

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;
“Arrow Share Plans”	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;
“Arrow Shareholder(s)”	the holders of Arrow Shares from time to time;
“Bidco”	Sherwood Acquisitions Limited, a company incorporated in England and Wales with registered number 13299321;
“Bidco Group”	Bidco and its direct and indirect subsidiaries including, following completion of the Acquisition, the Arrow Group;
“Bidco Loan Note Instrument”	a loan note instrument constituting the Bidco Loan Notes to be entered into on the Effective Date;
“Bidco Loan Notes”	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;
“Business Day”	a day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;
“Cash Consideration”	the cash consideration of 307.5 pence in cash for each Arrow Share due under the Scheme;
“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 the 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 for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“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;
“Document”	the circular to the Arrow Shareholders published by Arrow on 28 April 2021 containing the Scheme;
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	any Arrow Shares which are registered in the name of or beneficially owned by: <ul style="list-style-type: none"> (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;
“Floating Rate”	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;
“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;
“Latest Practicable Date”	close of business on 27 April 2021, being the latest practicable date before publication of the Document;
“Long Stop Date”	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));

“Midco 1”	Sherwood Midco Limited, a company incorporated in England and Wales with registered number 13299351;
“Midco 1 Loan Note Instrument”	a loan note instrument constituting the Midco 1 Loan Notes to be entered into on the Effective Date;
“Midco 1 Loan Notes”	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;
“Midco 2”	Sherwood Parentco Limited, a company incorporated in England and Wales with registered number 13299333;
“Midco 2 Loan Notes”	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;
“Midco 2 Loan Note Instrument”	a loan note instrument constituting the Midco 2 Loan Notes to be entered into on the Effective Date;
“Panel”	The Panel on Takeovers and Mergers, or its successor from time to time;
“Parentco”	Sherwood Holding S.à r.l., a company incorporated in Luxembourg;
“Put and Call Deeds”	the put and call deeds in respect of the Rollover to be entered into between, inter alios, Bidco, Midco 2, Midco 1 and Topco;
“Registrar”	Equiniti Limited;
“Restricted Jurisdiction”	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;
“Restricted Shareholders”	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;
“Rollover”	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: <p>(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;</p>

	(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; and
	(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;
“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 the commencement of any such hearing shall mean the commencement of the final adjournment thereof;
“Scheme”	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;
“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: <ul style="list-style-type: none"> (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;
“Shareholding Cap”	9.99 per cent. of the issued ordinary share capital of Topco immediately following settlement of the Cash Consideration;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Takeover Code”	the Takeover Code issued by the Panel, as amended from time to time;

“TDR Capital”	TDR Capital IV ‘A’ L.P. and TDR Capital IV Associates L.P. each acting by their manager TDR Capital LLP;
“Topco”	Sherwood Topco Limited, a company incorporated in England and Wales with registered number 13299427;
“Topco Articles”	the articles of association of Topco (as amended from time to time);
“Topco B Shareholder”	any holder of Rollover Securities;
“Topco Group”	Topco and its subsidiary undertakings and where the context permits, each of them;
“Topco Shareholders’ Agreement”	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

A handwritten signature in black ink, appearing to read 'J. Bloomer', written over a horizontal dotted line.

Jonathan Bloomer
Chair of Arrow Global Group plc
21 May 2021