders published by Arrow on 28 April 2021 containing the Scheme
<b>“DSBP”</b> .....	the Arrow 2013 Deferred Share Bonus Plan, as amended from time to time
<b>“Effective”</b> .....	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code
<b>“Effective Date”</b> .....	the date on which the Acquisition becomes Effective
<b>“Election Return Time”</b> .....	6.00 p.m. on the date of the Sanction Hearing
<b>“Equiniti”</b> .....	Equiniti Limited
<b>“Euroclear”</b> .....	Euroclear UK & Ireland Limited
<b>“Excluded Shares”</b> .....	any Arrow Shares which are registered in the name of or beneficially owned by:  (i) Bidco or any subsidiary undertaking of Bidco; or (ii) any nominee of the foregoing,  in each case, immediately prior to the Scheme Record Time, and any shares in Arrow which are held in treasury
<b>“Explanatory Statement”</b> .....	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in Part II ( <i>Explanatory Statement</i> ) of this Document
<b>“FCA”</b> .....	the Financial Conduct Authority or its successor from time to time
<b>“FCA Handbook”</b> .....	the FCA’s Handbook of rules and guidance as amended from time to time
<b>“Floating Rate”</b> .....	the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for sterling for the relevant period displayed on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson

Reuters page which displays that rate) at the start of the day falling 2 Business Days before the start of, and for a period equal in length to, the period for which interest must be calculated and if that rate is less than zero, the Floating Rate shall be deemed to be zero

- “Form of Election”** ..... the green form of election for use in respect of the Alternative Offer by Scheme Shareholders (other than Restricted Shareholders) who hold Arrow Shares in certificated form;
- “Form(s) of Proxy”** ..... either or both (as the context demands) of the blue form of proxy in relation to the Court Meeting and the yellow form of proxy in relation to the General Meeting
- “FSMA”** ..... the Financial Services and Markets Act 2000 (as it may have been, or may from time to time be, amended, modified, re-enacted or replaced)
- “Fund”** ..... Arrow Credit Opportunities Co-Investment Fund, SCSp, SICAVRAIF, a Luxembourg special limited partnership (société en commandite spéciale, SCSp) organised as an SICAV-RAIF and governed under the laws of the Grand Duchy of Luxembourg
- “Fund Documentation”** ..... means the limited partnership agreement and certain other documentation relating to the Fund
- “General Meeting”** ..... the general meeting of Arrow convened by the notice set out in Part XIV (*Notice of General Meeting*) of this Document, including any adjournment thereof
- “General Partner”** ..... Bow Advisers S.à r.l., a private limited liability company (société à responsabilité limitée) organised under the laws of the Grand Duchy of Luxembourg
- “Goldman Sachs”** ..... Goldman Sachs International
- “HMRC”** ..... HM Revenue and Customs or its successor from time to time
- “holder”** ..... a registered holder and includes any person(s) entitled by transmission
- “Interim Facilities Agreement”** .... the interim facilities agreement dated 31 March 2021 and made between, amongst others, Barclays Bank PLC, J.P. Morgan Securities PLC, Goldman Sachs Bank USA, Bank of America Europe Designated Activity Company, DNB (UK) Limited, HSBC Bank plc and Lloyds Bank plc as mandated lead arrangers, Barclays Bank PLC as interim facility agent and interim security agent, Bidco as borrower and guarantor and Midco 2 as guarantor
- “Intermediate Holding Companies”** ..... each of Bidco, Midco 1 and Midco 2
- “J.P. Morgan Cazenove”** ..... J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
- “Latest Practicable Date”** ..... close of business on 27 April 2021, being the latest practicable date before publication of this Document

