
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission File Number: 001-41800

Arm Holdings plc

(Exact name of registrant as specified in its charter)

England and Wales

(Jurisdiction of incorporation or organization)

110 Fulbourn Road
Cambridge CB1 9NJ
United Kingdom
Tel: 44 (1223) 400 400

(Address of principal executive offices)

Spencer Collins
Arm Holdings plc
110 Fulbourn Road
Cambridge CB1 9NJ
United Kingdom
Tel: 44 (1223) 400 400

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing one Ordinary Share, nominal value £0.001 per share	ARM	The Nasdaq Stock Market LLC
Ordinary shares, nominal value £0.001 per share	*	The Nasdaq Stock Market LLC*

** Not for trading, but only in connection with the registration of the American Depositary Shares.*

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of ordinary shares outstanding of Arm Holdings plc as of March 31, 2024 was 1,040,330,497.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer Accelerated filer Non-Accelerated filer Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Table of Contents

	<u>Page</u>
PART I	
Item 1. Identity of Directors, Senior Management and Advisers	6
Item 2. Offer Statistics and Expected Timetable	6
Item 3. Key Information	6
Item 4. Information on the Company	54
Item 4A. Unresolved Staff Comments	64
Item 5. Operating and Financial Review and Prospects	64
Item 6. Directors, Senior Management and Employees	83
Item 7. Major Shareholders and Related Party Transactions	111
Item 8. Financial Information	121
Item 9. The Offer and Listing	181
Item 10. Additional Information	181
Item 11. Quantitative and Qualitative Disclosures About Market Risk	189
Item 12. Description of Securities Other than Equity Securities	190
Part II	
Item 13. Defaults, Dividend Arrearages and Delinquencies	192
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	192
Item 15. Controls and Procedures	192
Item 16. [Reserved]	193
Item 16A. Audit committee financial expert	193
Item 16B. Code of Ethics	193
Item 16C. Principal Accountant Fees and Services	193
Item 16D. Exemptions from the Listing Standards for Audit Committees	194
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	194
Item 16F. Change in Registrant's Certifying Accountant	195
Item 16G. Corporate Governance	195
Item 16H. Mine Safety Disclosures	196
Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	196
Item 16J. Insider trading policies	196
Item 16K. Cybersecurity	196
Part III	
Item 17. Financial Statements	198

Item 18.	Financial Statements	198
Item 19.	Exhibits	199
Signature		201

GENERAL INFORMATION

All references in this Annual Report on Form 20-F (this “Annual Report”) to “Arm,” the “Company,” “we,” “us” and “our” refer to (i) Arm Limited and its consolidated subsidiaries prior to the completion of our corporate reorganization, (ii) Arm Holdings Limited and its consolidated subsidiaries after the completion of our corporate reorganization and prior to the re-registration of Arm Holdings Limited as a public limited company and (iii) Arm Holdings plc and its consolidated subsidiaries after the re-registration of Arm Holdings Limited as a public limited company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our fiscal year ends on March 31 of each year. We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the U.S. (“GAAP”). We present our consolidated financial statements in U.S. dollars (“USD”).

We have historically conducted our business through Arm Limited. As a result of the corporate reorganization between entities under common control, the historical consolidated financial statements of the Company were retrospectively adjusted for the change in reporting entity. Therefore, the historical consolidated financial statements of Arm Limited became the historical consolidated financial statements of Arm Holdings plc as of the date of the corporate reorganization. Our corporate reorganization is described in the section titled “*Item 4. Information on the Company—A. History and Development of the Company—Corporate Reorganization.*”

The financial information contained in this Annual Report does not amount to statutory accounts within the meaning of section 434(3) of the U.K. Companies Act 2006 (the “Companies Act”).

INDUSTRY AND MARKET DATA

This Annual Report contains estimates, projections and other information concerning our industry, our business and the markets for our products, including, but not limited to, our general expectations and market position, market opportunity and market size. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry and general publications, government data and similar sources. While we are responsible for the accuracy of such information and believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

In addition, assumptions and estimates of our and our industry’s future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “*Item 3. Key Information—D. Risk Factors.*” These and other factors could cause our future performance to differ materially from our assumptions and estimates. See “*Special Note Regarding Forward-Looking Statements.*”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Statements regarding our future and projections relating to revenue, cost of sales, operating expenses, income (loss), and potential growth opportunities are typical of such statements. The forward-looking statements appear in a number of places, including, but not limited to, “*Item 5. Operating and Financial Review and Prospects.*” Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. In some cases, you can identify forward-looking statements by the words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “is/are likely to,” “intend,” “plan,” “objective,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “target,” “continue” and “ongoing,” or the negative of these

terms or other comparable terminology intended to identify statements about the future. The forward-looking statements and opinions are based upon current expectations and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to:

- our future financial performance, including our expectations regarding our revenues, cost of sales, gross profit, operating expenses and other operating results, as well as our ability to maintain profitability;
- our dependence on the semiconductor and electronics industries and the demand for the products of our customers;
- our dependence on the compatibility of our products with the manufacturing and design processes of our customers;
- our reliance on third parties to market and sell chips and end products incorporating our products, as well as add value to our licensed products;
- our dependence on a limited number of customers for a significant portion of our revenue;
- our ability to attract new customers and sell additional products to our existing customers;
- the loss of any of our senior management personnel or one or more key employees or our inability to attract and retain qualified personnel;
- our ability to adequately fund our research and development efforts;
- risks related to the availability of development tools, systems software, electronic design automation (“EDA”) tools and operating systems compatible with our architecture;
- our ability to protect our proprietary products and our brand, and the costs of protecting such intellectual property (“IP”) rights, particularly as a result of litigation;
- fluctuation and unpredictability of our results;
- our ability to verify royalty amounts owed to us under our licensing agreements;
- risks related to foreign exchange fluctuations;
- changes in our effective tax rate;
- risks associated with organic growth or growth from strategic investments or acquisitions we make, and the risk of failing to effectively manage our growth;
- risks associated with the slow development of the market for our connectivity, device and data management platform;
- the possibility of cyberattacks, breaches of our security controls and unauthorized access to our data or a customer’s data;
- our ability to satisfy data protection, security, privacy or other government- and industry-specific requirements;
- risks associated with the interests of SoftBank Group Corp., our controlling stockholder (“SoftBank Group”), conflicting with the interests of other holders of our ordinary shares, nominal value £0.001 per share (“ordinary shares”), and American depository shares, each of which represents the right to receive one ordinary share (“ADSs”), may be evidenced by American depository receipts (“ADRs”);

- effects of global general economic conditions, political factors, war or hostility, pandemics and other events outside of our control; and
- other factors relating to our financial condition and arrangements.

We caution that you should not place undue reliance on any of our forward-looking statements. For a further discussion of these and other factors that could affect our future results, performance, or transactions, see the factors discussed in “*Item 3. Key Information—D. Risk Factors*” and “*Item 5. Operating and Financial Review and Prospects*” of this Annual Report. We undertake no obligation to update forward-looking statements to reflect developments or information obtained after the date hereof and disclaim any obligation to do so except as required by applicable laws.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

In addition to the other information contained in this Annual Report and in other documents we file with or furnish to the U.S. Securities and Exchange Commission (the “SEC”), the following risk factors should be considered in evaluating our business. The occurrence of any of the events or developments described below could materially harm our business, financial condition, results of operations and prospects. In such an event, the market price of our ADSs could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may materially impair our business operations.

Summary of Risk Factors

Our business is subject to a number of risks of which you should be aware before making an investment decision. Among these important risks are the following, which are more fully described below:

Risks Relating to Our Business and Industry

- Demand for our products and services primarily depends on trends in the semiconductor and electronics industries and the demand for the products of our customers and our customers’ customers.
- Demand for our products and services depends substantially on their acceptance by semiconductor and systems companies and their compatibility with, and the costs of, the design and manufacturing processes of our customers.
- We face intense competition and could lose market share to our competitors.
- If we are unable to attract new customers and sell additional products to our existing customers, our business, results of operations, financial condition and prospects may be materially and adversely affected.

- We rely on third parties to market and sell chips incorporating our products and to enhance the value of our licensed products.
- Our results of operations, particularly our licensing and royalty revenues, can vary significantly between periods and may be unpredictable.
- Customers may decide to license our architecture and develop their own processors based on our architecture, rather than utilize our processor products pursuant to an implementation license.
- A significant portion of our total revenue comes from a limited number of customers, which exposes us to greater risks than if our customer base were more diversified.
- Consolidation in the semiconductor and electronics industries could have a material adverse effect on our business, results of operations, financial condition and prospects.
- Our revenues predominantly come from a limited number of end markets.
- If we fail to develop new products in response to, or in anticipation of, rapid technological changes in our industry or the industries we serve, our business may be materially and adversely affected.
- Developing new products requires us to expend significant resources without assurances that we will generate revenue in the amounts we anticipate, on the expected timeline or at all.
- Our concentration of revenue from the People’s Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region, but excluding Taiwan (the “PRC”) market makes us particularly susceptible to economic and political risks affecting the PRC, which could be exacerbated by tensions between (on the one hand) the U.S. or the U.K. and (on the other hand) the PRC with respect to trade and national security.
- We depend on our commercial relationship with Arm Technology (China) Co. Limited (“Arm China”) to access the PRC market. If that commercial relationship no longer existed or deteriorates, our ability to compete in the PRC market could be materially and adversely affected.
- Neither we nor SoftBank Group control the operations of Arm China, which operates independently of us.
- Our business and future operating results may be materially and adversely affected by global economic conditions and other events outside of our control.
- The semiconductor industry relies on a limited number of manufacturers whose operations tend to be concentrated in certain geographic regions to manufacture chips and other products, and developments that adversely affect such regions could have a material adverse effect on our business, results of operations, financial condition and prospects.
- If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our products may decrease.
- Failure to obtain, maintain, protect, defend or enforce our IP rights could impair our ability to protect our proprietary products and our brand, and the costs of obtaining, maintaining, protecting, defending and enforcing such IP rights, particularly as a result of litigation, may adversely and materially affect our results of operations.
- We may be sued by third parties for alleged infringement, misappropriation or other violation of their IP rights or proprietary rights and our defense against these claims can be costly.
- Errors, defects, bugs or security vulnerabilities in or associated with our products could expose us to liability and damage our brand and reputation, which could harm our competitive position and result in a loss of market share.
- We have identified a material weakness in our internal control over financial reporting and may identify material weaknesses in the future or otherwise fail to maintain proper and effective internal controls. If we fail to establish and maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.

Risks Relating to Government Regulation and Legal Compliance

- Our international operations expose us to risks in international jurisdictions and we may be negatively impacted by export restrictions and trade barriers.

Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer

- We are a “controlled company” within the meaning of The Nasdaq Stock Market LLC (“Nasdaq”) corporate governance rules and, as a result, are eligible to rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are not controlled companies.
- As long as SoftBank Group controls us and/or is entitled to certain rights under the Shareholder Governance Agreement (as defined below), other holders of our ordinary shares and ADSs will have limited ability to influence matters requiring shareholder approval or the composition of our Board of Directors.
- SoftBank Group’s interests may conflict with our own interests and those of holders of our ADSs.
- While we are a foreign private issuer, we may opt out of certain Nasdaq corporate governance rules applicable to public companies organized in the U.S.
- We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

Risk Factors

Risks Relating to Our Business and Industry

Demand for our products and services primarily depends on trends in the semiconductor and electronics industries and the demand for the products of our customers and our customers’ customers.

Demand for our products and services is largely dependent on the semiconductor and electronics industries, which are volatile, intensely competitive and generally characterized by declining average selling prices (“ASPs”) over the life of a generation of chips. The effect of these price decreases is compounded by the fact that our royalty rates generally decrease as the volume of sales increases, subject to an agreed minimum royalty per chip. Additionally, demand for our products and services could decrease if growth in the semiconductor or electronics industries slows or declines.

The revenue we generate from licensing activities is also largely dependent on the rate at which systems companies develop and adopt new product generations, which, in turn, is affected by the level of demand for their integrated circuits (“ICs”) and other products. Decreasing demand from systems companies for chips based on our products would directly and adversely affect the amount of royalty revenues we receive. As a result of our dependence on demand from systems companies, we are subject to several risks affecting these systems companies, any one of which may influence the success or failure of a particular systems company. These risks include, among others:

- competition faced by the systems company in its particular industry;
- the engineering and marketing capabilities of the systems company;
- market acceptance of the systems company’s products;
- adverse developments in the economic and political conditions of the region(s) in which the systems company operates, particularly to the extent that such developments create an unfavorable business environment;
- supply constraints and inventory correction affecting the systems company;
- technical challenges unrelated to our products faced by the systems company in developing its products; and
- the financial and other resources of the systems company.

These risks and others which are outside of our control could adversely affect any number of systems companies upon which our success depends, which could, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

Demand for our products and services depends substantially on their acceptance by semiconductor and systems companies and their compatibility with, and the costs of, the design and manufacturing processes of our customers.

Our success depends substantially on the acceptance of our products and services by semiconductor and systems companies, particularly those that develop and market chips for high-volume electronic devices in the automotive, embedded and internet of things (“IoT”), enterprise electronics, and mobile and consumer electronics markets. There are

competing microprocessor architectures in the market and there is no certainty that the market will continue to accept our products to the same or greater extent than it does today.

Demand from large, global systems companies, including original equipment manufacturers (“OEMs”), drive much of the development of silicon chips and computer systems. Accordingly, acceptance of our products by these companies as well as semiconductor and other companies for use in a variety of end-market applications is critical for our continued success.

The semiconductor and electronics industries have also become increasingly complex and subject to increasing design and manufacturing costs. Many of our customers utilize third-party vendors for EDA tools and also outsource the manufacture of their semiconductor designs to foundries. We work closely with major EDA vendors and foundries to ensure that our products are compatible with their design tools and manufacturing processes. However, if we fail to optimize our products for use with major EDA vendors’ tools and foundries’ manufacturing processes, or if our access to such tools and processes is hampered, then our products may become less desirable to our customers. Similarly, for customers that do not outsource design and manufacturing processes, if our products are unsuitable for the customers’ internal processes, then our products may not be acceptable to those customers.

Additionally, there are risks inherent in the manufacturing of next-generation process technologies, including production timing delays, lower-than-anticipated manufacturing yields, and product defects and errata. If foundries are unable to successfully or efficiently manufacture future generations of chips based on our products, demand for our products could be materially adversely affected along with our business, results of operations, financial condition and prospects.

We face intense competition and could lose market share to our competitors.

The market for our products is intensely competitive and characterized by rapid changes in design and manufacturing technologies, end-user requirements, industry standards, and frequent new product introductions and improvements. We anticipate continued challenges from current and new competitors, including established technologies such as the x86 architecture, a family of instruction set architecture (“ISAs”), as well as by free, open-source technologies, including the RISC-V architecture. Many of our customers are also major supporters of the RISC-V architecture and related technologies. If RISC-V-related technology continues to be developed and market support for RISC-V increases, our customers may choose to utilize this free, open-source architecture instead of our products. Additionally, many of our direct and indirect competitors, including some of our semiconductor customers, are major corporations with substantially greater technical, financial and marketing resources and name recognition than we have. Some of these competitors have a much larger application software base and a much larger installed customer base than we do, and there can be no assurance that we will have the financial resources, technical expertise, and marketing, distribution and support capabilities to compete successfully with them in the future.

In markets where we are established already and new markets we have entered, intend to enter or may in the future enter, our primary competitors may have greater financial, technical, marketing, distribution, support or other resources and capabilities, greater brand recognition, lower labor and development costs, different regulatory restrictions or a larger customer base than we do. In certain of these markets, we may have to invest substantial resources into developing an ecosystem of software and tools to create a competitive ecosystem that allows us to compete with alternative architectures such as x86 and RISC-V, which have business models that are different from ours and may be more attractive to some of our customers. Our competitors may devote greater resources to the development, promotion and sale of products and services, they may offer lower pricing and different customer engagement models, and their performance, features and product quality may be more desirable than those of our company. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources or strengthen their positions within these markets, or may be subject to more favorable regulatory regimes. For example, in August 2023, a group of our customers and other competitors announced a joint venture aimed at accelerating the adoption of RISC-V. Although the development of alternative architectures and technology is a time-intensive process, if our competitors establish cooperative relationships or consolidate with each other or third parties, such as the recently announced joint venture focused on RISC-V, they may have additional resources that would allow them to more quickly develop architectures and other technology that directly compete with our products. Such cooperative relationships or consolidations may also allow competitors to anticipate or respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. If we are unable to anticipate or react to these competitive challenges, our competitive position could weaken and we could experience a decline in revenue and profitability.

Some semiconductor companies have developed their own proprietary architecture for specific markets or applications. These companies may utilize their proprietary architecture to penetrate markets where we are currently the architecture of choice, or where our products may be utilized, making it more difficult for us to penetrate such markets in the future. Some semiconductor companies have proprietary architectures in applications, including, but not limited to, automotive, data center equipment, networking equipment, electronic storage, microcontrollers, smart sensors, servers and wireless communications. These companies may be significantly entrenched in their markets. If these companies are successful in displacing our products, or if we are unable to penetrate or grow our market share in these areas, licensing opportunities and potential royalty revenues could be harmed, negatively affecting our business, results of operations, financial condition and prospects. Our development systems tools business also faces significant competition from both the open-source community and third-party tools and software suppliers.

While our customers likely would incur significant costs in switching to competitors' architecture, our competitors (including new market entrants) may offer greater incentives to customers through rebates, marketing funds, similar programs and other commercial arrangements to induce them to use their architecture in lieu of our products. Additionally, our competitors with multiple products or services may bundle their architecture, products and services to offer a broader product portfolio (which may include products or services we do not offer), which may make it difficult for us to gain or maintain market share.

Our Physical IP, which refers to the physical IP components used in the process of translating a design of complex system on chip ("SOC") integrated circuits into a manufactured chip, business also faces significant competition from third parties, including the internal design groups of integrated circuit ("IC") manufacturers that have expanded their internal design capabilities and portfolio of Physical IP components. Physical IP components developed internally by our customers may be designed specifically to utilize the unique qualities of their own manufacturing processes, and may benefit from capacity, informational, cost and technical advantages relative to our Physical IP components, and we may be unable to compete effectively with such internal design groups.

