

Letter from the Chair

www.arrowglobal.net

14 April 2020

Dear Shareholder,

I hope this letter finds you well in these unprecedented and challenging times.

Enclosed is a copy of the Company's 2019 Annual Report, Notice of 2020 Annual General Meeting and Proxy.

You will note that there are a number of references in the 2019 Annual Report to a recommendation in respect of the 2019 final dividend. The Annual Report was finalised on 12 March 2020 ahead of our announcement on 6 April 2020 that the Arrow Board was no longer recommending the payment of a final dividend of 8.7p per ordinary share for the year ended 31 December 2019, which we had earlier reported in the Company's 2019 preliminary financial results. Consequently, a resolution to approve the 2019 final dividend payment will not now be proposed at the 2020 Annual General Meeting and the references to this in the 2019 Annual Report should be disregarded.

This decision not to recommend a final dividend for 2019 was taken in light of the current uncertainty caused by COVID-19 and its impact on economic activity. For more information on this decision, please refer to our announcement which can be viewed on the Company's website at www.arrowglobal.net. Please be assured this decision in no way diminishes the Board's confidence in the long-term outlook for the Group and the strength of the through-the-cycle model, which is set up to withstand reasonable downside scenarios and to take advantage of investment opportunities as they arise.

In view of the current Stay at Home Measures enacted by the UK government on 26 March 2020 in response to the outbreak of COVID-19, shareholders will not be permitted to attend the Annual General Meeting in person, unless the measures are lifted by the date of the meeting and the Board considers it safe for shareholders to do so. The format of the meeting will be purely functional, involving the minimum possible number of attendees in person to allow the meeting to take place in accordance with legal requirements. Shareholders should vote by proxy and are asked to appoint the Chair of the meeting as their proxy, rather than a named person who will not be permitted to attend the meeting. Given the situation is continuing to evolve, please check the Company's website and regulatory announcements for any further updates prior to the meeting.

Yours faithfully,

Jonathan Bloomer
Chair

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