

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 terms of reference of its committees.

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**”).

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 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.
- 1.6 Extension of the Group's activities into new business or geographic areas.
- 1.7 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 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).

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.

7.11 Appointments to Boards of subsidiaries.

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.

10.2 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 Review of the Group's overall corporate governance arrangements.

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

- 10.6 Authorising conflicts of interest where permitted by the Company's articles of association.
- 10.6 Routinely reviewing whistleblowing reports and ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.
- 10.7 Approving for any additional external appointments for Board members.

11. Policies

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

- Contracting Policy
- Enterprise Wide Risk Management Framework Policy
- Conduct Risk Policy
- Outsourcing Policy
- Financial Crime Policy
- Whistleblowing Policy
- Anti-Bribery Policy
- Conflicts of Interest Policy
- HR and Health & Safety Policy
- Dealing Rules Policy
- Inside Information Policy

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.

517685171