To remain competitive, we must continue to innovate and develop new products and services, as well as enhancements to our existing products and services, in response to expressed or anticipated customer demand and new market opportunities. We actively consider the impact of next generation technology adopted by market participants, which might result in us exploring new markets and/or different solutions for existing and prospective customers. To that end, we have begun allocating resources and maintain dialogues with ecosystem partners to explore the viability of new products including, without limitation, new products in our IP portfolio, as well as solutions beyond individual IP designs such as RTL-based compute subsystems, GDSII-based compute subsystems, chiplets and complete end chip solutions. To the extent that we pursue entry into new markets or offerings of different solutions, such enterprise may be unsuccessful for any number of reasons. It may also result in us competing with certain existing customers which may result in such customers seeking alternative architectures or products from competitors.

If we are unable to attract new customers and sell additional products to our existing customers, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Adding new customers while maintaining our existing customers, selling additional products to our existing customers and increasing the price we charge to existing customers represent our principal opportunities to increase revenue (particularly licensing revenue). We generate a significant portion of our revenues from customers who incorporate our products into chips used in smartphones, consumer electronics and other embedded chips. If growth in these markets declines (especially in the mobile applications processors market which is our largest single market), our business, financial condition, results of operations and cash flows could be negatively affected, and we would become more dependent on new growth areas to increase revenue and improve our financial condition. We are currently focused on growing our business in key areas such as infrastructure, automotive, IoT, artificial intelligence ("AI") and 5G. Numerous factors, however, may impede our ability to grow our business in these key areas, add new customers and sell additional products to our existing customers. Those factors include, among others:

- failure to develop new products that are attractive to current and prospective customers;
- slow adoption of our new products in key areas such as infrastructure, automotive, IoT, AI and 5G;
- failure to develop or expand relationships with channel partners;
- failure to develop new distribution channels appropriate for such new technology areas;
- failure to successfully provide quality technical support once deployed; and

- failure to retain new customers and failure to ensure the effectiveness of our marketing programs.

In addition, if prospective customers do not perceive our products to be of sufficiently high value and quality or they do not believe the costs of our products relative to competing technology can be passed along to their customers, we may not be able to effectively attract new customers, which would materially and adversely affect our business, results of operations, financial condition and prospects.

We rely on third parties to market and sell chips incorporating our products and to enhance the value of our licensed products.

We rely on our customers to design, manufacture and sell chips incorporating our products in order to generate royalty revenue. A substantial portion of our revenue depends upon the commencement of new design projects by semiconductor companies and their ability to provide complete chips based on our products to meet the specific application needs of their customers. However, our customers are not contractually obligated to design, manufacture or sell chips using our products on an exclusive basis or at all. Some of our existing customers design, manufacture and sell chips based on competing technology, including their own, and other existing or potential customers may do so in the future. To the extent that our customers elect to license technology from competitors, our competitive position could be adversely affected and we could lose market share. Furthermore, under many of our arrangements with customers, there is generally no minimum purchase obligation or guaranteed revenue stream.

We are also subject to risks related to the competition faced by our customers in their particular industries, the engineering and marketing capabilities of our customers, the technical challenges unrelated to our products faced by our customers in developing their chips, and the financial and other resources of our customers. We cannot assure you that our customers and other partners will dedicate the resources necessary to promote and further develop chips incorporating our products, that they will manufacture chips containing our products in quantities sufficient to meet demand, that we will be successful in developing, expanding or maintaining our relationships with current or prospective customers or other partners, or that such customers will effectively and successfully promote and sell chips using our products. In addition, if their chips that incorporate our products are faulty, we may suffer reputational harm whether or not any fault results from our products. See “—Errors, defects, bugs or security vulnerabilities in or associated with our products could expose us to liability and damage our brand and reputation, which could harm our competitive position and result in a loss of market share.”

Our results of operations, particularly our licensing and royalty revenues, can vary significantly between periods and may be unpredictable.

We have experienced, and may in the future experience, significant fluctuations in our period-to-period results of operations. Our results may fluctuate and be unpredictable because of a variety of factors, including, among others:

- the timing of entry into high-value agreements of which we historically have signed only a limited number each quarter;
- the mixture of license fees, royalties, and fees for software and services;
- our ability to correctly accrue royalty revenue;
- the financial terms and delivery and revenue recognition schedules of our agreements with customers;
- the timing of license renewals and license extensions;
- the demand for chips and end products that incorporate our products or expected future demand for such chips and end products;
- seasonal effects on demand for end products that incorporate our products;
- product and sales cycles;
- the introduction of new technology by us, our customers or our competitors, or other actions taken by our competitors;
- the timing of orders from, and shipments to, technology companies of chips based on our products from our semiconductor partners and customers;
- the financial results of Arm China and its ability to make payments to us in a timely manner, or at all;

- new litigation or developments in current litigation, including, but not limited to, lawsuits with Qualcomm and Nuvia (each as defined below), as described under “—*We are currently involved in pending litigation*”;
- the timing of new employees joining the Company;
- the timing of bonuses and other remuneration to employees, including for retention purposes;
- the volatility of the market price of our ADSs may cause our operating expenses and cash expenditures to increase as a result of vesting of restricted share units (“RSUs”) and cash-settled awards;
- any strategic investments, acquisitions or divestitures that we might undertake, and the timing thereof;
- the scope and nature of our investment in any new products or solutions;
- supply chain constraints and inventory correction in or affecting the semiconductor industry;
- cyclical fluctuations in the semiconductor market and the markets of our customers’ end customers;
- sudden technological or other changes in the semiconductor industry, including consolidation among our customers;
- changes in the global economy (such as inflation, rising interest rates or a recession), disruptions in the global supply chain (including shortages of critical semiconductor components and chips) or regulatory changes that impact the semiconductor industry;
- changes in political, regulatory, legal or economic conditions or geopolitical turmoil (including PRC-Taiwan relations), including terrorism, war (including the ongoing conflict between Russia and Ukraine and conflicts in the Middle East) or political or military coups, state-sponsored or politically motivated cyberattacks, or foreign and domestic civil disturbances or political instability; and
- changes to accounting policies and accounting standards applicable to us, and changes to key accounting estimates and judgments applied by us.

Accurate prediction of the timing of inception of new licenses and renewals of existing licenses is difficult because the development of a business relationship with a potential customer may frequently span a year or more. The fiscal quarter in which a new or renewed license agreement will be entered into, if at all, is difficult to predict, as are the financial terms of any such agreement.

Our license and royalty revenues are also affected by market conditions in the industries in which our customers operate, particularly in the semiconductor industry, which is cyclical by nature and impacted by broad economic factors, such as worldwide gross domestic product and consumer spending. The semiconductor industry has experienced significant and sometimes sudden and prolonged downturns in the past, including in recent years as a result of supply chain constraints.

As a result of these factors and others, many of which are outside of our control, it may be difficult for us to provide accurate forecasts of our revenues and results of operations for future periods, and such factors and others could have a material adverse effect on our business, competitive position, results of operations, financial condition and prospects.

Customers may decide to license our architecture and develop their own processors based on our architecture, rather than utilize our processor products pursuant to an implementation license.

Our customers may decide to license our ISA and develop their own processors based on our ISA, rather than utilize our predeveloped products through an implementation license, resulting in less fees paid to us. Customers may choose to develop their own processors if they believe they can do so more effectively than us or if supply and capacity constraints within the semiconductor industry further incentivize vertical integration in an effort to secure additional control over their supply chains. Some of these customers may have greater name recognition and substantially greater financial, management, marketing, service, support, technical, distribution and other resources than we do. If our customers, and particularly one or more key customers from whom we generate a significant portion of our total revenues, elect to develop their own processors based on our ISA, the market for our developed processor portfolio would decline, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

A significant portion of our total revenue comes from a limited number of customers, which exposes us to greater risks than if our customer base were more diversified.

A significant portion of our total revenue is generated from a limited number of key customers. In particular, our top five customers (including Arm China) collectively accounted for approximately 54%, 57% and 56% of our total revenue for the fiscal years ended March 31, 2024, 2023 and 2022, respectively, and our largest customer individually, Arm China, accounted for approximately 21%, 24%, and 18% of our total revenue, respectively, during those fiscal years. As a result of this customer concentration, we are particularly susceptible to adverse developments affecting our key customers and their respective businesses, including industry downturns, decreased demand for their products, increased competition, changes in trade protection and other government policies, financial hardship and changes in their business model, purchasing behavior and strategic priorities, among other factors, many of which are beyond our control. In particular, developments in our key customers' respective businesses that adversely affect their ability to satisfy their payment obligations to us or result in their determination not to continue or expand their use of our products would have a material adverse impact on our revenue and results of operations to a greater extent than if our customer base were more diversified. Our customer concentration also has afforded certain customers significant bargaining power, which has, in some cases, resulted in pricing or other contractual terms that are less favorable to us. For example, subject to certain limitations, certain of our contracts with key customers contain provisions allowing such customers to obtain licenses to our latest products as soon as they are made available to any other customer. If we were to lose one or more of our key customers or if our business with one or more key customers were to decrease significantly, whether as a result of external impacts on the business of those customers, or, for example, as a result of disputes with such customers with respect to pricing models, there are no assurances that we would be successful in identifying and contracting with one or more customers to replace any lost revenue, which would materially and adversely affect our business, results of operations, financial condition and prospects.

Consolidation in the semiconductor and electronics industries could have a material adverse effect on our business, results of operations, financial condition and prospects.

A number of business combinations, including mergers, asset acquisitions and strategic partnerships, have been consummated among our customers in the semiconductor and electronics industries, and more could occur in the future. Consolidation among our customers could lead to a loss of customers, increased customer bargaining power, or reduced customer spending on our products, each of which could have a material adverse effect on our business, results of operations, financial condition and prospects. For example, in the past, some of our larger customers who have negotiated lower pricing models have acquired customers with higher pricing models. In some cases, we have been, and in the future may be, required to renegotiate the pricing model with the acquired company or to honor the lower pricing model applicable for the acquiring customer while providing the same products prior to the acquisition by the larger company.

Our revenues predominantly come from a limited number of end markets.

Royalty revenue from mobile applications processors constituted approximately 35% of our royalty revenue for the fiscal year ended March 31, 2024. In these end markets, our substantial existing market share may limit opportunities for future growth. Additionally, demand in these markets may be adversely impacted if consumers reduce their purchases of smartphones and consumer electronics as a result of changes in consumer behavior. If these end markets do not expand, we may be unable to continue to grow our revenues significantly from these markets, if at all. Additionally, circumstances outside of our control, such as the invention of new technologies, could adversely affect the smartphone and consumer electronics markets as a whole, which would have a material adverse impact on our revenue, profitability, and ability to attract new customers.

Our products are extensible and have been licensed and used in various other target end markets. While these new target markets represent a meaningful opportunity for us, they may not grow or develop as quickly as we expect them to. Furthermore, it could take years to reach a market share similar to our position in smartphones and consumer electronics.

Other microprocessor architectures such as x86 and RISC-V may already exist across all of these markets, or may be developed for applications within these markets. For applications in markets such as computing, data centers, networking and servers, competing microprocessor architectures, such as x86, already have a large, well-established customer base and are supported by a broad base of related software and development tools. These markets represent a significant portion of our revenue growth opportunity, and they also introduce new sources of competition, including, in some cases, incumbent competitors with established technologies, ecosystems, and customer bases, lower prices or costs, and greater brand recognition. These new markets may not grow as projected or at all, and we may not realize an adequate return on our investments. Due to the interdependence of various components in the products in which our architecture and our

competitors' architectures are used, customers are unlikely to change to another product, once adopted, until the next generation of a technology. As a result, even if our products are superior to alternative offerings, it may be difficult for our products to displace alternative technologies as a result of high switching costs to change to our products, including the need for potential customers to make significant investments in additional training and development tools and to convert software for existing devices. Additionally, to the extent our competitors have done business with prospective customers for a long period of time and have established relationships, our competitors may have information regarding future trends and requirements of such prospective customers that may not be available to us. If any of these markets do not develop as we currently anticipate or we fail to establish ourselves in these new markets, we could suffer a material adverse effect on our competitive position and business prospects.

Fragmentation of the global semiconductor market could have a material adverse effect on our business, results of operations, financial condition and prospects.

We sell our products across the semiconductor industry globally and rely on various markets across the world to generate revenue. The global market for our products, both where we are already established and new markets we intend to enter, may be impacted by geopolitical factors. A shift towards geopolitical rivalry could lead to the fragmentation of the global semiconductor market, as certain countries want more end-to-end control over architecture, leading to increased architectural fragmentation and a reduced role for a global architecture. Countries may take political decisions to enforce the use of an alternative architecture, or locally generated implementations for certain use cases, to make their country more resilient in the case of trade barriers or for national security reasons. For us, this could lead to increased costs to support region specific products, reduced revenue as a result of lost investment in territories that no longer use our products and potential market loss and loss of future licensing opportunities, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we fail to develop new products in response to, or in anticipation of, rapid technological changes in our industry or the industries we serve, our business may be materially and adversely affected.

The market for our products is characterized by rapidly changing technology and end-user needs. For example, improvements are rapidly being made in AI, cloud computing, data centers, image sensors, machine learning ("ML") and the metaverse, among other technologies. Furthermore, the once-rapid improvements in semiconductor transistor density, with consequent reductions in cost and power consumption, are decelerating, and further innovation will become incrementally more difficult and expensive to achieve. As a result of these rapid technological changes and others currently unknown, the future market for our products is difficult to predict. These risks are further exacerbated by the fact that our products often use a common architecture for multiple end markets and our new architecture products often are based on legacy products. Therefore, if our architecture were rendered uncompetitive, obsolete, or otherwise unmarketable it may impact multiple products and may cause us to expend significant resources and incur significant expenses to develop a new architecture.

Our business, reputation and relationships with our third-party partners could be adversely affected if we cannot develop technological improvements or adapt our products to technological changes on a timely basis. Whether we will be able to compete in the future will substantially depend on our ability to advance our products to meet these changing market and end-user needs and to anticipate successfully or respond to technological changes in hardware, software and architecture standards on a cost-effective and timely basis. There is additional risk that public opinion regarding products that enable or enhance AI and ML technologies may not be consistent with our expectations, or that market acceptance of such products may be slower than anticipated. For example, failure to achieve widespread acceptance of and to generate significant revenues from AI and ML technologies could materially and adversely impact our business and operating results.

Developing new products requires us to expend significant resources without assurances that we will generate revenue in the amounts we anticipate, on the expected timeline or at all.

We will have to make significant expenditures to continue developing our semiconductor products and other products. The long development time of generally five or more years from the initial design of our semiconductor products until its incorporation into new end-user applications can place significant strain on our financial resources and personnel. Despite these investments, there can be no assurances that we will realize the financial benefits of our development efforts in the amounts we anticipate, on the expected timeline or at all. For instance, in the past we have experienced delays in the development of certain of our products, which then delayed product deployment and the associated revenues. This risk may be further exacerbated in respect of any new products or solutions that we may develop in the future, are for a new market,

or are solutions that we have not previously offered which may require the build-out of any additional capabilities, relationships and infrastructure.

We may be unable to predict the timing or development of trends in our target markets with any accuracy. If we fail to accurately predict market requirements or market demand for our products in our target markets, our business will suffer. A market shift towards an industry standard that we do not currently support and for which we are not currently developing new products could significantly decrease the demand for our products. Despite these uncertainties, we devote substantial financial and other resources, including design, engineering, sales, marketing, and management efforts, to developing and marketing our products in anticipation of incorporation into new end-user applications. Additionally, our competitors may have a competitive advantage if their assessments relating to market adoption of new technologies prove to be more accurate than our assessments. Our failure to anticipate or timely develop new or enhanced products in response to changing market demand could result in the loss of customers and decreased revenue and have a material and adverse effect on our business, cash flows, results of operations and prospects.

As we develop and introduce new products, we face the risk that customers may not value or be willing to bear the cost of incorporating these newer products into their chips, including increases in royalty rates for such new products (as compared to existing products), particularly if they believe their customers are satisfied with the current products or unwilling to pay for improved products. Regardless of the improved features or superior performance of the newer products we develop, customers may be unwilling to adopt our new products for a variety of reasons, including design or pricing constraints. Moreover, the complexity and expense associated with our products generally requires a lengthy customer education, evaluation and approval process. Further, economic conditions, including economic downturns and rising rates of inflation, may adversely impact our ability to license products by making it difficult for our customers to plan future business activities, which could cause customers to limit spending or delay decision-making.

We may not be successful in developing and licensing new products and may experience difficulties or delays that would prevent the successful development, introduction and marketing of new products, and any new products that we may introduce may not achieve market acceptance and generate royalty revenues and profits in the amounts we anticipate, on the expected timeline or at all, which could materially and adversely affect our business, cash flows, results of operations and prospects. These risks are further exacerbated by our focus on developing and marketing high-value products, which naturally require more resources to develop.

Our concentration of revenue from the PRC market makes us particularly susceptible to economic and political risks affecting the PRC, which could be exacerbated by tensions between (on the one hand) the U.S. or the U.K. and (on the other hand) the PRC with respect to trade and national security.

For the fiscal years ended March 31, 2024, 2023, and 2022, revenues from the PRC accounted for approximately 22%, 25% and 18% of our total revenue, respectively, including both direct revenues and revenues derived from our relationship with Arm China. Our revenues in the PRC are derived from PRC semiconductor companies and OEMs, and from non-PRC semiconductor companies and OEMs that utilize our products in chips and end products they sell into the PRC, which, by country, has the largest number of smartphone users in the world. Our failure to maintain PRC-sourced revenues, access new and existing markets in the PRC or gain traction for new business areas in the PRC, or our loss of market share to competition in the PRC, could materially and adversely affect our results of operations and competitive position.