<b>“Listing Rules”</b> .....	the listing rules made under FSMA by the FCA and contained in the FCA’s publication of the same name, as amended from time to time
<b>“London Stock Exchange”</b> .....	the London Stock Exchange plc, or its successor from time to time
<b>“Long Stop Date”</b> .....	31 December 2021, or such later date as may be agreed in writing by Bidco and Arrow (with the Panel’s consent and as the Court may approve (if such consent and/or approval are required))
<b>“LTIP”</b> .....	the Arrow 2013 Long Term Incentive Plan, including the CSOP Option sub-plan, as amended from time to time
<b>“Lumi”</b> .....	Lumi AGM UK Limited
<b>“Manager”</b> .....	AGG Capital Management Limited, a private limited company organised under the laws of Jersey
<b>“Meetings”</b> .....	the Court Meeting and the General Meeting
<b>“Midco 1”</b> .....	Sherwood Midco Limited, a company incorporated in England and Wales with registered number 13299351
<b>“Midco 1 Loan Note Instrument”</b> ...	a loan note instrument constituting the Midco 1 Loan Notes to be entered into on the Effective Date
<b>“Midco 1 Loan Notes”</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Midco 1 pursuant to the Rollover and to be constituted by the Midco 1 Loan Note Instrument
<b>“Midco 2”</b> .....	Sherwood Parentco Limited, a company incorporated in England and Wales with registered number 13299333
<b>“Midco 2 Loan Note Instrument”</b> ...	a loan note instrument constituting the Midco 2 Loan Notes to be entered into on the Effective Date
<b>“Midco 2 Loan Notes”</b> .....	Floating Rate unsecured rollover loan notes due 2021 issued by Midco 2 pursuant to the Rollover and to be constituted by the Midco 2 Loan Note Instrument
<b>“Numis”</b> .....	Numis Securities Limited
<b>“Offer”</b> .....	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Arrow, other than Arrow Shares owned or controlled by the Bidco Group and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>“Offer Period”</b> .....	the offer period (as defined by the Takeover Code) relating to Arrow which commenced on 8 February 2021
<b>“Official List”</b> .....	the Official List maintained by the FCA

<b>“Opening Position Disclosure”</b> . . . .	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition
<b>“Overseas Shareholders”</b> . . . . .	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the UK
<b>“Panel”</b> . . . . .	The Panel on Takeovers and Mergers, or its successor from time to time
<b>“Parentco”</b> . . . . .	Sherwood Holding S.à r.l., a company incorporated in Luxembourg
<b>“Put and Call Deeds”</b> . . . . .	the put and call deeds in respect of the Rollover to be entered into between, <i>inter alios</i> , Bidco, Midco 2, Midco 1 and Topco;
<b>“PRA”</b> . . . . .	The Prudential Regulation Authority or its successor from time to time
<b>“Registrar of Companies”</b> . . . . .	the registrar of companies in England and Wales
<b>“Regulation”</b> . . . . .	Council Regulation (EC) 139/2004
<b>“Regulatory Information Service”</b> . . . . .	a regulated information service as defined in the FCA Handbook
<b>“relevant securities”</b> . . . . .	as the context requires, Arrow Shares, other Arrow share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>“Resolutions”</b> . . . . .	the Special Resolution, and the resolution to be proposed at the Court Meeting to approve the Scheme
<b>“Restricted Jurisdiction”</b> . . . . .	Japan, Canada, the Commonwealth of Australia (or their respective territories) and any other 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 Arrow Shareholders
<b>“Restricted Shareholders”</b> . . . . .	a person (including, without limitation, an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom Bidco reasonably believes to be in any jurisdiction whom Bidco is advised to treat as restricted overseas persons in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco regards as unduly onerous
<b>“Revised Offer”</b> . . . . .	new, increased or revised terms for the Scheme, as defined in Part XI ( <i>Additional Information on Arrow, TDR Capital and Bidco</i> ) of this Document
<b>“Rollover”</b> . . . . .	the rollover pursuant to which Scheme Shareholders (other than Restricted Shareholders) who have validly elected for the Alternative Offer will pursuant to the Put and Call Deeds:

- (i) in exchange for each Scheme Share receive Bidco Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for;
- (ii) Midco 2 Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for;
- (iii) Midco 1 Loan Notes with a nominal value equal to 307.5 pence which will then be immediately be exchanged for;
- (iv) one Rollover Security (or such other number of Rollover Securities as Bidco may determine, as a result of the amount to be funded by Parentco for the purposes of financing the Acquisition (including any fees and expenses) being varied, prior to the date of any Sanction Hearing)

**“Rollover Security”** ..... a rollover ordinary share of £1 in the capital of Topco having the rights of “Rollover Shares” set out in the Topco Articles and **“Rollover Securities”** shall be construed accordingly

**“Rule 2.7 Announcement”** ..... the joint announcement made by Bidco and Arrow in relation to the Acquisition on 31 March 2021

