

ARROW GLOBAL GROUP PLC MATTERS RESERVED FOR THE BOARD

Matters which the Board of Arrow Global Group PLC (the “**Company**”) considers suitable for delegation are contained in the Governance and Delegated Authorities Manual and in the terms of reference of the Board’s committees.

The role of the Board is to provide effective entrepreneurial leadership, promote the long-term sustainable success of the Company, whilst generating value for Shareholders. An effective Board develops and promotes its collective vision of the Company’ values, its culture and the behaviours it wishes to promote in conducting its business.

The Board will periodically receive reports and recommendations from its committees in relation to certain matters listed below. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the company and its subsidiaries (together, the “**Group**”).

In discharging all their duties, the directors shall have due regard to their legal and regulatory obligations. The directors shall consider the requirements of Section 172 of the Companies Act 2006 acting in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the Company’s members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company’s employees;
- c) The need to foster the Company’s business relationships with suppliers, customers and others;
- d) The impact of the Company’s operations on the community and the environment;
- e) The desirability of the Company in maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

1. **Strategy and management**

1.1 Responsibility for the overall leadership of the Company and setting the Company’s values and standards.

1.2 Approval of the Group’s strategic aims and objectives.

1.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.

1.4 Oversight of the Group’s operations ensuring:

- competent and prudent management;
- sound planning;
- maintenance of sound management and internal control systems;
- adequate accounting and other records; and
- compliance with statutory and regulatory obligations.

- 1.5 Decisions taken by the Board which affect any of the subsidiaries or affiliates of Arrow Global Group PLC will take into account any legal, regulatory or other relevant provisions or restrictions affecting such subsidiary or affiliate. By way of example, any decisions by the Board in relation to AGG Capital Management Limited (“AGGCML”) and any other fund management business subsidiaries, affiliates or parties managed by AGGCML will take into account the relevant provisions contained in (i) the Private Placement Memorandum (the “PPM”) dated December 2019 and (ii) the shareholders agreement between AGGCML and AGG Capital Management (HoldCo) Limited dated 18 December 2019.
- 1.6 Review of performance in the light of the Group’s strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.7 Extension of the Group’s activities into new business or geographic areas.
- 1.8 Any decision to cease to operate all or any material part of the Group’s business.

2. Structure and capital

- 2.1 Changes relating to the Group’s capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- 2.2 Major changes to the Group’s corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the Group in question (taking into account initial and deferred consideration).
- 2.3 Changes to the Group’s management and control structure.
- 2.4 Any changes to the Company’s domicile or listing or its status as a plc.

3. Financial reporting and controls

- 3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts, including the corporate governance statement and directors’ remuneration report.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.7 Approval of material unbudgeted capital or operating expenditures (outside predetermined tolerances).
- 3.8 Approval of any significant change in the Company’s tax policy and objectives or a change in its tax residence, having received a recommendation from the Audit Committee,

4. Internal controls

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

- Approving the Company/Group's risk appetite statements;
- Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- Approving procedures for the detection of fraud and the prevention of bribery;
- Undertaking an annual assessment of these processes; and
- Approving an appropriate statement for inclusion in the annual report.

5. Contracts

5.1 The entry into any transaction which would constitute a Class 1 Transaction or Class 2 Transaction under the Listing Rules.

5.2 Acquisition or disposal of any shares in the capital of any company or the entry into a formal joint venture or partnership.

5.3 Purchase or disposal of any portfolio assets in excess of £20 million.

5.4 Purchase or disposal of any portfolio assets referred to the Board by the Investment Committee due to material failure to comply with the Group's Contracting Principles Confirmation Checklist.

5.5 The entry into any transaction which would be material in the context of the Arrow Group and which is substantively outside the scope of the business plan.

5.6 The entry into any new financing agreement or arrangement.

6. Communication

6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

6.3 Approval of all circulars, prospectuses and listing particulars.

6.4 Approval of press releases concerning matters decided by the Board.

7. Board membership and other appointments

7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.

- 7.2 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 7.3 Appointments to the Board, following recommendations by the Nomination Committee.
- 7.4 Selection of the Chairman of the Board and the Chief Executive Officer.
- 7.5 Appointment of the Senior Independent Director to provide a sounding board for the Chairman and to serve as intermediary for the other directors when necessary.
- 7.6 Membership and chairmanship of Board committees following recommendations from the Nomination Committee.
- 7.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
- 7.9 Appointment or removal of the Company Secretary.
- 7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit Committee.

8. Remuneration

- 8.1 Determining the remuneration policy for the directors, Company Secretary and other senior executives.
- 8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.4 Annually reviewing the workforce policies and practices to ensure that these are consistent with the Company's values and support its long-term success.

9. Delegation of authority

- 9.1 The division of responsibilities between the chairman, the chief executive and other executive directors (which should be clearly established, set out in writing and agreed by the Board).
- 9.2 Approval of the delegated levels of authority, including the Chief Executive Officer's authority limits (which should be in writing).
- 9.3 Establishing board committees and approving their terms of reference and approving material changes thereto.

9.4 Receiving reports from Board committees on their activities.

10. Corporate governance matters

10.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.