The PRC is a significant source of semiconductor industry revenues. However, the near-term growth prospects of the PRC semiconductor industry and related industries are unclear due to the uncertain effects of trade and national security policies, continued elevated levels of private and public indebtedness and related policies. For the fiscal year ended March 31, 2024, our total revenues derived from the PRC have increased by 6% as compared to the prior fiscal year, mainly due to royalty revenues returning to growth in the latter half of the year. However, it is still premature to determine if this positive trend in royalty growth will continue. License revenues declined in the same period, and given the uncertainty driven by the foregoing factors, it is possible that a long-term decline or plateauing of license revenues derived from the PRC could occur. A prolonged downturn or slow recovery in the PRC semiconductor industry or the PRC economy generally could materially and adversely affect our results of operations and competitive position.

Political actions, including trade and national security policies of the U.S. and PRC governments, such as tariffs, placing companies on restricted lists, export controls or new end-use controls, have in the past, currently do and could in the future limit or prevent us, directly or through our commercial relationship with Arm China, from transacting business with certain PRC customers or suppliers, limit, prevent or discourage certain PRC customers or suppliers from transacting business with us or Arm China, or make it more expensive to do so, which could adversely affect demand for our products. Given our revenue concentration in the PRC, if, due to actual, threatened or potential U.S., U.K. or PRC government

actions or policies: Arm China is further limited in, or prohibited from, licensing our products to PRC semiconductor companies and OEMs; our non-PRC semiconductor companies and OEM customers were limited in, or prohibited from, selling devices into the PRC that incorporate our products; PRC semiconductor companies and OEMs develop and use their own technology or use our competitors' technology in some or all of their devices; or our PRC customers delay or cease making payments of license fees owed, our business, revenues, results of operations, cash flows and financial condition could be materially harmed.

The U.S. and U.K. have trade and national security policies regarding exports to the PRC of technology with potential military uses that would require us to obtain export licenses for certain processors, which can be difficult to obtain. For example, the highest performance processor in our Neoverse series of processors meets or exceeds performance thresholds under U.S. and U.K. export control regimes and thereby triggers U.S. and U.K. export license requirements prior to export and delivery to customers in the PRC. Given that national security concerns are higher for high-performance computing ("HPC") technologies destined for the PRC and government response timelines are not defined, it can be challenging and unpredictable to obtain such export licenses. Combined with customer need for certainty, we have been able to address customer demand by licensing other central processing unit ("CPU") cores that do not exceed the HPC performance export control thresholds but yet still present a compelling solution. Although our inability to sell such Neoverse processor into the PRC has not had a material impact on our business to date, future restrictions on sales of our products into the PRC could have a material adverse impact on our business.

On August 9, 2023, President Biden issued an executive order addressing investments by U.S. persons in companies located in the PRC that engage with certain categories of sensitive technology and products, including semiconductors and microelectronics, quantum information technologies and artificial intelligence. The executive order requires regulations that would implement limits on such investments and was accompanied by an advance notice of proposed rulemaking that outlines proposed regulations; however, the proposed regulations do not have immediate effect, are subject to public comment and a further rulemaking process and will not become effective until the rulemaking process is complete at some time in the future. While we believe it is possible that such regulations may impact our PRC customers, our suppliers, Arm China, or our business with respect to China, given the uncertainties with respect to the timing and ultimate requirements of these regulations, we are unable to assess the extent of any such impact.

Finally, government policies in the PRC that regulate the amount and timing of funds that may flow out of the country have impacted and may continue to impact the timing and/or ability to receive funds generated from PRC-related revenues, which may negatively affect our cash flows.

We depend on our commercial relationship with Arm China to access the PRC market. If that commercial relationship no longer existed or deteriorates, our ability to compete in the PRC market could be materially and adversely affected.

Substantially all of our PRC-related revenue is earned through the intellectual property license agreement ("IPLA") with Arm China, pursuant to which, among other things, we granted Arm China certain exclusive rights to sublicense our IP to PRC customers. We expect that our licensing relationship with Arm China will continue to account for substantially all of our total revenues from the PRC and represent a significant portion of our revenues for the foreseeable future. It would be difficult for us to replace any lost PRC-sourced revenue in the event that our commercial relationship with Arm China were to terminate or deteriorate. Accordingly, we expect that Arm China will continue to provide our primary access to the PRC market for the foreseeable future. If we fail to maintain our commercial relationship with Arm China, our access to the PRC market could be materially diminished and our business, results of operations, financial condition and prospects for growth could be materially and adversely affected.

Neither we nor SoftBank Group control the operations of Arm China, which operates independently of us.

Despite our significant reliance on Arm China through our commercial relationship with them, both as a source of revenue and as a conduit to the important PRC market, Arm China operates independently of us. On March 28, 2022, we transferred our entire equity interest in Arm China to a subsidiary of SoftBank Group. As of the date of this Annual Report, approximately 48% of the equity interest in Arm China is owned by Acetone Limited, which is controlled by SoftBank Group and in which we own a 10% non-voting interest, approximately 35% is indirectly owned by HOPU Investment Management Company, and approximately 17% is directly and indirectly owned by other Chinese parties. Our 10% non-voting interest in Acetone Limited represents an approximate 4.8% indirect ownership interest in Arm China.

Furthermore, we do not have any direct management rights with respect to Arm China, such as a right to representation on Arm China's board of directors, although Mr. Haas, our chief executive officer ("CEO"), continues to serve on the

board as an appointee of the SoftBank Group affiliate holding Arm's former equity interest in Arm China. Following the transfer of our interest in Arm China to a subsidiary of SoftBank Group, under the terms of the Arm China arrangement, the SoftBank Group affiliate holding Arm's former equity interest in Arm China is entitled to appoint a minority of the directors of the board of Arm China, and SoftBank Group's appointees are unable to unilaterally implement certain measures that require action by all of or a supermajority of the directors of Arm China.

The fact that Arm China operates independently of us exposes us to significant risks. Arm China's value to us as a customer is dependent on Arm China's business results, which are, in turn, subject to substantial risks that are outside of our control. For example, Arm China may not commit the necessary resources to market and sell our products to PRC end-users of our semiconductor IP products. Arm China also may fail to comply with the laws and regulatory requirements applicable to its business, which could limit its ability to market or sell our products in the PRC. In addition, Arm China may fail to attract, train, retain and motivate highly skilled managerial and technical personnel necessary for its business. Arm China may also have difficulties accessing funding or enforcing contractual relationships. The realization of these or other risks related to Arm China's business may have a material adverse effect on Arm China's business, results of operations, financial condition and prospects and, by extension, our own. Since Arm China operates independently of us and we do not control Arm China, our ability to take measures to address the various risks facing Arm China is limited. If any of such risks related to Arm China's business are realized, our revenue could materially decline and our results of operations could be materially adversely affected.

Under the IPLA with Arm China, Arm China's payments due to us are determined based on the financial information that Arm China provides to us. Accordingly, similar to our other royalty customers, we are dependent on Arm China providing us with reliable and timely information. We perform various procedures to assess the reasonableness of Arm China's data, and the IPLA includes rights for us to audit Arm China's activities to ensure compliance with the IPLA. In the past, we have had issues obtaining timely and accurate information from Arm China. We believe the underlying problems causing our past inability to obtain such information have been resolved, but we can provide no assurances that our access to Arm China's records will not be inhibited again in the future. If Arm China does not provide us with timely and accurate information, our revenue could materially decline and our results of operations could be materially adversely affected. We are also dependent on Arm China paying us the amounts that it owes us in a timely manner and in full. In the past, we have received late payments from Arm China and have had to expend company resources to obtain payments from Arm China. Although these historical issues did not have a material impact on our operations, any future failure to pay us the amounts we are owed under the IPLA could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Furthermore, Arm China has possession of or access to certain material IP and customer data pursuant to the IPLA and other commercial arrangements with us. Although Arm China is contractually obligated to protect this IP and data, we are limited in our ability to monitor or influence the manner in which Arm China protects our IP and data from theft, loss or misuse. Arm China operates its own separate information technology infrastructure. Aside from customary audit rights and protections under the IPLA, we are therefore unable to independently assure the adequacy of protections that Arm China implements with respect to its possession and/or access to our IP and data.

In addition, under the IPLA with Arm China, we are contractually obligated to indemnify both Arm China and its PRC customers that sublicense our IP in the event that either Arm China or such customers incur damages or costs in lawsuits, administrative proceedings or similar actions based upon a claim that our IP infringes the IP of a third party. The liability that we incur to Arm China or its PRC customers under such provisions could be significant and have a material adverse effect on our results of operations and liquidity.

Additionally, since April 2022, Allen Wu, the former Chief Executive Officer of Arm China, and certain entities under his effective control, have initiated several lawsuits in the courts of the PRC seeking to challenge certain aspects of Arm China's corporate governance and the actions of Arm China's board of directors. To date, all cases that have been resolved at the trial court level have been resolved favorably to Arm China, but certain of those cases remain subject to appeal. In the event that certain of these cases were to be decided adversely to Arm China, it could result in further changes to Arm China's corporate governance and management structure, which could reduce SoftBank Group's ability to conduct effective oversight of Arm China and result in a material adverse effect on our business, results of operations, financial condition and prospects.

We may face increasing competition with PRC companies that develop their own IP.

Due to various factors, including pressure, encouragement or incentives from, as well as the policies of, the PRC government (whose “Made in China 2025” campaign targets 70% semiconductor self-sufficiency by 2025), concerns over actual, threatened or potential U.S., U.K. or PRC government actions or policies, including trade or national security policies, or other reasons, PRC semiconductor companies and OEMs may increasingly develop their own technology and use such technology in their devices, or use our competitors’ technology in their devices. Specifically, the PRC government’s 14th Five-Year Plan and related initiatives have identified the development of globally competitive PRC companies in “core technologies” such as semiconductors as a key policy focus. As part of a government-wide effort to encourage investment and development of domestic semiconductor capabilities, the PRC government could encourage financing opportunities to our competitors in the PRC on favorable terms, or influence major PRC customers to favor adoption of IP of our competitors in the PRC over our own IP.

With respect to Arm China, although the terms of the IPLA with Arm China prohibit Arm China from developing microprocessor cores and only allow Arm China to develop derivative products using Arm IP with our consent, Arm China may independently develop competitive products other than microprocessor cores and could divert customer interest from our products to increase its market share to our detriment. The realization of any such risks could materially harm our business, results of operations, cash flows and financial condition.

Our business and future operating results may be materially and adversely affected by global economic conditions and other events outside of our control.

In its recent report, Global Economics Prospects, January 2024, the World Bank reported that global growth is projected to slow to 2.4% in 2024—the third consecutive year of deceleration—reflecting the lagged and ongoing effects of tight monetary policies to rein in decades-high inflation, restrictive credit conditions, and anemic global trade and investment. We are subject to risks arising from adverse changes in global economic conditions. In particular, due to economic uncertainties in many of our key markets, our customers and their customers may delay, suspend or reduce technology purchases and investments and/or delay their payments to us.

Economic conditions could continue to deteriorate in the future, and, in particular, the semiconductor and electronics industries could fail to grow, including as a result of the effects of, among other things, rising inflation and interest rates, a sustained global semiconductor shortage, supply chain disruptions, public health crises and any disruption of international trade relationships such as tariffs, export licenses or other government trade restrictions. In addition, adverse economic conditions affect demand for devices that our products help create, such as smartphones, automobiles and servers. Longer-term reduced demand for these or other devices could result in reduced demand for our products and significant decreases in our licensing fees and royalty revenues over time. In addition, if our customers or distributors build elevated inventory levels, we could experience a decrease in short-term and/or long-term demand for our products. If any of these events or disruptions were to occur, the demand for our products could be materially adversely affected along with our business, results of operations, financial condition and prospects.

Our business and operating results are also vulnerable to interruption by other events outside of our control, such as earthquakes, fire, extreme weather events, power loss, telecommunications failures, political instability, geopolitical turmoil, such as the war in Ukraine, conflicts in the Middle East, and any sanctions, export controls or restrictions on doing business with Russia and Belarus, or with other countries (including the PRC), as well as any resulting disruption, instability or volatility in the global markets and industries resulting from such conflict, pandemics, military conflict and uncertainties arising out of terrorist attacks, including a global economic slowdown, the economic consequences of a resurgence and escalation of the trade war between the U.S. and the PRC, the potential for conflict in Taiwan and the associated disruptions to, or effects on, the semiconductor industry, uncertainties resulting from the U.K.’s withdrawal from the European Union, commonly referred to as Brexit, military action or terrorist activities and associated political instability. Economic or political instability may undermine consumer confidence and/or cause current or potential customers, including the end customers of our customers or potential customers, to reduce or delay their technology purchases and investments. Such events could also materially adversely affect our ability to operate and supply our products to our customers.

Brexit has caused, and may continue to cause, uncertainty with respect to the future of the U.K.’s economic and political relationship with the European Union, which could increase taxes and costs of business and cause heightened volatility in currency exchange rates and interest rates. Continued uncertainty and events related to Brexit could have a negative impact on consumer confidence and wages, leading to a decrease in the gross domestic product of the U.K. Brexit

could also adversely affect the political, regulatory, economic or market conditions in the U.K., the European Union and worldwide, and could contribute to instability in political institutions, regulatory agencies and financial markets.

We regularly maintain cash balances at third-party financial institutions in excess of government-insured limits. If banks and financial institutions, including financial institutions at which we maintain deposits, enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets or otherwise, our ability and our customers' ability to access cash, cash equivalents and investments may be threatened.

These factors could cause customers to delay, decrease or cancel the licensing of our products and could expose us to increased credit risk on customer obligations owed to us, each of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our operating results and revenue could be adversely affected by customer payment delays, customer bankruptcies and defaults or modifications of contractual commitments.

Certain of our customers have and may continue to, and others in the future may, face challenging financial or operating conditions, including due to macroeconomic conditions or catastrophic events or other factors, and delay or default on their payment commitments to us, request to modify contract terms, or modify or cancel plans to license our products. Our customers' inability to fulfill payment commitments, in turn, could adversely affect our revenue, operating expenses and cash flow. Additionally, certain of our customers have in the past sought, and customers may in the future seek, to renegotiate pre-existing contractual commitments. Payment defaults by our customers or significant reductions in existing contractual commitments could have a material adverse effect on our financial condition and results of operations.

Sustained inflation or a global or regional recession could have a material adverse effect on our business, results of operations, financial condition and prospects.

Inflation rates in the markets in which we operate have increased and may continue to rise. Sustained or increasing inflation could increase our operating expenses, including labor costs and research and development expenditures, or result in employee attrition to the extent our remuneration does not keep pace with inflation, particularly if our competitors' remuneration does. Further, inflationary pressures may increase costs for our customers and reduce demand for our products or our customers' products due to increased prices. In addition, some of our long-term licenses include an annual increase in license fees. However, these annual increases may fall below the then-current rate of inflation, which could make maintaining these licenses less profitable than we had anticipated when we originally signed the license. To the extent inflation results in rising interest rates and has other adverse effects on the market, it may further adversely affect our business, results of operations, financial condition and prospects.

Even as inflation rates and interest rates start to come down, the risk of recession increases. A recession, or even fear of recession, could impact regions of the world and could spread globally. This could impact consumer confidence reducing demand for our customers' products and services, which would have a direct impact on our royalty revenue, and could also result in reduced research and development activity by our customers, reducing the need for new processors, and so impacting license revenue. To the extent recession, or the fear of recession, has adverse effects on the market, it may adversely affect our business, results of operations, financial condition and prospects.

An epidemic, pandemic or other health crisis could materially and adversely affect our business, results of operations, financial condition and prospects

Public health crises, including the COVID-19 pandemic and the emergence and spread of COVID-19 variants, have previously resulted in significant economic uncertainty, significant volatility in business and consumer confidence and global consumer demand, and a global economic slowdown. Government policies and other preventive and precautionary measures that governments and businesses have implemented in the past to limit the spread of an epidemic, pandemic or other health crisis, including, but not limited to, travel bans and restrictions, quarantines, shelter-in-place and social distancing orders, declarations of states of emergency and shutdowns, have exacerbated these issues.

We are unable to accurately predict the impact that a public health crisis could have on our business, results of operations, financial condition and prospects due to uncertainties, including the existence, severity and duration of future outbreaks and additional actions that may be taken by businesses and governmental authorities. Nevertheless, to the extent a health crisis adversely affects our business, it may also have the effect of heightening many of the other risks described in these risk factors relating to our business and industry, such as those relating to demand for end products incorporating our

products. The cumulative effects of these developments could have a material adverse effect on our business, results of operations, financial condition and prospects.

Failure to adequately fund our research and development efforts may materially impair our ability to compete effectively.

To remain competitive, we must continue to innovate and develop new products, applications and enhancements to our existing products and services, particularly as next-generation technology is adopted by market participants. Allocating and maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the evolving demands of the market is essential to our continued success, but our allocations may be inadequate or we may pursue research and development initiatives based on assumptions about future demand that prove to be incorrect. Our competitors may expend considerably greater resources to support their respective research and development programs than we do, which may give our competitors a competitive advantage.

Our ability to fund research and development expenditures depends on generating sufficient revenue and cash flow from operations and the availability of external financing, if necessary. Our research and development expenditures, together with other ongoing operating expenses, is a substantial drain on cash flow and may decrease cash balances, which may limit our ability to pursue other potentially attractive initiatives. On the other hand, if we allocate our resources to such other potentially attractive initiatives or pay dividends to our shareholders, our research and development efforts may be harmed or we may need to seek external financing in order to fund our efforts. If new competitors, technological advances by existing competitors, other competitive factors or market changes require us to invest significantly greater resources than anticipated in research and development efforts, total operating expenses would increase. If we are required to invest significantly greater resources than anticipated in research and development efforts without an associated increase in revenue, our operating results could decline.

Further, in determining the appropriate allocation of research and development resources, our management continuously evaluates opportunities to develop new technologies and advanced products. In order to respond to expressed or anticipated customer demand and/or to take advantage of expected market opportunities, we continually consider the optimal allocation of resources across our business, including to existing product lines and to research and development of new technology offerings, including technologies beyond individual design IP elements. Based on management's expectations for current and projected market demand, the allocation of resources to any of these may be increased or reduced over time.