**“Sanction Hearing”** ..... the hearing at which the Court sanctions the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof

**“Scheme” or “Scheme of Arrangement”** ..... the proposed scheme of arrangement under Part 26 of the Companies Act between Arrow and holders of Scheme Shares, as set out in Part IV (*The Scheme of Arrangement*) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Arrow and Bidco

**“Scheme Record Time”** ..... 6:00 p.m. on the Business Day immediately after the Sanction Hearing

**“Scheme Shareholders”** ..... holders of Scheme Shares

**“Scheme Shares”** ..... Arrow Shares:

- (i) in issue at the date of this Document;
- (ii) (if any) issued after the date of this Document but before the Voting Record Time; and
- (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme,

in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;

**“SEC”** ..... the US Securities and Exchange Commission

<b>“Shareholding Cap”</b> .....	9.99 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration;
<b>“SIP”</b> .....	the Arrow Share Incentive Plan
<b>“Special Resolution”</b> .....	the special resolution to be approved at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of the Articles of Association of Arrow and such other matters as may be necessary to implement the Scheme and the delisting of Arrow Shares
<b>“subsidiary”, “subsidiary undertaking” and “undertaking”</b> .....	shall be construed in accordance with the Companies Act
<b>“Substantial Interest”</b> .....	means a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking
<b>“Substantial Shareholder”</b> .....	any Arrow Shareholder that elects for the Alternative Offer and on or following the Effective Date is issued Rollover Securities representing 5 per cent. or more of the ordinary share capital of Topco
<b>“Takeover Code”</b> .....	the Takeover Code issued by the Panel, as amended from time to time
<b>“TDR Capital”</b> .....	TDR Capital IV ‘A’ L.P. and TDR Capital IV Associates L.P. each acting by their manager TDR Capital LLP
<b>“TDR Capital Group”</b> .....	TDR Capital and its subsidiary undertakings and where the context permits, each of them
<b>“TDR Capital Responsible Persons”</b> .....	the persons whose names are set out in section 2.3 of Part XI ( <i>Additional Information on Arrow, TDR Capital and Bidco</i> ) of this Document
<b>“Third Party”</b> .....	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
<b>“Topco”</b> .....	Sherwood Topco Limited, a company incorporated in England and Wales with registered number 13299427
<b>“Topco Articles”</b> .....	the articles of association of Topco (as amended from time to time)
<b>“Topco B Shareholder”</b> .....	any holder of Rollover Securities
<b>“Topco Group”</b> .....	Topco and its subsidiary undertakings and where the context permits, each of them
<b>“Topco Shareholders’ Agreement”</b> .....	the shareholders’ agreement to entered into by Topco, Midco 1, Midco 2, Bidco and the holders of securities of Topco

<b>“TTE Instruction”</b> .....	a transfer to escrow instruction (as defined in the CREST Manual)
<b>“UK” or “United Kingdom”</b> .....	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Government”</b> .....	the government of the UK
<b>“UK Market Abuse Regulation”</b> ....	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 with certain modifications pursuant to the Market Abuse Exit Regulations 2019
<b>“uncertificated” or “in uncertificated form”</b> .....	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<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 Exchange Act”</b> .....	the US Securities and Exchange Act, 1934 as amended
<b>“US Holder”</b> .....	a holder of Arrow Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Arrow Shares for persons in the US or with a registered address in the US
<b>“US Securities Act”</b> .....	the US Securities Act of 1933, as amended
<b>“Virtual Meeting Guide”</b> .....	the guide prepared by Lumi explaining how Scheme Shareholders and Arrow Shareholders can access and participate in the Meetings remotely via the Virtual Meeting Platform
<b>“Virtual Meeting Platform”</b> .....	the virtual meeting platform hosted by Lumi
<b>“Voting Record Time”</b> .....	6:30 p.m. on 19 May 2021, being the day which is two Business Days before the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6:30 p.m. on the day which is two Business Days before the date of such adjourned meeting
<b>“Wider Bidco Group”</b> .....	Bidco and its subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which any Bidco and/or such undertakings (aggregating their interests) have a Substantial Interest
<b>“Wider Arrow Group”</b> .....	Arrow and its subsidiaries, subsidiary undertakings and associated undertakings and any other undertaking (including any joint venture, partnership, firm or company) in which Arrow and/or such undertakings (aggregating their interests) have a Substantial Interest (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the Arrow Group)
<b>“£” or “GBP” or “Sterling”</b> .....	Pounds sterling, the lawful currency for the time being of the UK and references to “penny”, “pence” and “p” shall be construed accordingly

