

Further information for shareholders in relation to the Directors' Remuneration Policy

The Directors' Remuneration Policy Report on pages 49 to 54 of our Annual Report for the year ended 31 December 2013 sets out the policy which we intend to apply for the future if approved by shareholders at our forthcoming AGM on 28 May 2014. I welcome the opportunity to engage with shareholders and their representative bodies on all aspects of remuneration. In response to questions as to how the Remuneration Committee might use its power to make "emergency" payments outside the remuneration policy, in genuinely exceptional and unforeseen circumstances, I am pleased to confirm that:

- this discretion will not be used in a recruitment situation, given the existing terms of the policy covering our approach to recruitment (page 54); and
- where it is used to grant a variable or performance-related award, that would only be in circumstances where the Committee consider the need to exercise discretion in order to comply with applicable regulation or legislation. In such circumstances, the Company will not exercise their discretion in a manner that would exceed the maximum opportunity noted in the policy table (i.e. the LTIP will not exceed 200% of salary) and will endeavour to consult with shareholders ahead of such exercise as well as disclose and explain in the annual report.

Robin Phipps

Chairman of the Remuneration Committee
Arrow Global Group plc

15 May 2014