Additionally, our processors often run software created by independent software vendors or through open-source communities. Each end market has its own ecosystem of software and tools providers, including from open-source communities. These ecosystems need to be supported by our engineers and resources, and by our customers, including, from time to time, through direct monetary investment. In some circumstances, we may also need to subsidize or fund our customers' research and development efforts. Insufficient investment may result in the ecosystems and/or customers providing better support for end products not based on our products leading to systems companies not choosing chips based on our products, which would result in a reduction in our revenues.

Further, to the extent that we do not have the technical expertise, financial resources or other capabilities for a particular research and development project, we may partner with third parties, including SoftBank Group and/or its affiliates. In such circumstances, we rely on third parties over which we exercise little or no control. Further, we can provide no assurances that any such third parties will dedicate the resources, or have the requisite technical or other capabilities, necessary to achieve our and/or our customers' expectations.

The semiconductor industry relies on a limited number of manufacturers whose operations tend to be concentrated in certain geographic regions to manufacture chips and other products, and developments that adversely affect such regions could have a material adverse effect on our business, results of operations, financial condition and prospects.

The semiconductor industry relies on a limited number of companies to manufacture chips and related products. The chip manufacturing operations of these companies are concentrated in certain geographic regions, including Taiwan and other parts of East Asia, which makes us susceptible to adverse developments in these regions' economic and political conditions, particularly to the extent that such developments create an unfavorable business environment that significantly affects our and our customers' operations. These manufacturers or the geographic regions in which they operate may be impacted by events outside of our or their control, including, among other things, company-specific operational issues, trade conflicts and military action or terrorist activities and associated political instability, any of which could have a

material adverse effect on our business, results of operations, financial condition and prospects. Although the governments of certain countries, including the U.S., have taken actions to make their countries more attractive for chip manufacturing operations, there can be no assurances that the current geographic concentration of chip manufacturing will be meaningfully changed in the near term or at all.

Any escalation in geopolitical tensions in Asia, particularly between the PRC and Taiwan, could significantly disrupt semiconductor chip manufacturing and interrupt the global semiconductor chip supply chain. A significant portion of the world's semiconductor manufacturing is in Taiwan, and increased geopolitical tensions there could exacerbate supply chain disruptions. In addition, the war in Ukraine and conflicts in the Middle East could lead to market disruptions and exacerbate current supply chain constraints, including with respect to certain materials and metals, which are essential in semiconductor manufacturing.

New technologies, such as AI and ML, may use algorithms that are not suitable for a general purpose CPU, such as our processors, and the failure to successfully implement new technologies in our processors could have a material adverse effect on our business, competitive position, results of operations, financial condition and prospects.

New technologies, such as AI and ML, may use algorithms that are not suitable for a general purpose CPU, such as our processors. Consequently, our processors may become less important in a chip based on our products, thus eroding its value to the customer and resulting in lower revenue for us. If we are unable to develop and commercialize processors that are compatible with new technologies or competitors are successful in developing compatible technologies more quickly or efficiently than we can, our business, competitive position, results of operations, financial condition and prospects may be materially and adversely affected. In addition, the introduction of new technologies, such as AI and ML, into our processors may increase IP, cybersecurity, operational, data protection and technological risks and result in new or enhanced governmental or regulatory scrutiny, litigation, ethical concerns, or other complications that could materially and adversely affect our business. As a result of the complexity and rapid development of new technologies, it is not possible to predict all of the legal, operational or technological risks related to use of such technologies.

We rely on our management team and will need additional personnel to grow our business, and the loss of one or more key employees or our inability to attract and retain qualified personnel could harm our business.

Our future success is substantially dependent on our ability to attract, integrate, retain and motivate our management team and other key personnel and we are particularly dependent on our senior management team, including Mr. Haas, our Chief Executive Officer, Mr. Child, our Chief Financial Officer, Mr. Collins, our Chief Legal Officer, Mr. Grisenthwaite, our Chief Architect, and other key employees. Competition for highly skilled personnel, and particularly engineers, can be intense. Other companies may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms or at all. We experience voluntary attrition on an ongoing basis, and we reduced overall headcount as part of a restructuring that was completed in June 2022 to address duplicative work functions and deprioritize certain initiatives within the Company. Circumstances may require a further reduction in the overall size of our organization, which may present challenges in managing and growing our business. If we lose the services of any of our senior management personnel, other key personnel or a significant number of our engineers or sales and marketing personnel, our development efforts or business relationships could be disrupted, which could have a material adverse effect on our business, results of operations, financial condition and prospects. Our future success significantly depends on our ability to identify, attract, motivate and retain qualified engineers with the requisite educational background and industry experience. Competition for such qualified engineers is intense and the cost of attracting and retaining qualified employees may increase without a corresponding increase in the prices we charge our customers, which could materially and adversely affect our profitability. In certain geographic regions, there is also intense competition for sales and marketing personnel, which may adversely affect our ability to expand into new markets. Particularly, changes to the U.K.'s border and immigration policy could occur as a result of Brexit, potentially affecting our ability to recruit and retain employees from outside the U.K. If we are unsuccessful in attracting and retaining qualified personnel to fulfill our current or future needs, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Competitive pressures or market opportunities may necessitate reductions in our pricing or change our business terms or business model, which could materially and adversely affect our business, results of operations, financial condition and prospects.

In order to remain competitive in the highly competitive markets in which we do business, we may need to reduce the prices of our products or services or otherwise change the structure and terms of our customer relationships or our business

model. If our competitors offer significant discounts on certain products in an effort to recapture or gain market share or to sell other software or hardware products, we may need to lower our prices or offer other favorable terms to compete successfully. Any such changes would likely reduce our profit margins and could have a material adverse effect on our business, results of operations, financial condition and prospects. Any substantial changes to our other commercial arrangements with our customers or our business model could cause revenues to decline or be delayed as our sales force implements and our customers adjust to the commercial arrangements or business model. Changes to our business model could also necessitate changes in our product mix, which could cause revenues or profitability to decline, particularly if such changes in our product mix result in an increased reliance on lower margin offerings. If we cannot offset price reductions with a corresponding increase in sales volume or by reducing our costs, then the reduced revenues resulting from lower prices could have a material adverse effect on our business, results of operations, financial condition and prospects.

Additionally, in the future, in response to market opportunities, we may offer new products or services that may directly compete with the products and services of some of our customers or partners, including, without limitation, new products in our IP portfolio, as well as solutions beyond individual IP designs such as RTL-based compute subsystems, GDSII-based compute subsystems, chiplets and complete end chip solutions. Many of our customers license our IP to create products that may compete with any such new products. Accordingly, any such developments in our product offerings, and other future changes to our products and services, may create real or perceived competitive conflicts with companies that are important to our business, and as a result of such competition, such customers or partners may terminate or materially reduce their relationship with us.

If development tools, systems software, EDA tools and operating systems that are compatible with our products cease to be available or are inadequate to satisfy customer needs, then our business, results of operations, financial condition and prospects may be materially and adversely affected.

We believe that it is crucial for the market acceptance of our products to have available development tools, systems software, EDA software and operating systems that are compatible with our products. Although we currently work with other third-party partners to offer such tools and software compatible with our products, we cannot assure you that such tools and software are or will continue to be sufficient to support customers' needs, that our existing partners will continue to offer such tools, software and operating systems compatible with our products, or that we will continue to attract additional tools, software and operating systems partners. If development tools, systems software, EDA tools and operating systems that are compatible with our products cease to be available or are inadequate to satisfy customer needs, then our business, results of operations, financial condition and prospects may be materially and adversely affected.

Participation in standards-setting organizations may subject us to IP licensing requirements or limitations that could adversely affect our business and prospects.

Our participation in standards-setting organizations or with other industry initiatives may require us to license our patents or products to companies that adopt industry-standard specifications. Depending on the rules of the organization, government regulations, or court decisions, we may be required to grant to all other participants licenses to our patents or products that are essential to the practice of those standards for little or no cost, or otherwise on reasonable and non-discriminatory ("RAND") terms. RAND typically is used to describe a voluntary licensing commitment that standards-setting organizations often request from the owner of an IP right that is, or may become, essential to practice a technical standard. Accordingly, RAND terms could limit our control over the use of these patents and products. If we fail to limit to whom we license our patents or products, or fail to limit the terms of any such licenses, we may be required to license our patents or other IP to others in the future, which could limit the effectiveness of our patents against competitors. In these situations, the royalty rates we charge could be limited for these products, and we may be unable to limit to whom we license such products or to restrict many terms of the license. As a result, we may be unable to enforce certain patents against others, our costs of enforcing our licenses or protecting our patents may increase, and the value of our IP rights may be impaired. We may in the future be subject to claims that our licensing of industry standard technologies may not conform to the requirements of the standards-setting organization. Allegations such as these could be asserted in private actions seeking monetary damages and injunctive relief, or in regulatory actions. Claimants in such cases could seek to restrict or change our licensing practices or our ability to license our products. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

If our products do not conform to, or are not compatible with, existing or emerging industry standards, demand for our products may decrease.

We design certain of our products to conform to industry standards. Some industry standards may not be widely adopted or implemented uniformly, and competing standards may emerge that may be preferred by our customers or by our

third-party suppliers. In addition, existing standards may be superseded by new innovations or standards. Because our products often use a common architecture and our new architecture products often are based on legacy products, obsolescence of components or features of our products may have a more significant effect on our results of operations, financial condition and prospects than if our products were less interrelated. See “—Developing new products requires us to expend significant resources without assurances that we will generate revenue in the amounts we anticipate, on the expected timeline or at all.”

We use certain software governed by open-source licenses and we contribute to certain open-source projects, which under certain circumstances could materially adversely affect our business, results of operations, financial condition and prospects.

Certain of our software, as well as that of our customers, third-party partners and vendors, may be derived from “open-source” software that is generally made available to the public by its authors or other third parties. Open-source software is made available under licenses that impose certain obligations on us in the event we were to distribute derivative works of the open-source software. These obligations may require us to make source code for the derivative works available to the public and/or license such derivative works under a particular type of license, rather than the forms of license we customarily use to protect our IP. In the event that the copyright holder of any open-source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work to the public or stop distribution of that work if the license is terminated, which could adversely affect our business, results of operations, financial condition and prospects.

While we take steps to monitor the use of all open-source software in our products and try to ensure that no open-source software is used in such a way as to require us to disclose the source code to the related products when we do not wish to do so, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated certain types of open-source software into software we license from such third party for our products, we could, under certain circumstances, be required to disclose the source code to our products. This could harm our IP position and have a material adverse effect on our business, results of operations, financial condition and prospects.

Further, although some open-source vendors provide warranty and support agreements, it is common for such software to be available “as-is” with no warranty, indemnity or support. Some of our products use open-source libraries that could contain vulnerabilities, and these may be discovered at any time. These vulnerabilities are often disclosed publicly without forewarning to the users of the software. Accordingly, our products may contain vulnerabilities originating from open-source software without our knowledge, and we may not have the opportunity to address such vulnerabilities before they are disclosed to the public. Although we monitor our use of open-source software to avoid subjecting our products to unintended conditions or vulnerabilities, such use, under certain circumstances, could materially adversely affect our business, results of operations, financial condition, prospects and reputation, including if we are required to take remedial action that may divert resources away from our development efforts.

Finally, from time to time we contribute software source code to open-source projects under open-source licenses. Any source code we contribute to open-source projects is publicly available. As such, our ability to protect our IP rights with respect to such software source code may be limited or lost entirely, and we may be unable to prevent our competitors or others from using such contributed software source code. Any of these risks could be difficult to eliminate or manage, and could harm our IP position and have a material adverse effect on our business, results of operations, financial condition and prospects.

It may be difficult for us to verify customer data, including royalty revenue amounts owed to us under our licensing agreements, and this may cause us to lose revenues.

We seek to ensure that our customers adhere to the terms of our license agreements, including their obligation to provide certain data to us. We perform various procedures to assess customer data related to royalties for reasonableness, and our license agreements generally include rights for us to audit the books and records of our customers to verify certain types of customer data. However, audits can be expensive and time-consuming, and even after conducting an audit, it may still be challenging for us to verify the accuracy of information contained in customer royalty reports, or a customer could potentially object to the results of such audit. We can provide no assurances that our procedures to assess customer data and any audits that we undertake to verify the accuracy of our customers data will be successful. As a result, we may not always receive complete or accurate information (financial or otherwise) from our customers or obtain all royalty payments to which we are legally entitled, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in our business model could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have in the past made and may in the future make changes to our business model. We can provide no assurances that customers will accept these changes, which could result in lower revenues, particularly in the period immediately following the initial introduction of a new business model. In such case, we may not realize the anticipated financial benefits of such changes in the amounts we anticipate, on the expected timeline or at all. For example, we recently introduced new approaches to licensing certain of our products to our customers. As a result of introducing a relatively small annual fee under one new licensing model, for example, the payment by customers of fees under this new licensing model will be collected based on the negotiated annual fee leading to a deferral of upfront license fees that we have historically received under a technology licensing agreement (a “TLA”). This deferral of such licensing fees is expected to continue to have an adverse effect on our licensing revenue in the short term.

In addition, increases in the number or value of licenses signed in the future may not materialize in the same way or at all under a new business model and, therefore, licensing revenue and royalty revenue may be lower than expected. Further, the use of a new business model may have unexpected consequences for our company, including making our products less attractive to current and prospective customers, which could have a material adverse effect on our business, competitive position, results of operations, financial condition and prospects.

Any changes in our business model may result in us entering new markets or offering types of solutions that we have previously not offered, which may require significant expenditures of resources. As described above, we have begun allocating resources to explore the viability of new products beyond individual design IP elements, including, without limitation, RTL-based compute subsystems, GDSII-based compute subsystems, chiplets and complete end chip solutions. To the extent that we pursue entry into new markets or offerings of different solutions, we may compete with other companies that may have a more developed IP portfolio for the applicable markets and solutions. Additionally, certain companies may be unlikely to change to another product, once adopted, until the next generation of a technology. See “—Our revenues predominantly come from a limited number of end markets.” Competing companies may be able to leverage these competitive factors to gain or maintain market share, which may limit our ability to capitalize on any market opportunity we identified. Accordingly, to the extent that we pursue entry into any new market or offer any new product or solution, we may not realize the anticipated financial benefits of such changes in the amounts we may anticipate, on our expected timeline or at all.

If we are engaged to design chips for one or more customers, we could be subject to a variety of risks, any of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In the future, we may be engaged to supply chip designs for certain existing customers and other third parties, including affiliates of SoftBank Group, across a variety of use cases and end markets. We can provide no assurances that customers would engage us to supply custom chip designs or, even if one or more customers were to engage us, that we would be successful in designing chips for our customers’ intended use cases. Designing chips for one or more customers may necessitate substantial investments in technology and human capital, and it could take several years for us to realize any associated benefits, if ever. This may reduce our cash available for operations and other uses, which could hurt our ability to grow our business. In addition, any efforts to design chips may require substantial time and attention from our executives, engineers and other employees, which could distract them from operating our business, and divert attention and resources away from our core business. Further, in such circumstances, we may partner with third parties, which may include SoftBank Group and/or its affiliates, which may expose us to additional risks, including risks related to oversight of the project and quality control. See “—Failure to adequately fund our research and development efforts may materially impair our ability to compete effectively.”

Furthermore, any decision to design chips for customers may create real or perceived competitive conflicts with companies that are important to our business, and as a result of such competition, such companies might terminate or materially reduce their relationship with us, particularly if we agreed to design chips exclusively for certain customers. If our relationships with existing customers deteriorated or terminated as a result of any opportunistic expansion into chip designs, our business, results of operations and prospects could be materially and adversely affected.

We may be unable to make acquisitions and investments, or successfully integrate them into our business, and we may be unable to divest businesses on acceptable terms or at all.

As part of our business strategy, we consider a wide array of potential strategic transactions, including acquisitions of businesses, new technologies, services and other assets, joint ventures and strategic investments that complement our business. We may be unable to identify or complete prospective transactions for many reasons, including increasing competition from other potential acquirers or investors, the effects of consolidation in our industries or potentially high valuations of acquisition or investment candidates. Certain agreements to which we are subject from time to time may also contractually restrict our ability to make acquisitions and investments in some circumstances. In addition, applicable antitrust, national security (including with respect to the U.K. National Security and Investment Act 2021 or the Committee on Foreign Investment in the United States) or other laws or regulations may limit our ability to acquire, invest in or integrate targets, or may force us to divest an acquired business or impose restrictions on an investment. If we are unable to identify suitable targets or complete or successfully integrate acquisitions, our growth prospects may suffer, and we may not be able to realize sufficient scale and technological advantages to compete effectively in all markets. Acquisitions involve numerous risks, any of which could negatively affect our business, results of operations, financial condition and prospects, including with respect to timing or delays, diversion of financial and management resources from existing operations or alternative acquisition opportunities, subsequent litigation, retention of key employees or business partners, and theft of information disclosed during the transaction. If we fail to address the foregoing risks or other problems encountered in connection with past or future acquisitions of businesses, new technologies, services and other assets and strategic investments, or if we fail to successfully integrate such acquisitions or investments to realize anticipated benefits or synergies, our business, results of operations, financial condition and prospects could be adversely affected.

In addition, we have in the past divested and reduced, and may in the future divest or reduce, our investment in certain businesses or product lines from time to time. Such divestitures involve risks, such as the difficulty of identifying and separating out specific assets within a business, distracting employees, incurring potential loss of revenue and cash flow, negatively impacting margins, and potentially disrupting customer and employee relationships. We may also incur significant costs associated with exit or disposal activities, related impairment charges, or both.

There may be risks associated with organic growth or growth from strategic investments or acquisitions we make, and we may fail to effectively manage our growth.

We could experience rapid growth in our headcount and operations through acquisitions, strategic investments and organic growth. This growth can place significant demands on our management and our operational and financial infrastructure. Our ability to manage our growth effectively and to integrate new technologies, businesses and personnel into our existing business may require us to expand our operational and financial infrastructure and to address the retention, attraction, training, motivation and management of employees across a broader geographical and operational footprint. Such growth could strain our ability to develop and improve our operational, financial and management controls, enhance our reporting systems and procedures, recruit, train and retain highly skilled personnel, implement systems, policies, benefits and compliance programs across different jurisdictions, maintain our culture and maintain customer and brand satisfaction. Additionally, if we do not effectively manage the growth of our business and operations, the quality of our products and services could suffer, which could negatively affect our brand, operating results and overall business. The failure to effectively manage the growth of our strategic investments could also cause the value of such investments to decline. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Our financial statements include significant amounts of goodwill and other intangible assets. The impairment of a significant portion of these assets would adversely affect our reported results of operations and financial position.