**PART XIII**  
**NOTICE OF COURT MEETING**

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)  
JUDGE MULLEN

CR-2021-000658

IN THE MATTER OF ARROW GLOBAL GROUP PLC  
and  
IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 27 April 2021 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme (defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 between Arrow Global Group plc (the “**Company**” or “**Arrow**”) and the holders of Scheme Shares (the “**Scheme**”) and that such meeting will be held at 2nd Floor, 6 Duke Street, St James’s, London, SW1Y 6BN on 21 May 2021 at 11:00 a.m.

A copy of the Scheme and a copy of the Explanatory Statement required to be published pursuant to section 897 of the Companies Act 2006 are incorporated in the Document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

*COVID-19 Restrictions*

At the time of publication of this notice, the UK Government has prohibited large public gatherings, save in certain limited circumstances. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, we regretfully ask that Scheme Shareholders and other attendees do not attend the Court Meeting in person, save for the Chair and anyone else nominated by the Chair in order to establish a quorum. In order to protect the health and safety of Arrow’s shareholders, staff and directors, any Scheme Shareholders and other persons who attempt to attend the Court Meeting in person may be refused entry, as we are unfortunately unable to guarantee that arrangements will be COVID-secure and legal limits on the number people able to gather may continue to apply.

Scheme Shareholders are strongly encouraged to appoint “the Chair of the meeting” as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the Court Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the Court Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the “**Virtual Meeting Platform**”), further details of which are set out below and in the Virtual Meeting Guide. Scheme Shareholders may also submit written questions in advance of the Court Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the Court Meeting.

The COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the Court Meeting will be communicated to Scheme Shareholders before the Court Meeting, including through our website [www.arrowglobal.net](http://www.arrowglobal.net) and by announcement through a Regulatory Information Service.

*Instructions for accessing the Virtual Meeting Platform*

Scheme Shareholders will be given the opportunity to attend remotely, submit written questions and/or objections and vote at the Court Meeting, in each case remotely via the Virtual Meeting Platform.

Scheme Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari. To attend remotely, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 149-520-146. You will then be prompted to enter your unique Shareholder Reference Number (“**SRN**”) and PIN. These can be found printed on your attendance card at the bottom of the Forms of Proxy. Access to the Court Meeting via the website will be available from 10:00 a.m. on 21 May 2021, as further detailed below. If you are unable to access your SRN and PIN, please call Equiniti between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the Court Meeting will be available from 10:00 a.m. on 21 May 2021, although the voting functionality will not be enabled until the Chair of the Court Meeting declares the poll open. Scheme Shareholders will be permitted to submit written questions and/or objections (via the Virtual Meeting Platform) to the Arrow Directors during the course of the Court Meeting. Scheme Shareholders may also submit written questions in advance of the Court Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the Court Meeting. The Chair of the Court Meeting will ensure that matters relating to the formal business of the Court Meeting are addressed in the Court Meeting.

During the Court Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Court Meeting. The Virtual Meeting Guide contains further information on accessing and participating in the Court Meeting remotely via the Virtual Meeting Platform and is available on Arrow’s website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company).

#### *Right to Appoint a Proxy; Procedure for Appointment*

It is important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you intend to attend remotely and/or vote at the Court Meeting, you are strongly advised to transmit a proxy appointment and voting instruction (electronically, by email, online or through CREST) or complete, sign and return your blue Form of Proxy (by post or email) for the Court Meeting as soon as possible. In light of the COVID-19 Restrictions, Scheme Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the Court Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the Court Meeting remotely via the Virtual Meeting Platform, as described in the Virtual Meeting Guide.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting.

The transmission of a proxy appointment or voting instruction electronically, by email, online, through CREST or by any other procedure described in this notice (or completion and return of the Forms of Proxy (by post or by email)) will not prevent you from attending remotely, submitting written questions and/or any objections and voting at the Court Meeting, in each case remotely via the Virtual Meeting Platform as described above and in the Virtual Meeting Guide, if you are entitled to and wish to do so.