10 Determining the independence of non-executive directors in light of their character, judgment and relationships.

10.3 Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Undertaking appropriate engagement to ensure a clear understanding on the views of the Company's shareholders, the Group's employees and other stakeholders.

10.5 Reviewing the Group's overall corporate governance arrangements.

10.6 Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the board as a whole.

10.7 Authorising actual or potential conflicts of interest where permitted by the Company's articles of association.

10.8 Routinely reviewing whistleblowing reports and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

10.9 Approving any additional external appointments for Board members.

11. Policies

11.1 Approval of the following policies (to the extent adopted):

- Risk Management Framework
- Conduct Risk
- Investment Management
- Treasury
- Tax
- Operational Risk
- Business Continuity
- Information Security
- Data Protection

- Financial Crime/Fraud
- Remuneration
- Diversity and Inclusion
- Whistleblowing
- Anti-Bribery & Corruption
- Environmental Social and Governance
- Health & Wellbeing
- Conflicts of Interest
- Dealing Rules Policy
- Model Risk
- Anti-Money Laundering (AML) & Counter Terrorist Financing (CTF)
- Gifts and Hospitality
- Financial Risk & Control Policy
- Regulatory/Supervisory Engagement
- Travel and Other Business Expenses

12. Other

- 12.1 The making of political donations.
- 12.2 Approval of the appointment of the Group's principal professional advisers.
- 12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism involving above £1 million or being otherwise material to the interests of the Group.
- 12.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance.
- 12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.
- 12.6 Any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 12.7 Reviewing and assisting with developing a healthy corporate culture aligned to the Company's purpose, values and strategy.

12.8 This schedule of matters reserved for Board decisions.

STATEMENT OF DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

1. Primary responsibilities of the Chairman:

- 1.1 to lead the board;
- 1.2 to set the board agenda;
- 1.3 to build and actively maintain an effective and complementary board;
- 1.4 to ensure directors are provided with accurate, timely and clear information;
- 1.5 to ensure the directors have sufficient time to consider critical issues and obtain answers to their questions and concerns ahead of decision-making;
- 1.6 to facilitate and encourage the effective contribution and decision making of all members of the board;
- 1.7 to ensure shareholders and other interested parties are effectively communicated with, in particular major shareholders;
- 1.8 to ensure that the views of all shareholders are communicated to the board;
- 1.9 to ensure there are constructive relations between the executive and non-executive directors;
- 1.10 to ensure there is appropriate delegation of authority from the board to executive management;
- 1.11 to chair board and general meetings of the Company and the nomination committee;
- 1.12 to ensure a clear structure for, and the effective running of, board committees;
- 1.13 to ensure new directors participate in a full, formal and tailored induction programme and that their subsequent development needs are identified and met;
- 1.14 to ensure that the performance of the board, its committees and the individual directors are evaluated at least once a year and to act on the results; and 1.15 to ensure high standards of corporate governance are adhered to.

2. Primary responsibilities of the Chief Executive Officer:

- 2.1 to manage the day to day running of the group's business;
- 2.2 to recommend the strategic direction of the group to the board;
- 2.3 to implement strategy as approved by the board;

- 2.4 to ensure appropriate internal controls are in place, including to manage the group's risk profile in line with the extent and categories of risk identified as acceptable by the board;
- 2.5 to regularly review the performance of the group and its organisational structure;
- 2.6 to report to the board regularly on the group's performance;
- 2.7 to present to the board an annual budget and financial plan;
- 2.8 to approve the appointment and termination of members of the senior executive team and to formalise the roles and responsibilities of its members; and 2.9 to supervise and develop senior teams within subsidiaries.

ROLE AND RESPONSIBILITIES OF A SENIOR INDEPENDENT DIRECTOR (THE “SID”)

The SID, like all directors, owes the same duties to Arrow Group Global PLC (the “**Company**”) as any other director does.

The SID’s responsibilities are:

- providing a sounding board for the Chair, to help the Chair formulate their ideas and opinions and provide support for the Chair;
- acting as an intermediary through whom the other directors can express their views and concerns to the Chair;
- being available where the Chair is either unavailable or conflicted;
- being available to shareholders if they have concerns which contact through the normal channels of Chair, Chief Executive or other Executive Directors failed to resolve, or for which such contact is inappropriate;
- attending sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders; and
- leading an appraisal of the performance of the Chair in conjunction with the other Non-Executive Directors (the “**NEDs**”) at least annually, without the Chair present and on other such occasions as deemed necessary.

The SID may chair the Nomination Committee when it is considering succession to the role of Chair of the Board.

At times of stress for the Board, the role of SID should be to take the initiative and resolve the problem, working with the other directors and shareholders and/or the Chair, as appropriate. Examples of problems where intervention by the SID may be appropriate include situations where:

- There is a dispute between the Chair and the CEO;
- Shareholders or the NEDs have expressed serious concerns that are not being addressed by the Chair or CEO;
- The strategy pursued by the Chair or CEO is not supported by the rest of the Board;
- There is a very close relationship between the Chair and CEO, and decisions are being taken without the approval of the Board; or
- Succession planning is being ignored.

The responsibilities of the senior independent directors should be clear, set out in writing, agreed by the board and made publicly available to comply with the 2018 UK Corporate Governance Code.