The goodwill and other intangible assets recognized in our financial statements represented 20% and 2%, respectively, of our total assets as of March 31, 2024 (24% and 2%, respectively, as of March 31, 2023). Within other intangible assets, our principal assets are our patents and licenses (23% of total other intangible assets as of March 31, 2024) and software or software assets under construction (76% of total other intangible assets as of March 31, 2024). Any further acquisitions may result in our recognition of additional goodwill or other intangible assets. We evaluate on a regular basis whether all or a portion of our goodwill and other intangible assets may be impaired. Under current accounting rules, any determination that impairment has occurred would require us to record an impairment charge, which would negatively affect our results of operations.

We recognized impairments for the fiscal year ended March 31, 2022 in relation to specific historically acquired or developed products that were no longer being licensed, and we have also recognized impairments in the past.

In addition, we capitalize and amortize the qualifying costs of internally developed software for its operating platforms and related back-office systems over the estimated useful lives of these intangible assets (generally between three and five years). If projects fail to deliver anticipated results in line with our estimates and assumptions, then we may be required to write-down the intangible asset costs, which could adversely affect our financial condition, results of operations and the trading price of our securities.

An impairment or write-down of a significant portion of goodwill, other intangible assets or capitalized development costs could have a material adverse effect on our reported results of operations and our financial position.

Our financial and operational flexibility may be restricted by covenants contained in loan agreements we may enter into in the future, and we may be unable to comply with the restrictions and financial and operational covenants imposed by such agreements.

We do not currently have any debt, but we may incur debt in the future. Future creditors may subject us to certain restrictions on our business and future financing activities as well as certain financial and operational covenants. Such restrictions and covenants may prevent us from taking actions that otherwise might be deemed to be in the best interest of us and holders of our ADSs. Debt service obligations may require us in the future to dedicate a substantial portion of our cash flows from operations to payments of principal and interest on our interest-bearing debt, which could limit our ability to obtain additional financing, make capital expenditures and acquisitions and carry out other general corporate activities in the future. Any such obligations may also limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate or detract from our ability to successfully withstand a downturn in our business or the economy in general.

Failure to obtain, maintain, protect, defend or enforce our IP rights could impair our ability to protect our proprietary products and our brand, and the costs of obtaining, maintaining, protecting, defending and enforcing such IP rights, particularly as a result of litigation, may adversely and materially affect our results of operations.

Our success and ability to compete depend significantly on protecting our IP rights. We primarily rely on patent, copyright, trade secret and trademark laws, trade secret protection and contractual protections, such as confidentiality, invention assignment and license agreements with our employees, customers, third-party partners and others, to protect our IP rights. The steps we take to protect our IP rights may be inadequate. We also may not be able to obtain desired patents, and our pending (of which we currently have approximately 2,500) or future patent applications, whether or not being currently challenged, may not result in the issuance of patents with the scope of protection we seek, including in jurisdictions of strategic importance and, if issued, may not provide any meaningful protection or competitive advantage. The scope of our patent protections may be adversely affected by changes in legal precedent and patent office interpretation of these precedents. Further, patents directed to particular subject matter associated with our business (e.g., CPU architecture) may be difficult to obtain and enforce in many jurisdictions and there may also be limits on recovery for damages in those jurisdictions. Any of our existing patents, and any future patents, may be challenged, narrowed, invalidated or circumvented. Further, we may be unsuccessful in executing adequate invention assignment agreements with all employees, contractors or other third parties involved in the development of our IP portfolio. In certain jurisdictions, rights to IP developed by our employees or contractors or other third parties may not automatically vest in us, and our employees or contractors or other third parties may claim ownership in IP that we believe is owned by us. We may also be required to spend significant resources to establish, monitor and protect our IP rights, particularly as we expand our operations globally.

Our exposure to different legal jurisdictions also may impact our ability to exercise our contractual and other rights around IP in such jurisdictions, in particular in countries whose laws regarding the protection of IP are less rigorous or more difficult to enforce than in the U.K., the U.S. and the European Union. In jurisdictions where effective IP protection is unavailable or limited, our IP rights may be vulnerable to unauthorized disclosure, infringement, misappropriation or other violation by employees, third-party partners, suppliers, customers and other entities or individuals, even though our customers and partners are contractually restricted from using our IP outside of the agreed-upon licensing arrangements. Policing unauthorized use of our IP is difficult and expensive, and we may not be able, or may lack the resources, to prevent infringement, misappropriation or other violation of our IP rights, including increased difficulty as a foreign entity in certain international locations, particularly outside the U.K., the U.S. and the European Union. In addition, our ability to monitor and control theft, misappropriation or infringement is uncertain, particularly in countries outside of the U.K., the

U.S. and the European Union, as the laws of some countries do not provide the same level of protection of our proprietary and confidential information as do the laws of the U.K., the U.S. and the European Union. Moreover, because we deliver our products to our customers in a source form, we have limited ability to trace the source of misappropriation of our IP and there are limited technological barriers (e.g., remote authorization requirements) we can put in place to protect our products from use by unauthorized parties. Additionally, theft of our IP or proprietary business information (including our trade secrets) could require substantial expenditures and resources to remedy. If we, our employees or our third-party partners, consultants, contractors, vendors or service providers were to suffer an attack or breach, for example, that results in the unauthorized access to, or use, theft, disclosure, misappropriation or sale of, our IP by any unauthorized third parties, we may have to notify consumers, partners or governmental authorities, and may be subject to investigations, civil penalties, administrative and enforcement actions and litigation, any of which could be costly and distracting or otherwise harm our business and reputation.

We may be unable to successfully obtain, maintain, protect and enforce our IP rights (including defending against counterfeit, knock-off, grey-market, infringing or otherwise unauthorized goods). Specifically, third parties may distribute, license and sell counterfeit or grey-market versions of our products, which may be inferior or pose safety risks and could confuse consumers or customers, which could cause them to refrain from purchasing our brands in the future or otherwise damage our reputation. The presence of counterfeit versions of our products and technology in the market could also dilute the value of our brands, force us and our customers to compete with heavily discounted products and technology, cause us to be in breach of contract (including license agreements), impact our compliance with distribution and competition laws in jurisdictions including the U.K., the U.S., the European Union and the PRC, or otherwise have a negative impact on our reputation and business, prospects, financial condition or results of operations. Further, we may not be able to detect all violations of our IP rights and, even if we do become aware of any such violations, we may not be able to adequately enforce our IP rights in certain domestic and foreign jurisdictions. If we are unable to successfully navigate the relevant legal and regulatory environment and/or enforce our IP rights and/or contractual rights in relevant jurisdictions, our business, results of operations, financial condition and prospects could be materially and adversely impacted.

Litigation may be necessary in the future to enforce our patents and other IP rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement, misappropriation or invalidity. Any such litigation, whether or not determined in our favor or settled by us, could be costly and would divert the efforts and attention of our management and technical personnel from normal business operations, which could have a material adverse effect on our business, results of operations, financial condition and prospects. Furthermore, our efforts to enforce our IP rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our IP rights. In addition, counterparties in litigation may have greater resources that they can dedicate to litigation-related matters than we can. Moreover, litigation against current or former customers and partners may adversely impact existing relationships. Accordingly, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our IP rights. See also *“—We may be sued by third parties for alleged infringement, misappropriation or other violation of their IP rights or proprietary rights and our defense against these claims can be costly.”*

In any potential dispute involving our patents or other IP, our licensees or the customers of our licensees could also become the target of litigation and we may be bound to indemnify such parties under the terms of our license agreements. Although our indemnification obligations are generally subject to a maximum amount, such obligations could nevertheless result in substantial expenses to us. See *“Item 4. Information on the Company—B. Business Overview—Legal Proceedings.”* In addition to the time and expense required for us to indemnify our licensees or the customers of our licensees, such parties’ development, marketing and sales of chips and end products utilizing our products could be severely disrupted or discontinued as a result of litigation, which, in turn, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, the semiconductor industry is generally subject to high turnover of employees, so the risk of trade secret misappropriation may be amplified. If any of our trade secrets are subject to unauthorized disclosure or are otherwise misappropriated by third parties, our competitive position may be materially and adversely affected.

Any adverse determinations in litigation could result in the loss of our IP rights or proprietary rights, subject us to significant liabilities, require us to seek licenses from third parties or prevent us from licensing our products, any of which could have a material adverse effect on our business, results of operations, financial condition and prospects. Our failure to obtain, maintain, protect, defend and enforce our IP rights could have a material adverse effect on our brand or our business, results of operations, financial condition and prospects. Furthermore, because our products are often based on a

common architecture and our new products are often based on legacy products, adverse events related to our IP may have a more significant impact on us than if our products were less related.

We may be sued by third parties for alleged infringement, misappropriation or other violation of their IP rights or proprietary rights and our defense against these claims can be costly.

We have in the past been and may in the future be subject to claims by third parties alleging our infringement, misappropriation or other violation of third-party IP rights, including patent rights, or misuse of third-party confidential information. Under our customer agreements, we agree in some cases to indemnify our customers if a third party files a claim in court or another venue asserting that our products infringe such third party's IP rights. Although we do not agree to indemnify our customers' end customers, such end customers may be subject to infringement claims and may initiate claims against us as a result. Claims alleging infringement, misappropriation or other violation of third-party IP rights can result in costly and time-consuming litigation (regardless of their validity or merit), require us to enter into royalty or licensing arrangements, subject us to damages or injunctions restricting the sale of our products, result in the invalidation of a patent or family of patents, require us to refund license fees to our customers or to forgo future payments or require us to redesign or rebrand certain of our products, any one of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition to the time and expense required for us to satisfy our support and indemnification obligations to our customers and partners, any litigation could severely disrupt or shut down the business of our customers and partners, which in turn could damage our relations with them and have a material adverse effect on our business, reputation, results of operations, financial condition and prospects.

We are currently involved in pending litigation.

From time to time, we are involved in various legal, administrative and regulatory proceedings, claims, demands and investigations relating to our business, which may include claims with respect to commercial, product liability, IP, cybersecurity, privacy, data protection, antitrust, breach of contract, labor and employment, whistleblower, mergers and acquisitions and other matters. We are involved in pending litigation, including, but not limited to, lawsuits with Qualcomm Inc. and Qualcomm Technologies, Inc. (together "Qualcomm") and Nuvia, Inc. ("Nuvia"). In addition, our products are involved in pending litigation to which we are not a party. We cannot provide you any assurances regarding how any such litigation will be resolved, what benefits we will obtain or what losses we might incur.

On August 31, 2022, we sued Qualcomm and Nuvia in the U.S. District Court for the District of Delaware, on the basis that Qualcomm and Nuvia: (i) breached the termination provisions of Nuvia's Architecture License Agreement (the "Nuvia ALA") with us by failing to destroy technology Nuvia developed under the Nuvia ALA, which we terminated in March 2022 based on Nuvia's failure to obtain our consent to the assignment of the Nuvia ALA to Qualcomm; and (ii) will infringe our trademarks if Qualcomm uses them in connection with the Nuvia technology which is subject to a destruction obligation under the Nuvia ALA. Our complaint seeks, among other things, specific performance of the Nuvia ALA termination provisions to require Qualcomm and Nuvia to stop using and to destroy the relevant Nuvia technology, and to stop their improper use of our trademarks with their related products. We also seek declaratory judgment, injunctive relief and damages relating to Qualcomm's and Nuvia's breach of contract and infringement of our trademarks in connection with the relevant Nuvia technology. Qualcomm originally responded and brought a counterclaim against us seeking a declaratory judgment that after Qualcomm's acquisition of Nuvia, Qualcomm's proposed products are fully licensed from us under its separate license agreements with us and that it has complied with its contractual obligations to us and Nuvia did not breach the Nuvia ALA. On March 6, 2024, the Court denied-in-part Qualcomm's motion to amend its counterclaims, but allowed Qualcomm to raise a new claim alleging that Arm breached the termination provisions of the Nuvia ALA by continuing to use Nuvia confidential information following termination. The original claims are currently in the expert discovery phase, while the newly-added claims are currently in the fact discovery phase, with trial set for December 2024. On April 18, 2024, Qualcomm brought a new action in Delaware against Arm, asserting claims that were rejected in the Court's decision on March 6, 2024. In this new action, Qualcomm asserts that Arm failed to satisfy certain delivery actions. Qualcomm seeks to have us comply with contractual obligations that we allegedly breached, damages and additional relief. We disagree with each of the assertions made by Qualcomm (as referred to above) and intend to vigorously defend against them. We can provide no assurances regarding the outcome of either litigation or how the litigation will affect our relationship with Qualcomm, which is currently a major customer of ours and accounted for 10% of our total revenue for the fiscal year ended March 31, 2024. These cases will likely require significant legal expenditures going forward and may also require substantial time and attention from our executives or employees, which could distract them from operating our business. In addition, our involvement in such litigation could cause us to incur significant

reputational damage in the industry, in our relationship with Qualcomm or in our relationship with other third-party partners.

These matters can be time-consuming, divert management's attention and resources, and cause us to incur significant expenses. Any allegations made in the course of regulatory or legal proceedings may also harm our reputation, regardless of whether there is merit to such claims.

Errors, defects, bugs or security vulnerabilities in or associated with our products could expose us to liability and damage our brand and reputation, which could harm our competitive position and result in a loss of market share.

Our products have in the past and could have a substantial technical flaw or an undetected design error, which could result in unanticipated costs. Our products are used in billions of consumer and enterprise products across a wide range of industries, and many of these products are depended on by individuals and businesses. The discovery of any design defect, fault or bug associated with our products, as well as any ensuing litigation or claims for indemnification could adversely affect our reputation and our relationships with partners, thereby having a material adverse effect on our business, results of operations, financial condition and prospects. Any such defects, faults or bugs could cause us to lose customers, increase our service costs, subject us to liability for damages or divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations, financial condition and prospects. The ramifications of a design defect, fault, or bug may be further exacerbated by the fact that many of our products are based on a common architecture and our new architecture products often are based on legacy products. Accordingly, a design defect, fault, or bug may affect multiple end products that are based on the same products, thereby potentially exposing us to additional liability and requiring additional resources to remedy the error.

In addition, our software could contain errors, defects or bugs, especially when first introduced or when new versions are released. Product errors, including those resulting from third-party suppliers and open-source vendors, could affect the performance or interoperability of our products, could delay the development or release of new products or new versions of products and could adversely affect market acceptance or perception of the quality and attractiveness of our products. Any such errors or delays in releasing new products or new versions of products, or allegations of unsatisfactory performance, could cause us to lose customers, increase our service costs, subject us to liability for damages or divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations, financial condition and prospects.

Security vulnerabilities may be identified in our products, and it is possible that vulnerabilities may not be mitigated before they become known. Publicity related to any such security vulnerabilities, whether accurate or inaccurate, and any attempted or successful exploitation of such vulnerabilities, may cause increased third-party attempts to identify additional security vulnerabilities or could result in litigation, indemnification or other regulatory actions or inquiries, which could harm our brand and have an adverse effect on our business and results of operations and financial performance.

Additionally, our products are used, and may be used in the future, in a variety of safety critical systems and equipment, including, but not limited to, autonomous vehicles, robotics, drones and medical equipment. Faults, security vulnerabilities or errors in such systems can result in harm to individuals, including loss of life. Any such fault, security vulnerability, or errors that may be attributed to our products, regardless of merit, could result in litigation, indemnification obligations or regulatory actions or inquiries, which could harm our brand and have a material adverse effect on our business, results of operations and financial performance.

Some of our customers have stringent technical and quality requirements that require us to meet certain test and qualification criteria or to adopt and comply with specific quality standards. Certain customers also periodically audit our performance. Failure to meet technical or quality requirements or a negative customer audit could result in the loss of current sales revenue, customers, and future sales.

Actual or perceived security vulnerabilities in our information technology systems, including cyberattacks, security breaches or other similar incidents with respect to our or our third-party partners' information technology systems, or any unauthorized access to our data or our third-party partners' and our customers' data, could harm our reputation, business and operating results.

We collect, store and otherwise process certain personal, confidential and proprietary information in the operation of our business, including trade secrets, customer information, employee data, corporate data, personal information and other sensitive and protected data. Further, our third-party partners and customers regularly provide us with highly sensitive

information, including details about their future product plans and roadmaps. Any unauthorized access to or disclosure of this information, whether inadvertent, malicious or as the result of a cyberattack, security breach or other similar incident, could have a material adverse effect on our third-party partners and customers as well as our own operations, which may in turn result in significant damage to our reputation, business and operating results.

Cyberattacks, including, but not limited to, ransomware events, computer viruses or other malware, phishing attacks, denial of service attacks, illegal hacking and credential stuffing, or other malicious attempts to compromise and/or interrupt the operation of information technology systems continue to increase in frequency, magnitude and sophistication. These increasing threats are being driven by a variety of sources, including nation-state sponsored espionage and hacking activities, industrial espionage, organized crime, advanced persistent threat actors, and hacking by groups and individuals. These sources can also implement social engineering techniques to induce our third-party partners, users, employees or customers to disclose passwords or other sensitive information or take other actions to gain access to our or our third-party partners' data or our users' data. Techniques, including techniques based on or otherwise using AI, used to obtain unauthorized access to, or to sabotage, systems or networks are constantly evolving and may not be recognized until launched against a target. Therefore, we may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures, and we may face delays in our detection, containment, or remediation of, or other responses to, such cyberattacks, security breaches and other similar incidents. Geopolitical instability, such as ongoing conflict between Russia and Ukraine and conflicts in the Middle East, may increase the likelihood that we or our third-party partners and customers could experience direct or collateral consequences from cyber conflicts between nation-states or other politically motivated actors targeting critical technology infrastructure. As we increase our customer base and our brand becomes more widely known and recognized, and as our products are used in more heavily regulated industries where there may be a greater concentration of sensitive and protected data, such as healthcare, government, life sciences and financial services, we and our third-party partners may become more of a target for these malicious actors.