#### *(a) Sending Forms of Proxy by post or by email*

Please complete and sign the blue Form of Proxy in accordance with the instructions printed on it and return it to Equiniti (Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA) so as to be

received as soon as possible and in any event not later than 11:00 a.m. on 19 May 2021 (or, if the Court Meeting is adjourned, not later than 48 hours (excluding any part of such 48 hours period falling on a non-working day) before the time fixed for the adjourned Court Meeting).

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to proxyvotes@equiniti.com any time prior to the commencement of the Court Meeting.

*(b) Online appointment of proxies*

Proxies may be appointed electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. Scheme Shareholders who have already registered with the Equiniti online portfolio service, Shareview, can appoint their proxy electronically via their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting or any adjournment thereof. In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the blue Form of Proxy may be emailed to proxyvotes@equiniti.com any time prior to the commencement of the Court Meeting or any adjournment thereof.

*(c) Electronic appointment of proxies through CREST*

If you hold Scheme Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. In the case of the Court Meeting only, if the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be emailed to proxyvotes@equiniti.com any time prior to the commencement of the Court Meeting or any adjournment thereof.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Arrow may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### *Voting Record Time*

Entitlement to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by proxy) at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6:30 p.m. on 19 May 2021 or, if the Court Meeting is adjourned, 6:30 p.m. on the date which is two Business Days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by proxy) at the Court Meeting.

### *Joint Holders*

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether remotely or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

### *Corporate Representatives*

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Jonathan Bloomer, or failing him, any other Arrow Director or the Arrow Company Secretary to act as chair of the Court Meeting and has directed the chair to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 28 April 2021

Slaughter and May

One Bunhill Row  
London EC1Y 8YY  
*Solicitors for the Company*

### **Nominated Persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

**PART XIV  
NOTICE OF GENERAL MEETING**

**Arrow Global Group plc**

Notice is hereby given that a general meeting of Arrow Global Group plc ( "**Arrow**" or "**Company**") will be held at 2nd Floor, 6 Duke Street, St James's, London, SW1Y 6BN on 21 May 2021 at 11:15 a.m. (or as soon thereafter as the Court Meeting (as defined in Part XII (*Definitions*) of the Document of which this notice forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

**SPECIAL RESOLUTION**

THAT:

- (A) for the purpose of giving effect to the scheme of arrangement dated 28 April 2021 (the "**Scheme**") between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Bidco and approved or imposed by the High Court of Justice of England and Wales, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 136.

**"136. Scheme of Arrangement**

(A) In this Article 136, references to the "**Scheme**" are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 28 April 2021 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Sherwood Acquisitions Limited ("**Bidco**")) and (save as defined in this Article) terms defined in the Scheme shall have the same meanings in this Article.

(B) Notwithstanding any other provisions in these Articles, if the Company issues or transfers out of treasury any Arrow Shares (other than to Bidco, any subsidiary of Bidco, any parent undertaking of Bidco or any subsidiary of such parent undertaking, or any nominee of Bidco (each a "**Bidco Company**")) on or after the date of the adoption of this Article 136 and prior to the Scheme Record Time, such Arrow Shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or subsequent holder or holders of such Arrow Shares shall be bound by the Scheme accordingly.

(C) Notwithstanding any other provision of these Articles, subject to the Scheme becoming Effective, any shares issued, transferred out of treasury or transferred pursuant to Article 136(D) below, to any person (other than a Bidco Company) after the Scheme Record Time (a "**New Member**") (each a "**Post-Scheme Share**") shall be issued or transferred on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of Articles 136(D) and 136(E) below)), be immediately transferred to Bidco (or such person as it may direct) (the "**Purchaser**"), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the cash consideration to which a New Member would have been entitled under the Scheme had such Post-Scheme Share been a Scheme Share and no election for the Alternative Offer (as defined in the Scheme) had been made in respect thereof.