Cyberattacks, security breaches or other similar incidents with respect to our information technology systems or those of our third-party partners could result in unauthorized access to, or misappropriation, loss of availability or integrity, disclosure, modification, misuse, loss, destruction or theft of, personal, confidential and proprietary information belonging to us or our employees, third-party partners, customers or suppliers, or cause a significant disruptive effect on our services, which could result in us, our third-party partners or our customers suffering significant financial or reputational damage and potential third-party legal action. If our security measures are, or are believed to be, inadequate or breached as a result of third-party action, employee negligence, error or malfeasance, fraud, product defects, accidental technological failure, social engineering techniques, improper user configuration or otherwise, and this results in, or is believed to result in, compromise of the confidentiality, integrity or availability of our data or our third-party partners' and customers' data, or otherwise causes a significant disruptive effect on our services, we could incur significant liability to various parties, including our third-party partners and customers, and to individuals or organizations whose information is being processed by us, our third-party partners or our customers. Further, such information and data being stored in foreign jurisdictions, could lead to us being required to disclose or provide access to data or other IP to a foreign government pursuant to national security or other laws of such foreign jurisdiction. Any perceived or actual violation of security, data protection and/or reporting obligations under relevant privacy and data protection laws, regulations, rules, standards and other obligations could also result in regulatory inquiries, investigations and enforcement actions, fines and/or legal action. We incur significant costs in an effort to detect and prevent cyberattacks, security breaches and other similar incidents, and we may face increased costs and be required to expend substantial resources in the event of an actual or perceived cyberattack, security breach or other similar incident. While we and our third-party partners and customers have experienced cyberattacks, including attempts to breach our information technology systems, and may experience cyberattacks in the future, as of the date of this Annual Report, we have identified no material breaches of our information technology systems. We can provide no assurances that we will not experience material breaches of our information technology systems in the future, that our third-party partners and customers will not experience breaches of their information technology systems in the future that are material to us, or that we or our third-party partners and customers have not experienced such a breach but have not yet discovered it.

Additionally, our vendors or service providers may suffer, or be perceived to suffer, cyberattacks, security breaches or other similar incidents that may compromise data stored or processed for us, which may also give rise to any of the foregoing. Our ability to monitor our vendors' and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, or misuse, disclosure, loss, acquisition, modification, unavailability, destruction or other processing of, our and our customers' data. If our vendors or service providers suffer cyberattacks, security breaches or other incidents, we may be unable to perform essential functions to operate our business. To the extent any of our IP is compromised as a result of a security breach experienced by us or by a vendor or service provider, and we do not promptly identify or are not promptly made aware of such breach, we may incorporate compromised IP in our products, thereby making customer implementations of our

products vulnerable to future cyberattacks, security breaches or other similar incidents. Moreover, if we, or any of our vendors or service providers, experience a security breach resulting in the exfiltration of confidential data about our information technology systems, such data may provide additional avenues for further attacks.

We cannot ensure that any limitations of liability in our agreements with customers, third-party partners, service providers and other third parties with which we do business would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim in connection with a cyberattack, security breach or other similar incident. Additionally, we cannot be certain that our insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim. Any of the foregoing may cause our business to suffer and our reputation or competitive position to be damaged, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

Any failure, interruption, disruption, damage or outage with respect to our information technology systems, including or due to an inability to operate our disaster recovery plans to adequately mitigate the effects of such, could adversely affect our reputation, operations and financial condition.

Our business depends on the efficient and uninterrupted operation of our information technology and communications systems. If such information technology systems were to fail, in whole or in part, for any reason or if we were to experience any unscheduled downtimes, even for only a short period, our reputation, operations and financial results could be adversely affected.

Our information technology systems could be damaged or interrupted by several scenarios including natural hazards, extreme weather, fire, utility loss, infrastructure failure, service provider failure or cyber threats. Certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target, and we may not be able to implement adequate preventative measures. In many cases we use cloud provided software solutions where we are reliant on the software provider meeting our service level and contractual agreements. In the event that a critical software provider cannot provide their agreed service, this could have an adverse impact on our reputation, operations and financial reporting.

The formal disaster recovery and business continuity plans we have in place may not be successful in preventing delays or other complications that could arise from information technology systems failure or cyber attacks and, if they are not successful, insurance may not adequately compensate us for all losses that may occur and have a material adverse effect on our business, results of operations, financial condition and prospects.

Claims may be made for which we do not have adequate insurance, which could have a material adverse effect on our results of operations, cash flows and financial condition.

In recent years, the insurance industry has faced unprecedented and escalating global events compounded by international economic uncertainty. As a result of these and other pressures, many insurers have withdrawn from certain market sectors and certain available insurance has become costly to procure, renew or maintain. We currently have global insurance policies, including coverage for the following significant risks (all of which are subject to certain important scope limitations, exceptions and company/deductible arrangements): property damage, business interruption, employee liability, public and products liability, directors' and officers' liability, and cybersecurity and technology-related losses. We do not insure against claims concerning patent litigation or other IP infringement claims and potential related indemnification obligations, because we are of the view that any limited coverage that could be obtained would be prohibitively expensive. Our business, results of operations, financial condition and prospects could be materially adversely affected by the occurrence of a catastrophic event, to the extent that any resulting loss or claim was not covered under the terms of our then existing insurance policies.

Foreign exchange fluctuations could have a material adverse effect on our business, results of operations, financial condition and prospects.

Although a substantial majority of our revenues, as well as a significant proportion of our assets and liabilities, are denominated in USD, certain of our costs are denominated in British pounds sterling and a number of other currencies, such as the euro and Indian rupee. Consequently, our results of operations have been, and are likely to continue to be, affected by changes in the relative value of the various currencies in which our revenues, costs, assets and liabilities are denominated, and especially the U.S. dollar to British pound sterling exchange rate, as well as the exchange rates to the euro and Indian rupee, may have a material impact on our reported results of operations and financial condition. To manage

our exposure, we may engage in the use of financial derivatives or currency hedging transactions, although such activities may not cover all of our exposure, may be costly and may also expose us to counterparty risk. Despite hedging and other mitigating techniques implemented by us, fluctuations in exchange rates have in the past and may in the future have a material adverse effect on our business, results of operations, financial condition and prospects.

We could suffer significant damage to our brand and reputation, which could harm our competitive position, results of operations and prospects.

Our brand and reputation are critical factors in our relationships with customers, employees, governments, suppliers, and other stakeholders. Our failure to address, or the appearance of our failure to address, issues that give rise to reputational risk, including those described throughout this “Risk Factors” section, could significantly harm our brand and reputation. Our reputation can be impacted by catastrophic events, incidents involving unethical behavior or misconduct, product quality, security, or safety issues, allegations of legal noncompliance, internal control failures, corporate governance issues, security incidents, workplace incidents, climate issues, the use of our products for illegal or objectionable applications, including AI and ML or military applications that present ethical, regulatory, or other issues, marketing practices, media statements, the conduct of our suppliers or representatives, and other issues, incidents, or statements that, whether actual or perceived, result in adverse publicity.

Concerns about our AI- and ML-related practices or the ultimate uses of our products in conjunction with AI and ML technologies, even if unfounded, could damage our reputation and materially and adversely affect our business and operating results. Third parties may use our products for harmful or controversial purposes, and the use of our products by our customers or end users to power AI and ML features and functionality may result in harm or controversy.

In addition, our brand and reputation may be damaged by the actions of third parties that are imputed to us. For example, although Arm China operates independently of us, Arm China uses our trademarks in its marketing and branding. To the extent that Arm China’s actions are imputed to us due to Arm China’s use of our trademarks, our own brand and reputation may suffer significant damage.

To the extent we fail to respond quickly and effectively to address corporate crises and other threats to our brand and reputation, the ensuing negative public reaction could significantly harm our brand and reputation, which could result in loss of trust from our customers, third-party partners and employees and could lead to an increase in litigation claims and asserted damages or subject us to regulatory actions or restrictions, any of which could adversely affect our business, results of operations, financial condition and prospects.

Damage to our brand and reputation could reduce demand for our products and adversely affect our business, operating environment and the trading price of our securities. Damage to our reputation may also make us less attractive to current and prospective employees relative to our competitors, particularly given the intensely competitive market for highly skilled employees. Moreover, repairing our brand and reputation may be difficult, time-consuming, and expensive. The heightened competitive pressures could result in a loss of customers or a reduction in revenues or revenue growth rates, all of which could adversely affect our business, results of operations, financial condition and prospects.

Increasing scrutiny and evolving expectations from customers, partners, regulators, investors, and other stakeholders with respect to our environmental, social and governance (“ESG”) practices may impose additional costs on us, expose us to new or additional risks, or harm our reputation.

Companies are facing increasing scrutiny from customers, partners, regulators, investors, and other stakeholders related to ESG practices and disclosure, including environmental stewardship, social responsibility, diversity and inclusion, racial justice and workplace conduct. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to negative investor sentiment toward us, which could have a negative impact on the trading price of our securities and our access to and costs of capital. Increased ESG-related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, and the trading price of our securities. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure.

We have established corporate social responsibility programs aligned with sound ESG principles. These programs reflect our current initiatives and are not guarantees that we will be able to achieve them. Our ability to successfully

execute these initiatives and accurately report our progress presents numerous operational, financial, legal, reputational and other risks, many of which are outside our control, and all of which could have a material negative impact on our business. Additionally, the implementation of these initiatives imposes additional costs on us. If our ESG initiatives fail to satisfy investors, customers, partners and our other stakeholders, our reputation, our ability to license our products to customers, our ability to attract or retain employees, and our attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfil our goals, targets and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could also have similar negative impacts and expose us to government enforcement actions and private litigation. See “Item 4. Information on the Company—B. Business Overview—Environmental, Social and Governance” for additional information regarding our corporate social responsibility programs.

We have identified a material weakness in our internal control over financial reporting and may identify material weaknesses in the future or otherwise fail to maintain proper and effective internal controls. If we fail to establish and maintain proper internal controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.

We will be required, pursuant to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), to furnish a report from management on, among other things, the effectiveness of our internal control over financial reporting in our second annual report on Form 20-F that is filed with the SEC (subject to any change in applicable SEC rules), which will be our annual report on Form 20-F for the for the fiscal year ending March 31, 2025. We also expect, assuming that we will become a large accelerated filer, that our auditors will be required to express an opinion on the effectiveness of our internal control over financial reporting beginning with our second annual report on Form 20-F. As a public company, we will be required to report, among other things, control deficiencies that constitute a “material weakness” or changes in internal controls that, or that are reasonably likely to, materially affect internal controls over financial reporting. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A “significant deficiency” is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

The material weakness identified for the fiscal years ended March 31, 2022 and 2021 and disclosed in our final prospectus filed on September 14, 2023 with the SEC pursuant to Rule 424(b)(4) under the Securities Act, relating to our Registration Statement on Form F-1 (the “IPO Prospectus”), relates to information technology general controls over information systems that are necessary for preparation of our financial statements, specifically (i) insufficient controls over user access rights and segregation of duties within our information systems, (ii) insufficient controls over change management of our information systems and (iii) insufficient controls over monitoring of batch processes. To address the material weakness, in the fiscal year ended March 31, 2023 we implemented a remediation plan which we are continuing to implement in the fiscal year ended March 31, 2024. The remediation plan includes the following activities: (i) improving controls over access rights management, including reviews of current access rights, user roles and access management procedures, (ii) the removal of excessive access rights to ensure that we adequately restrict user access to our financial applications to appropriate company personnel, (iii) expanding change management control procedures for our information systems, and (iv) engaging external experts to support the evaluation, testing and enhancement of our internal controls relating to our information technology systems. The actions that we are taking are subject to ongoing review by our executive management and are subject to the oversight of our Audit Committee. Although we have made considerable progress and intend to complete these remediation activities, we will not be able to fully remediate this material weakness until these steps have been completed, the enhanced processes have been operating effectively for a sufficient period of time and appropriate testing has been performed. We provide no assurances with respect to the timeline for implementing effective remedial measures, and our initiatives may not prove to be successful in remediating the material weakness or preventing additional material weaknesses or significant deficiencies in our internal control over financial reporting in the future. The costs of the remediation efforts to date have not been material, and we do not currently anticipate any material costs in connection with future remediation efforts.

To comply with the requirements of being a public company, we have undertaken various actions, and may need to take additional actions, such as implementing and enhancing our internal controls and procedures and hiring additional accounting or internal audit staff. Additionally, when evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal control over

financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, if we are required to make restatements of our financial statements, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in our operating results, the price of our ADSs could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404, we may not be able to remain listed on Nasdaq.

Risks Relating to Government Regulation and Legal Compliance

Our international operations expose us to risks in international jurisdictions and we may be negatively impacted by export restrictions and trade barriers.

Our headquarters are in the U.K., and we currently also have operations in various jurisdictions around the world, including the U.S., the PRC, India, South Korea, Japan, Taiwan and Europe. We may in the future expand our operations either within these jurisdictions or to new jurisdictions. Risks associated with these international operations include exposure to political, economic and financial conditions and expected and unexpected changes in legal and regulatory environments. We may, from time to time, enter into strategic partnerships, joint ventures or similar business relationships with entities in foreign jurisdictions, including governmental or quasi-governmental entities, pursuant to which we may be required to license or transfer certain of our IP rights to such entities. Such relationships could expose us to increased risks inherent in such activities, such as protection of our IP, economic and political risks, and contractual enforcement issues. In addition, we could face potentially adverse tax consequences from our international expansion, changes in our international operations or changes in tax laws in any of the multiple jurisdictions in which we operate. Managing operations in multiple jurisdictions also places further strain on management's time and our ability to manage overall growth. These risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are subject to governmental export and import requirements that could subject us to liability or restrict our ability to license our products. If the U.S. Department of Commerce were to broaden U.S. export restrictions on foreign-origin items, whether through changes to the level of *de minimis* U.S.-origin content that would make a non-U.S.-made product subject to the U.S. Export Administration Regulations ("EAR"), known as the *de minimis* rule, or through changes to the foreign direct product rules under the EAR or otherwise, these expanded restrictions would subject more of our products to U.S. export controls and impose export restrictions on the licensing and delivery of impacted items to certain customers and trading partners. Furthermore, if the U.S. Government implemented expanded economic sanctions on specific countries or regions, that could impact our portfolio. For instance, the U.S. has published significant changes to export sanctions regulations with respect to Russia and the PRC, and we anticipate additional changes to such regulations in the future. In October 2023, the U.S. Government published updated export controls on advanced computing chips, computer commodities that contain such chips, and certain semiconductor manufacturing items, as well as controls on transactions involving items for supercomputer and semiconductor manufacturing end-uses. The October 2023 controls modify the scope of items subject to license requirements for certain entities on the U.S. Government's Entity List (as defined below). As a result, our freedom to license our products to designated countries or entities could be reduced, and our commercial relationships could be further harmed by limiting the ability of certain of our customers and partners from freely shipping chips and end products incorporating certain of our products. For instance, given U.S. and U.K. trade and national security policies regarding exports of technology with potential military uses, it is unlikely that we would be able to obtain a U.S. or U.K. export license for certain high performance compute cores in the Neoverse series processor family. This and any similar limitations could also reduce our revenues and cause significant uncertainty in our products roadmap, which could have an adverse effect on our business, results of operations, financial condition and prospects.

In addition, if other countries, particularly the U.K., were to adopt export control rules similar to the U.S., or make existing rules more onerous, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, trade relations between countries where we do business or where our customers have end customers has recently been volatile. For example, the U.S. Government has imposed export sanctions on certain trading partners and entities which impact the cross-border transfer of technology and software products and announced new licensing requirements which impact exports of some of our customer's ICs and certain related items. These measures may increase costs and/or reduce distribution in key markets. This in turn could require us to increase prices to our customers which may reduce demand, or, if we are unable to increase prices to adequately address any restrictions, it could result in lower margins on products sold or fewer products sold, which would reduce royalty revenues. Changes in U.S. trade policy have resulted in, and could result in more, U.S. trading partners adopting responsive trade policies, including imposition of

increased tariffs, quotas or duties, or imposition of technology or financial sanctions or controls, making it more difficult or costly for us to export our products to those countries. The implementation of a border tax, tariff or higher customs duties on products of our customers or their end customers manufactured outside of the U.S. or components that our customers or their end customers import into the U.S., or any potential corresponding actions by other countries in which our customers or their end customers do business, could negatively impact our financial performance and/or ability to protect our IP. Such developments could also result in a decrease in the demand for or injunctions on the products of our customers or their end customers, which would reduce our royalties and have an adverse effect on our revenues and profitability and thereby on our business, results of operations, financial condition and prospects. See “—Risks Relating to Our Business and Industry—Our concentration of revenue from the PRC market makes us particularly susceptible to economic and political risks affecting the PRC, which could be exacerbated by tensions between (on the one hand) the U.S. or the U.K. and (on the other hand) the PRC with respect to trade and national security.”

Failure to comply with, and changes in, governmental laws and regulations could harm our business.

Our business is subject to regulation by various governmental agencies, including, but not limited to, such agencies in the U.K., the European Union, the U.S. and the PRC. These laws and regulations affect our activities in areas including, but not limited to, labor, telecommunications, IP ownership and infringement, tax, economic sanctions, import and export control requirements and sanctions, anti-corruption, national security and foreign investment, foreign exchange controls and cash repatriation restrictions, privacy and data protection (such as the European Union General Data Protection Regulation (“GDPR”), the U.K. General Data Protection Regulation (“U.K. GDPR”), and the California Consumer Privacy Act as amended by the California Privacy Rights Act (collectively, “CCPA”)), security and cybersecurity, and anti-competition, environmental, health and safety, financial reporting and the certification requirements associated with public sector contracts. These laws, regulations and orders are complex, may change frequently and with limited notice, and many have become more stringent and have intensified over time, especially in light of continuing tensions between the U.S. and the PRC and sanctions on Russia and individual Russians as a result of the ongoing war in Ukraine.