(D) Any person who is beneficially entitled to shares issued or transferred to a New Member (other than, for the avoidance of doubt, a person who becomes beneficially entitled to shares by virtue of a transfer pursuant to this Article 136(D)) may, prior to the issue or transfer of Post-Scheme Shares to the New Member pursuant to the exercise of an option or satisfaction of an award under one of the Arrow Share Plans (as defined in the Scheme), give not less than two business days' written notice to the Company in such manner as the board shall prescribe of his

or her intention to transfer the beneficial ownership of some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on or before such Post-Scheme Shares being issued or transferred to the New Member, immediately transfer to his or her spouse or civil partner beneficial ownership of any such Post-Scheme Shares, provided that such Post-Scheme Shares (including both legal and beneficial ownership thereof) will then be immediately transferred to the Purchaser pursuant to Article 136(C) above. If notice has been validly given pursuant to this Article 136(D) but the beneficial owner does not immediately transfer to his or her spouse or civil partner both the legal and beneficial ownership of the Post-Scheme Shares in respect of which notice was given, such legal and beneficial ownership will be transferred to the Purchaser pursuant to Article 136(C) above. If notice is not given pursuant to this Article 136(D), both the legal and beneficial ownership of the Post-Scheme Shares will be immediately transferred to the Purchaser pursuant to Article 136(C) above.

(E) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the cash consideration per Post-Scheme Share to be paid under Article 136(C) shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article 136 to such shares shall, following such adjustment, be construed accordingly.

(F) To give effect to any transfer of Post-Scheme Shares required pursuant to Article 136(C), the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the cash consideration due to the New Member pursuant to Article 136(C) above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder), or by any alternative method communicated by the Purchaser to the New Member, for the purchase price of such Post-Scheme Shares no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.

(G) If the Scheme shall not have become effective by the applicable date referred to in (or otherwise set in accordance with) section 8(B) of the Scheme, this Article 136 shall cease to be of any effect.

(H) Notwithstanding any other provision of these Articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser pursuant to the Scheme.”

28 April 2021

By Order of the Board

Registered Office: Belvedere  
12 Booth Street  
Manchester  
M2 4AW

Arrow Global Group plc

Registered in England and Wales No. 08649661

Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

## 1. COVID-19 Restrictions

The directors of the Company note the measures issued by the UK Government in view of the ongoing COVID-19 pandemic. At the time of publication of this notice, the UK Government has prohibited large public gatherings, save in certain limited circumstances. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, we regretfully ask that Arrow Shareholders and other attendees do not attend the General Meeting in person, save for the Chair and anyone else nominated by the Chair in order to establish a quorum. In order to protect the health and safety of Arrow's shareholders, staff and directors, any Arrow Shareholders and other persons who attempt to attend the General Meeting in person may be refused entry, as we are unfortunately unable to guarantee that arrangements will be COVID-secure and legal limits on the number people able to gather may continue to apply.

Arrow Shareholders are strongly encouraged to appoint "the Chair of the meeting" as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the General Meeting in person, but will be able to attend, submit written questions and vote at the General Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the "**Virtual Meeting Platform**"), further details of which are set out below and in the Virtual Meeting Guide. Arrow Shareholders may also submit written questions in advance of the General Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the General Meeting.

The COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the General Meeting will be communicated to Arrow Shareholders before the General Meeting, including through our website [www.arrowglobal.net](http://www.arrowglobal.net) and by announcement through a Regulatory Information Service.

## 2. Instructions for accessing the Virtual Meeting Platform

Arrow Shareholders will be given the opportunity to attend remotely, submit written questions and vote at the General Meeting, in each case remotely via the Virtual Meeting Platform.

Arrow Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari. To attend remotely, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 149-520-146. You will then be prompted to enter your unique Shareholder Reference Number ("**SRN**") and PIN. These can be found printed on your attendance card at the bottom of the Forms of Proxy. Access to the General Meeting via the website will be available from 10:00 a.m. on 21 May 2021, as further detailed below. If you are unable to access your SRN and PIN, please call Equiniti between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the General Meeting will be available from 10:00 a.m. on 21 May 2021, although the voting functionality will not be enabled until the Chair of the General Meeting declares the poll open. Arrow Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Arrow Directors during the course of the General Meeting. Arrow Shareholders may also submit written questions in advance of the General Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received

no less than 48 hours before the start of the General Meeting. The Chair of the General Meeting will ensure that matters relating to the formal business of the General Meeting are addressed in the General Meeting.

During the General Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the General Meeting. The Virtual Meeting Guide contains further information on accessing and participating in the General Meeting remotely via the Virtual Meeting Platform and is available on Arrow's website at [www.arrowglobal.net/en/investors/Offer\\_for\\_the\\_Company](http://www.arrowglobal.net/en/investors/Offer_for_the_Company).