Compliance with these laws, regulations and similar requirements may be onerous, expensive and time consuming. Laws and regulations are often inconsistent from jurisdiction to jurisdiction, further increasing the cost and complexity of compliance. We have implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance that our employees, contractors, or agents will not violate such laws and regulations or our policies and procedures. In addition, inadequate systems and processes have in the past and could in the future result in non-compliance with applicable laws and regulations (and this can be particularly challenging in complex areas such as licensing and export controls). We may be required to incur significant expense to remedy violations of these laws and regulations.

In addition, if our customers fail to comply with these regulations, we may be required to suspend sales to these customers, which could damage our reputation and negatively impact our results of operations. For example, the Bureau of Industry and Security (“BIS”), of the U.S. Department of Commerce, maintains and frequently updates the “Entity List,” which limits our ability to deliver products and services to these entities, some of which are our customers. On May 16, 2019, the BIS added Huawei Technologies Co., Ltd. and certain of its affiliated entities to BIS’s Entity List, which imposes limitations on the supply of certain U.S. items and product support to Huawei and certain of its affiliated entities. Huawei remains on the Entity List, and in the absence of a license from BIS, we may be unable to work with Huawei and certain of its affiliated entities on certain U.S. items and technology, which may have a negative effect on our ability to sell those U.S. items and technology in the future. Anticipated or actual changes in trade restrictions could also affect customer purchasing behaviors.

Non-compliance with applicable laws, regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations, financial condition and prospects could be materially adversely affected and our reputation and brand could be damaged. In addition, responding to any action will likely result in a significant diversion of management’s attention and resources and an increase in professional fees.

Actual or perceived failures to satisfy data protection, security, privacy or other laws, regulations, rules, standards and other government- and industry-specific obligations could adversely affect our business, results of operations, financial condition and reputation.

Privacy and data protection has become a significant issue in the U.K., the U.S., the European Union and in many other jurisdictions where we operate and where the chips and end products incorporating our products are offered. The regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future, which could expose us to further regulatory burdens. Many government bodies and agencies, including in the U.K., the European Union and the U.S., have adopted or are considering adopting or modifying laws and regulations addressing privacy and data protection, including the collection, storage, transfer, use and other processing of personal information. Certain jurisdictions have also enacted data localization laws mandating that certain types of data collected in a particular country be stored and/or processed primarily within that country. It is possible that our practices may be deemed not to comply with those privacy and data protection legal requirements that apply to us now or in the future, which could adversely affect our operations, financial condition, and reputation.

In the European Union and in the U.K., we are subject to the GDPR and the U.K. GDPR, respectively, which impose stringent obligations regarding the collection, control, use, sharing, disclosure and other processing of personal data. Failure to comply with the GDPR or the U.K. GDPR can result in significant fines and other liability. European data protection authorities have already imposed fines on companies for GDPR violations up to, in some cases, hundreds of millions of euros. While the U.K. GDPR currently imposes substantially the same obligations as the GDPR, the U.K. GDPR will not automatically incorporate changes to the GDPR going forward, which creates a risk of divergent parallel regimes and related uncertainty. We cannot predict how the U.K. GDPR and other U.K. privacy and data protection laws, regulations or rules may develop, including as compared to the GDPR, nor can we predict the effects of divergent laws and related guidance. Moreover, the U.K. government has publicly announced plans to reform the U.K. GDPR in ways that, if formalized, are likely to create a risk of divergent parallel regimes and related uncertainty, along with the potential for increased compliance costs.

Our continuing operations involve the cross-border transfer of personal information to and from locations such as the U.K., Europe, and United States. Ongoing legal challenges in Europe to the mechanisms allowing companies to transfer personal information from the European Economic Area (“EEA”) to outside the EEA (including the U.S.) could result in further limitations on the ability to transfer data across borders. For example, while the European Commission adopted on July 10, 2023 an adequacy decision for the EU-U.S. Data Privacy Framework, enabling U.S. companies that certify to the EU-U.S. Data Privacy Framework to rely on it as a valid data transfer mechanism, such adequacy decision is likely to face challenge at the Court of Justice of the European Union.

Further, our business may be affected by laws, regulations, rules and standards aimed at regulating the use of personal information for marketing purposes, the tracking of the online activities of individuals and the regulation of machine-to-machine communications. For example, the European Union’s proposed ePrivacy Regulation, which is still being negotiated, may impose burdensome requirements around obtaining consent and impose fines for violations that are materially higher than those imposed under the European Union’s current ePrivacy Directive and related EU member state legislation. Compliance with these laws, regulations, rules and standards may result in increased costs and limit the effectiveness of our marketing activities, while failure to comply may subject us to substantial fines and reputational damage.

In the U.S., we are subject to various federal, state and local privacy and data protection laws, rules, and regulations governing the collection, sharing, use, retention, disclosure, security, transfer, storage and other processing of personal information. For example, at the state level, we are subject to the CCPA, which broadly defines personal information and gives California residents expanded privacy rights and protections, such as affording them the right to access and request deletion of their information and to opt out of certain sharing and sales of personal information. The CCPA provides for severe civil penalties and statutory damages for violations and a private right of action for certain data breaches that result in the loss of unencrypted personal information. Numerous other states also have enacted, or are in the process of enacting or considering, comprehensive state-level privacy and data protection laws, rules and regulations that share similarities with the CCPA.

Moreover, we make public statements about our collection, use, disclosure and other processing of personal information through our privacy policies and information on our website. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. Our privacy policies and other public statements that provide promises and assurances about privacy, information security, and data protection can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any concerns about our privacy and data protection practices, even if unfounded, could damage our reputation and adversely affect our business.

Although we monitor the regulatory environment and have invested in addressing new developments, we may be required to make additional changes to our services and business practices to enable us and our customers to comply with applicable laws, regulations, rules, standards and other obligations. Evolving regulatory and legal obligations may also increase our potential liability exposure through higher potential penalties for non-compliance. Laws, regulations, rules, standards and other obligations relating to privacy and data protection are subject to differing interpretations and may be inconsistent among jurisdictions, thereby making compliance with such obligations challenging. Revising our services and business practices to comply with these requirements could reduce demand for our services, require us to take on more onerous obligations in our contracts, or restrict our ability to store, transfer and otherwise process data or, in some cases, impact our ability or our customers' ability to offer our services in certain locations, to deploy our products, to reach current and prospective customers, or to derive insights from customer data globally.

Third-party partners with access to personal information or other sensitive or confidential information for which we are responsible could breach their contractual obligations to us, or may experience data breaches or security incidents, which could impact our business, including by causing us to breach our obligations under privacy and data protection laws, regulations, rules, standards and other obligations. This could in turn adversely affect our business, results of operations and financial condition. In addition, our third-party due diligence, contractual measures, and other privacy and data protection-related safeguards may not sufficiently protect us from the risks associated with the third-party processing, storage and transmission of such information.

Our failure or perceived failure to comply with any applicable privacy or data protection laws, regulations, rules, standards or other obligations could result in increased costs for our products, monetary penalties, damage to our reputation, government and regulatory inquiries, investigations and enforcement actions, fines, orders to stop or limit processing of personal information, or legal action.

Furthermore, the uncertain and shifting regulatory environment and trust climate may cause concerns regarding privacy and data protection and may cause our customers or their customers to resist providing the data necessary to allow our customers to use our services effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our products or services and could limit adoption of our products. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

New technologies, such as AI and ML, are subject to a changing regulatory landscape in multiple jurisdictions in which we operate, and may present certain reputational risks.

New technologies, such as AI and ML, are the subject of evolving review by various governmental and regulatory bodies and agencies, and changes in laws, rules, directives, and regulations governing the use of such technologies may adversely affect the ability of our business to develop, use and commercialize such technologies and processors and products that use, incorporate or otherwise rely on such technologies. Several jurisdictions have already enacted measures related to the use of, incorporation of, or reliance on AI and ML in products and services and new laws, rules, directives and regulations may emerge over time. We may not always be able to anticipate how courts and regulators will apply existing laws to AI, to predict how new legal frameworks will develop to address AI, or to otherwise respond to these frameworks, as they are still rapidly evolving. It is not possible to predict all of the risks related to the use of AI and ML, and changes in laws, rules, directives, and regulations governing the use of AI and ML may materially and adversely affect our business and operating results or subject us to legal liability.

We are subject to anti-corruption laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to the U.K. Bribery Act 2010 (the "Bribery Act"), the U.S. Foreign Corrupt Practices Act (the "FCPA"), and other applicable anti-corruption laws in countries where we do business and may do business in the future. These anti-corruption laws generally prohibit us, our officers, our employees, affiliates, agents and intermediaries from offering or paying bribes, requesting or accepting bribes, or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. Under the Bribery Act, we may also be liable for failing to prevent a person associated with us from committing a bribery offense. We have operations in countries considered high risk for corruption, such as China and India, agreements and collaborations with third parties, interactions with government officials, and other business activities that could expose us to corruption risk. While we have compliance safeguards in place, it is possible that these safeguards prove insufficient, or that our employees, intermediaries, or other third-party business partners may engage in activities that subject us to liability under the Bribery

Act, FCPA, or other anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. If we further expand our operations internationally, we will need to dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the Bribery Act, the FCPA, or other legal requirements. If we are not in compliance with the Bribery Act, the FCPA and other anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions. Any investigation of any potential violations of the Bribery Act, the FCPA, other anti-corruption laws or trade control laws by U.K., U.S. or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

We are subject to risks related to government contracts and related procurement regulations.

A small portion of our revenue is derived from contracts with governmental entities, governmental subcontractors and public universities. Our contracts with such entities, including in the U.K., the European Union and the U.S., are subject to various regulations and other requirements relating to their formation, administration and performance. We may be subject to audits and investigations relating to government contracts, and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of the contract, payment of fines or suspension or debarment from future government business.

Our employees, independent contractors, consultants and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading laws, which could cause significant liability for us and harm our reputation.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, consultants and vendors. Misconduct by these partners could include intentional failures to comply with laws, standards, regulations, guidance or codes of conduct, provide accurate information to regulatory authorities, comply with manufacturing standards, report financial information or data accurately or disclose unauthorized activities to us. We may also be exposed to risks in connection with any insider trading violations by employees or others affiliated with us. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws, standards, regulations, guidance or codes of conduct. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations and prospects, including the imposition of significant fines or other sanctions and damage to our reputation.

Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer

We are a "controlled company" within the meaning of the Nasdaq corporate governance rules and, as a result, are eligible to rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are not controlled companies.

SoftBank Group beneficially owns approximately 88.1% of our total issued and outstanding share capital and thus a majority of the total voting power of our ordinary shares. As a result of SoftBank Group's ownership, we are a "controlled company" under the Nasdaq corporate governance standards.

Because we qualify as a controlled company, we have the option not to comply with certain requirements to which companies that are not controlled companies are subject, including the requirement that a majority of the Board of Directors consists of independent directors, the requirement that a majority of the independent directors select or recommend our director nominees, the requirement that the remuneration committee be responsible for determining or recommending the compensation of executive officers other than our CEO and the requirement that its remuneration committee be composed entirely of independent directors. Since we have elected to use certain of the controlled company exemptions, holders of our ADSs do not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements.

As long as SoftBank Group controls us and/or is entitled to certain rights under the Shareholder Governance Agreement, other holders of our ordinary shares and ADSs will have limited ability to influence matters requiring shareholder approval or the composition of our Board of Directors.

SoftBank Group beneficially owns approximately 88.1% of our total issued and outstanding share capital. As a result, for so long as SoftBank Group and its controlled affiliates hold shares representing a majority of the votes entitled to be cast by the holders of our outstanding ordinary shares at a shareholder meeting, SoftBank Group will generally have the ability to control the outcome of any matter submitted for the vote of our shareholders, except in certain limited circumstances as set forth in the Articles of Association, as amended (the “Articles”) and the Companies Act.

In addition, so long as SoftBank Group and its controlled affiliates hold ordinary shares representing at least a majority of the votes entitled to be cast by the holders of our ordinary shares at a shareholder meeting, SoftBank Group will have the ability to control the election of all of the members of our Board of Directors. The directors elected by SoftBank Group will have the authority to make important decisions regarding our business, including decisions affecting our capital structure, such as the issuance of equity, the incurrence of indebtedness, the implementation of stock repurchase programs and the declaration of dividends.

Pursuant to the shareholder governance agreement we entered into with SoftBank Group (the “Shareholder Governance Agreement”), SoftBank Group has the right to designate a number of candidates for election to our Board of Directors depending on its and its controlled affiliates’ level of ownership of our outstanding ordinary shares. SoftBank Group’s designation rights range from the ability to designate seven candidates so long as it owns more than 70% of our outstanding ordinary shares down to the ability to designate one candidate so long as it owns more than 5% of our outstanding ordinary shares. Additionally, for so long as SoftBank Group and its controlled affiliates own more than 70% of our outstanding ordinary shares, SoftBank Group has the right to increase the size of our Board of Directors to nine directors and appoint a director, who need not be independent, to the board to fill the newly created vacancy. If such right is exercised, SoftBank Group will have the right to nominate up to eight candidates for election to our Board of Directors for as long as it and its controlled affiliates hold more than 70% of our outstanding ordinary shares. The Shareholder Governance Agreement also gives SoftBank Group certain rights with respect to committees of our Board of Directors, approvals of related party transactions, pre-emptive rights, registration rights, information and other rights, consultation rights and a consent right, among others, including during periods in which SoftBank Group beneficially owns less than a majority of our outstanding ordinary shares. Accordingly, SoftBank Group will maintain significant control over our corporate and business activities until such rights terminate. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with SoftBank Group—Shareholder Governance Agreement—Rights Relating to Our Board of Directors.*”

SoftBank Group’s interests may conflict with our own interests and those of holders of our ADSs.

The interests of SoftBank Group may not coincide with our own interests or the interests of holders of our ADSs. Because SoftBank Group will generally have the ability, subject to limitations in the Articles and the Companies Act, to control all matters submitted to our shareholders for approval, including the election of all of the members of our Board of Directors, and will have certain enhanced rights pursuant to the Shareholder Governance Agreement, other shareholders will have limited ability to influence corporate matters. As a result, SoftBank Group may cause us to take corporate actions, including engaging in transactions with SoftBank Group or affiliates of SoftBank Group, that members of our management or other shareholders do not view as beneficial, or that provide SoftBank Group with benefits at our expense. Such actions could have a material and adverse effect on our business, results of operations and the trading price of our ADSs.

From time to time we have, and in the future we expect to, advise SoftBank Group with respect to certain of its proposed investments or acquisitions in, or commercial arrangements or strategic partnerships with, businesses in or adjacent to our industry. For example, we are a party to a consulting agreement with SoftBank Group pursuant to which we provide to SoftBank Group and its affiliates certain technical consultancy and advisory services relating to potential transactions, strategic partnerships, commercial arrangements or other arrangements involving SoftBank Group or its affiliates. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with SoftBank Group—Consulting Agreement.*” Our efforts to advise SoftBank Group may require substantial time and attention from our executives, engineers and other employees, which could divert attention and resources away from our business. We can provide no assurances that SoftBank Group will not acquire, invest in or partner with businesses that compete with us, and we will have no control over SoftBank Group’s acquisition, investment or strategic partnership activities, including any investments in, acquisitions of or strategic partnerships with businesses that compete with us or our customers, or any other actions that SoftBank Group may take to compete with us or our customers. Any SoftBank

Group investments in, or acquisitions of, or strategic partnerships with, businesses that compete with us or our customers could have a material adverse effect on us and our relationships with affected customers and cause those customers to seek alternatives to our products and invest in the ecosystems of our competitors like RISC-V, which could have a material adverse effect on our business, results of operations, reputation, financial condition and/or prospects. In connection with the performance of services under the consulting agreement or otherwise, we may enter into strategic partnerships, licensing agreements or other commercial arrangements involving businesses or other assets owned by SoftBank Group or its affiliates, business or assets in which SoftBank Group or its affiliates have a controlling interest, or businesses with which SoftBank Group or its affiliates have a commercial arrangement or partnership. In addition, although we are not actively pursuing any investments in, or acquisitions of any such businesses, we may in the future pursue acquisitions of or investments in entities affiliated with SoftBank Group or with whom SoftBank Group or its affiliates have a commercial relationship.

Disputes may arise between us and SoftBank Group or its affiliates in a number of areas, including relating to arrangements with third parties that are exclusionary to us or SoftBank Group or its affiliates and business opportunities that may be attractive to both us and SoftBank Group or its affiliates. Furthermore, disputes may arise between us and SoftBank Group or its affiliates with respect to Arm China. We may not be able to resolve any potential conflicts with SoftBank Group and, even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party, which could have an adverse effect on our business, results of operations and the trading price of our ADSs. In addition, any disputes between us and SoftBank Group could distract our management.

In addition, some of our directors and officers currently, and in the future may, directly or indirectly own equity interests in SoftBank Group, and Mr. Son is also the Chairman and Chief Executive Officer of SoftBank Group and Mr. Haas is a director of SoftBank Group. In addition, Mr. Haas is party to an agreement pursuant to which he provides certain advisory and consulting services to SoftBank Group. Ownership of such equity interests by our directors and officers and the presence of Messrs. Son and Haas, as the chair of our Board of Directors and our CEO and a director, respectively, could create, or appear to create, conflicts of interest with respect to matters involving both us and any one of them, or involving us and SoftBank Group. Provisions of the Articles address corporate opportunities that are presented to our directors that are also directors or officers of SoftBank Group. We cannot assure you that the Articles will adequately address potential conflicts of interest or that potential conflicts of interest will be resolved in our favor or that we will be able to take advantage of corporate opportunities presented to individuals who are directors of both us and SoftBank Group. As a result, we may be precluded from pursuing certain advantageous transactions or growth initiatives.