### **3. Entitlement to attend and vote**

Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members registered on the register of members of the Company at 6:30 p.m. on 19 May 2021 (the "**Voting Record Time**") (or, if the meeting is adjourned to a time more than 48 hours after the Voting Record Time, by 6:30 p.m. on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time. If the General Meeting is adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

### **4. Appointment of proxies**

Arrow Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by email) set out below. In light of the COVID-19 Restrictions, Arrow Shareholders are also strongly encouraged to appoint "the Chair of the meeting" as their proxy. If any other person is appointed as proxy, they may not be permitted to attend the General Meeting in person, but will be able to attend, submit written questions and vote at the General Meeting remotely via the Virtual Meeting Platform, as described in the Virtual Meeting Guide.

A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, submit written questions and, on a poll, to vote (in each case, remotely, via the Virtual Meeting Platform), instead of him or her. A proxy need not be a member of the Company but must attend remotely the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

The transmission of a proxy appointment or voting instruction online, through CREST or by any other procedure described below (or the completion and return of the yellow Form of Proxy by post or by email) will not prevent you from attending remotely, submitting written questions and voting at the General Meeting, in each case via the Virtual Meeting Platform, if you are entitled to and wish to do so.

#### *(a) Sending Forms of Proxy by post or by email*

Please complete and sign the yellow Form of Proxy in accordance with the instructions printed on it and return it to Equiniti (Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA) so as to be received as soon as possible and in any event not later than 11:15 a.m. on 19 May 2021 (or, if the General Meeting is adjourned, not later than 48 hours (excluding any part of such 48 hours period falling on a non-working day) before the time fixed for the adjourned General Meeting).

If the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

#### *(b) Online appointment of proxies*

Proxies may be appointed electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions therein. Arrow Shareholders who have already registered with the Equiniti online portfolio

service, Shareview, can appoint their proxy electronically via their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting or any adjournment thereof.

*(c) Electronic appointment of proxies through CREST*

If you hold Arrow Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Arrow may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

## **5. Appointment of a proxy by joint holders**

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company’s register of members in respect of the joint holding.

## **6. Corporate representatives**

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares: (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and (ii) in other cases, the power is treated as not exercised.

## **7. Votes to be taken by a poll and results**

At the General Meeting voting on the Special Resolution will be by poll. The results of the polls will be announced through a Regulatory Information Service and published on the Company’s website as soon as reasonably practicable following the conclusion of the General Meeting.

## **8. Nominated persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in section 4 above does not apply to Nominated Persons. The rights described in that section can only be exercised by shareholders of the Company.

## **9. Website providing information regarding the General Meeting**

Information regarding the General Meeting, including information required by section 311A of the Companies Act, and a copy of this notice may be found on our website at: [www.arrowglobal.net](http://www.arrowglobal.net).

## **10. Issued share capital and total voting rights**

As at 27 April 2021 (being the latest practicable date prior to the publication of this notice) the Company’s issued share capital consisted of 177,386,677 ordinary shares of one penny each, carrying one vote each (no shares are held in treasury). Therefore, the total voting rights in the Company as at 27 April 2021 were 177,386,677 votes.

## **11. Further questions and communication**

Under section 319(a) of the Companies Act, any shareholder attending the General Meeting has the right to ask questions. As set out in section 1 above, Arrow Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Arrow Directors during the course of the General Meeting. Arrow Shareholders may also submit written questions in advance of the General Meeting by email to [ir@arrowglobal.net](mailto:ir@arrowglobal.net). Emails must be received no less than 48 hours before the start of the General Meeting. The Chair of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chair’s discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

If you have any questions about the General Meeting or are in any doubt as to how to submit your proxies electronically or to complete the Forms of Proxy, please call Arrow’s registrars, Equiniti, between 8:30 a.m. and 5:30 p.m. Monday to Friday (except English and Welsh public holidays) on 0371 384 2050 if calling from the UK, or +44 371 384 2050 if calling from outside the UK. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Arrow Shareholders may not use any electronic address provided in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communications, including the lodgement of any electronic proxy form, received by the Company, or its agents, that is found to contain any virus will not be accepted.

**PART XV**  
**TOPCO GROUP STRUCTURE DIAGRAM**



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