Moreover, under the terms of the Shareholder Governance Agreement, SoftBank Group has a contractual pre-emptive right. Specifically, under the terms of the Shareholder Governance Agreement, if we propose to allot or issue any ordinary or preferred shares or options, warrants or other securities convertible into or exercisable for ordinary or preferred shares (including ADSs) (other than: (i) pursuant to an offer made to all ordinary shareholders on the same terms; or (ii) in connection with any incentive plan or share scheme otherwise approved by SoftBank Group to the extent such approval is required under the Shareholder Governance Agreement), SoftBank Group will be entitled (but will not be obligated) to purchase up to an amount of the securities we propose to allot or issue such that it can maintain its proportional legal and economic interests in our share capital prior to such allotment or issuance. As a result, while other holders of our ADSs would risk suffering a reduction in percentage ownership in connection with a new issuance of securities by us, SoftBank Group and its controlled affiliates will have the opportunity to avoid a reduction in their legal and economic interests. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with SoftBank Group—Shareholder Governance Agreement—Pre-emptive Rights.*”

Furthermore, regardless of the performance of our own business, SoftBank Group’s business, results of operations and the trading price of SoftBank Group’s securities or other matters affecting SoftBank Group or actions that SoftBank Group may take may adversely affect the trading price of our ADSs. In addition, SoftBank Group is not restricted from competing with us or otherwise taking for itself or its other affiliates certain corporate opportunities that may be attractive to us.

SoftBank Group’s ability to control all matters submitted to our shareholders may have the effect of delaying, preventing or deterring a change of control, which could deprive holders of our ADSs of an opportunity to receive a premium for their ADSs as part of a change of control, and might ultimately affect the fair market value of our ADSs.

SoftBank Group has engaged, and may in the future engage, in financing transactions whereby our shares are pledged as security.

SoftBank Group has engaged, and may from time to time engage, in financing transactions involving our shares (including ADSs representing our shares), such as loans whereby our shares are pledged as security. We may be unable to influence the timing or terms of financing transactions by SoftBank Group involving our securities. In addition, certain subsidiaries of SoftBank Group have entered into a margin loan facility secured by our ordinary shares (the “SoftBank Group Facility”). We have no material obligations with respect to the SoftBank Group Facility. The SoftBank Group Facility is initially secured by a pledge of 769,029,000 of our ordinary shares representing a 73.4% equity interest in us. We face various risks in connection with the SoftBank Group Facility. The SoftBank Group Facility contains, and such other financing transactions may contain, provisions that, subject to their terms, require prepayment if certain events or circumstances occur, including certain change of control transactions or in the event the trading price of our ADSs declines below certain thresholds. From time to time, subject to certain requirements under the terms of the SoftBank Group Facility and any other such financing transactions, SoftBank Group or the relevant subsidiary of SoftBank Group, as applicable, may consider it advisable to sell shares in order to finance the prepayment or repayment of such financings, which number of shares may, individually or in the aggregate, be significant. In addition, in connection with the SoftBank Group Facility and any other such financings, if the price of our ADSs declines to certain levels, absent a repayment of the applicable financing, SoftBank Group may be required to provide additional collateral. For instance, the SoftBank Group Facility could be subject to a “margin call” by the providers of the facility if, among other events, the loan-to-value exceeds a certain threshold. In the event of such a margin call, the relevant subsidiary of SoftBank Group would need to deposit additional funds with the providers of the facility and may decide to sell some of the pledged shares to provide such funds. In the case of non-payment at maturity or another event of default, the providers of the SoftBank Group Facility and any other such financing may, in addition to other remedies, exercise their rights to foreclose on and sell or cause the sale of our shares that may be pledged as collateral. The foreclosure on our shares that are initially pledged as collateral for the SoftBank Group Facility could cause a change of control of us and if such shares are sold, such sales could cause the trading price of our ADSs to decline. Sales of our securities in connection with the SoftBank Group Facility and any other such financing transactions, whether by SoftBank Group or upon enforcement against collateral, could have a material and adverse effect on our business, results of operations, access to equity capital and the trading price of our ADSs.

If SoftBank Group sells a controlling equity interest in our company to a third party in a private transaction, you may not realize any change-of-control premium on your ADSs and we may become subject to the control of a currently unknown third party.

For so long as the U.K. City Code on Takeovers and Mergers (the “Takeover Code”) does not apply to us, SoftBank Group will have the ability, should it choose to do so, to sell some or all of its shares in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of us. The ability of SoftBank Group to privately sell its shares, with no requirement for a concurrent offer to be made to acquire all of the publicly traded ADSs, could prevent you from realizing any change-of-control premium on your ADSs that may otherwise accrue to SoftBank Group on its private sale of shares. In addition, if SoftBank Group privately sells its controlling equity interest or if a lender forecloses on a controlling interest pledged by SoftBank Group, including in connection with enforcement under the SoftBank Group Facility, we may become subject to the control of a currently unknown third party. The interests of this third party may not be the same as, or may conflict with, the interests of our other shareholders. Furthermore, if SoftBank Group sells a controlling equity interest in our company to a third party or a lender forecloses on a pledged controlling equity interest in our company, our future indebtedness may be subject to acceleration, and our other commercial agreements and relationships, including any remaining agreements with SoftBank Group, could be impacted. The occurrence of any of these events could adversely affect our business, results of operations, financial condition and prospects.

SoftBank Group’s ability to control our Board of Directors may make it difficult for us to recruit independent directors.

For so long as SoftBank Group and its controlled affiliates hold our ordinary shares representing at least a majority of the votes entitled to be cast by the holders of our ordinary shares at a shareholder meeting, SoftBank Group will be able to elect all of the members of our Board of Directors. Additionally, pursuant to the Shareholder Governance Agreement, SoftBank Group has the right to designate a number of candidates for election to our Board of Directors depending on its and its affiliates’ level of ownership of our outstanding ordinary shares. SoftBank Group’s designation rights will range from the ability to designate seven candidates so long as it owns more than 70% of our outstanding ordinary shares (or up to eight if SoftBank Group exercises the right granted to it to increase the size of our Board of Directors and appoint an additional non-independent director to fill the resulting vacancy) down to the ability to designate one candidate so long as it owns more than 5% of our outstanding ordinary shares. The Shareholder Governance Agreement also provides SoftBank

Group with proportional rights to representation on the committees of our Board of Directors, subject to applicable restrictions. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with SoftBank Group—Shareholder Governance Agreement—Rights Relating to Our Board of Directors.*” Under these circumstances, qualified and experienced persons who might otherwise accept an invitation to join our Board of Directors may decline, which means that we would not be able to benefit from their qualifications and expertise in service as members of our Board of Directors.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than U.S. public companies.

We are a “foreign private issuer,” as defined in the SEC rules and regulations, and, consequently, we are not subject to all the disclosure requirements applicable to companies organized within the U.S. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies. Accordingly, there may be less publicly available information concerning our company than there is for U.S. public companies.

As a foreign private issuer, we will file an annual report on Form 20-F within four months of the close of each fiscal year ended March 31 and reports on Form 6-K relating to certain material events promptly after we publicly announce these events. However, because of the above exemptions for foreign private issuers, our shareholders will not be afforded the same protections or information generally available to investors holding shares in public companies organized in the U.S.

While we are a foreign private issuer, we may opt out of certain Nasdaq corporate governance rules applicable to public companies organized in the U.S.

We are entitled to rely on a provision in Nasdaq’s corporate governance rules that allows us to follow English corporate law with regard to certain aspects of corporate governance. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to domestic issuers listed on Nasdaq, which may provide less protection to our shareholders than what is accorded to investors under the Nasdaq rules applicable to domestic issuers.

For example, we are exempt from Nasdaq regulations that require a listed U.S. company to:

- disclose within four business days of any determination to grant a waiver of the Code of Conduct to directors and officers;
- obtain shareholder approval for certain issuances of securities, including shareholder approval of share option plans;
- give the audit committee review and oversight responsibilities over all “related party transactions”;
- hold regularly scheduled meetings of only the independent directors at least twice a year; and
- solicit proxies and provide proxy statements for all meetings of shareholders.

In accordance with Nasdaq listing rules, our audit committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act and Rule 10A-3 of the Exchange Act, both of which are also applicable to Nasdaq-listed U.S. companies. Because we are a foreign private issuer, however, our audit committee is not subject to additional requirements applicable to Nasdaq-listed U.S. companies, including an affirmative determination that all members of the audit committee are “independent,” using more stringent criteria than those applicable to us as a foreign private issuer, subject to certain phase-in requirements permitted by Rule 10A-3 of the Exchange Act.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

We are required to test our foreign private issuer status at the end of our second fiscal quarter in each fiscal year. If we were no longer a foreign private issuer, we would be required to comply with all of the periodic disclosure and current

reporting requirements of the Exchange Act applicable to U.S. domestic issuers as of the first day of the following fiscal year. In order to maintain our current status as a foreign private issuer, either (a) a majority of our securities must be either directly or indirectly owned of record by nonresidents of the U.S. or (b)(i) a majority of our executive officers or directors cannot be U.S. citizens or residents, (ii) more than 50% of our assets must be located outside the U.S. and (iii) our business must be administered principally outside the U.S. If SoftBank Group or its affiliates do not continue to hold a majority of our ordinary shares, we would likely fail to maintain our status as foreign private issuer. If we lose our status as a foreign private issuer, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and is likely to make some activities highly time-consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our Board of Directors.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under the laws of England and Wales. The rights of holders of ordinary shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the provisions of the Companies Act and by the Articles. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. See the section titled Differences in Corporate Law in the Description of Securities included in Exhibit 2.3 to this Annual Report for a description of the principal differences between the provisions of the Companies Act applicable to us and, for example, the Delaware General Corporation Law relating to shareholders' rights and protections. The principal differences include the following:

- under English law, subject to certain exceptions and disapplications, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of ordinary shares or rights to subscribe for, or to convert securities into, ordinary shares for cash. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise;
- under English law, certain matters require the approval of not less than 75% of the shareholders who vote (in person or by proxy) on the relevant resolution (or on a poll of shareholders, by shareholders representing not less than 75% of the ordinary shares voting (in person or by proxy)), including amendments to the Articles. This may make it more difficult for us to complete corporate actions deemed advisable by our Board of Directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions;
- in the U.K., takeovers may be structured as takeover offers or as schemes of arrangement. Under English law, a bidder seeking to acquire us by means of a takeover offer would need to make an offer for all of our outstanding ordinary shares and ADSs. If acceptances are not received for 90% or more of the ordinary shares and ADSs under the offer, under English law, the bidder cannot complete a "squeeze out" to obtain 100% control of us. Accordingly, acceptances of 90% of our outstanding ordinary shares and ADSs would likely be a condition in any takeover offer to acquire us, not 50% as is more common in tender offers for corporations organized under U.S. law. By contrast, a scheme of arrangement, the successful completion of which would result in a bidder obtaining 100% control of us, requires the approval of a majority in number of the shareholders or class of shareholders present and voting either in person or by proxy at the meeting and representing 75% in value of the ordinary shares (including those represented by ADSs) voting at the meeting for approval; and
- under English law and the Articles, shareholders and other persons whom we know or have reasonable cause to believe are, or have been, interested in our shares may be required to disclose information regarding their interests in our shares upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on certain transfers of the shares, withholding of dividends and loss of voting rights. Comparable provisions generally do not exist under U.S. law.

As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure.

English law provides that, subject to certain exceptions (including the allotment, or the grant of rights to subscribe for or convert any security into shares, in pursuance of an employees' share scheme), a board of directors of a public limited company may only allot shares (or grant rights to subscribe for or convert any security into shares) with the prior authorization of shareholders, such authorization stating the aggregate nominal amount of shares that it covers and being valid for a maximum period of five years, each as specified in the articles of association or relevant ordinary shareholder resolution passed by shareholders at a general meeting. We have obtained authority from our shareholders to allot 1,025,234,000 additional shares ending August 25, 2028, which authorization will need to be renewed upon expiration (i.e., at least every five years) but may be sought more frequently for additional five-year terms (or for any shorter period).

English law also generally provides shareholders with preemptive rights when new shares are issued for cash, except that such rights do not apply to the allotment of equity securities that would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an employees' share scheme. However, it is possible for the articles of association, or for shareholders to pass a special resolution at a general meeting, being a resolution passed by at least 75% of the votes cast, to disapply preemptive rights. Such a disapplication of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, or from the date of the shareholder special resolution, if the disapplication is by shareholder special resolution, but not longer than the duration of the authority to allot shares to which the disapplication relates. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years). We have obtained authority from our shareholders to disapply preemptive rights ending August 25, 2028, which disapplication will need to be renewed upon expiration (i.e., at least every five years), but may be sought more frequently for additional five-year terms (or for any shorter period).

English law also generally prohibits a public company from repurchasing its own shares without the prior approval of shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast, and other formalities. Such approval may be for a maximum period of up to five years.

Under current law, transfers of ordinary shares outside the ADR program and the redeposit of ordinary shares into the ADR program will generally be subject to U.K. stamp duty or stamp duty reserve tax and the law may change to cover other transactions, including transactions in ADSs, which would increase the cost of dealing in ordinary shares or ADSs.

Following our initial public offering ("IPO"), ADSs were transferred to a nominee for The Depository Trust Company ("DTC") and corresponding book-entry interests were credited in the facilities of DTC. On the basis of current law and HM Revenue & Customs ("HMRC") practice, no charges to U.K. stamp duty or stamp duty reserve tax ("SDRT") are expected to arise on subsequent transfers of book-entry interests in ADSs entirely within DTC's facilities. Similarly, on the basis of current law and HMRC practice, a transfer of title in the ADSs from within the DTC clearance system to a purchaser out of the DTC clearance system and any subsequent transfers that occur entirely outside the DTC clearance system should not attract a charge to U.K. stamp duty or SDRT.

If you choose to withdraw the ordinary shares underlying your ADSs (in accordance with the deposit agreement, applicable laws and regulations) from the depository, U.K. stamp duty and SDRT will not generally be chargeable on any such withdrawal in your favor, but will generally be chargeable on any subsequent transfers of the ordinary shares or redeposits of the ordinary shares into the ADR program (at the rates specified below).

We have put in place arrangements to require that ordinary shares held in certificated form or otherwise outside the depository system cannot be represented by ADSs within the DTC clearance system until the transferor of the ordinary shares has first delivered the ordinary shares to a depository specified by us so that any U.K. stamp duty (or SDRT) may be collected in connection with the delivery to the depository. Any such ADSs in respect of those ordinary shares so deposited may be evidenced by a receipt issued by the depository. Before the transfer can be registered in the books of the depository for the ADSs to be issued, the transferor will also be required to put funds in the depository to settle any resultant liability to stamp duty (or SDRT), which will be charged at a rate of 1.5% of the value of the ADSs.

The Retained EU Law (Revocation and Reform) Act 2023, enacted on June 29, 2023 has the effect that certain rights derived from European Union law will by default (that is, absent the exercise of a regulation-making power to restate or reproduce such rights in U.K. domestic law) cease to be recognized after December 31, 2023. As a result, rights derived

from European Union law would cease to restrict the application of the rules providing for the 1.5% U.K. stamp duty or SDRT charge which may impact on the issue or transfer of our ordinary shares to, or appropriation of our ordinary shares by, a depositary receipt system (such as that operated by the depositary) or a clearance service (such as that operated by DTC). On February 22, 2024, the U.K. government enacted legislation to make provisions for and in connection with ensuring that it continues to be the case that no 1.5% charge to stamp duty or SDRT arises in relation to the issue or transfer of ordinary shares to depositary receipt systems and clearance services. The provisions took effect from January 1, 2024.

It is also possible that, for example, in the future, a transfer of title in the ADSs from within the DTC clearance system to a purchaser out of the DTC clearance system and/or any subsequent transfers of ADSs that occur entirely outside (or inside) the DTC clearance system, will attract a charge to U.K. stamp duty or SDRT. Any such U.K. stamp duty or SDRT will be chargeable at a rate of 0.5% (or potentially 1.5% in certain circumstances) of any consideration, which is normally payable by the transferee. Any such duty must be paid (and the relevant transfer document, if any, stamped by HMRC) before the transfer can be registered in the books of the depositary and, if relevant, ADSs issued to a nominee for DTC and corresponding book-entry interests credited in the facilities of DTC.

For further information about the U.K. stamp duty and SDRT implications of holding ADSs and withdrawing ordinary shares under current law, please see the section titled “*Item 10. Additional Information—E. Taxation*” of this Annual Report.

The Articles provide that, unless the Company by ordinary resolution consents to the selection of an alternative forum, the courts of England and Wales are the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act or the Exchange Act, and that the U.S. District Court for the Northern District of California is the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

The Articles provide that, unless the Company by ordinary resolution consents to the selection of an alternative forum, the courts of England and Wales are the exclusive forum for resolving all shareholder complaints other than shareholder complaints asserting a cause of action arising under the Securities Act, or the Exchange Act, and that the U.S. District Court for the Northern District of California is the exclusive forum for resolving any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act. In addition, the Articles will provide that any person or entity purchasing or otherwise acquiring any interest in our shares is deemed to have notice of and consented to these provisions.

This choice of forum provision may limit a shareholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. The enforceability of similar exclusive forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies’ organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in the Articles. Additionally, our shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find either choice of forum provision contained in the Articles to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition. The courts of England and Wales and the U.S. District Court for the Northern District of California may also reach different judgments or results than would other courts, including courts where a shareholder considering bringing a claim may be located or would otherwise choose to bring the claim, and such judgments may be more or less favorable to us than our shareholders.

Shareholder protections found in provisions under the Takeover Code will not apply if our place of central management and control remains outside the U.K.

The Takeover Code applies to all offers for companies which have their registered office in the U.K., the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a U.K. regulated market or a U.K. multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for public companies which have their registered office in the U.K., the Channel Islands or the Isle of Man if they are considered by the Panel on Takeovers and Mergers (the “Takeover Panel”) to have their place of central management and control in the U.K., the Channel Islands or the Isle of Man. This is known as

the “residency test.” In determining whether the residency test is satisfied, the Takeover Panel has regard primarily to whether a majority of a company’s directors are resident in these jurisdictions.

Although our registered office is in the U.K., the Takeover Code does not currently apply to us because our shares are not admitted to trading on a regulated market or multilateral trading facility in the U.K. or any stock exchange in the Channel Islands or the Isle of Man, and the Takeover Panel confirmed to us that, on the basis of the residency of our Board of Directors as of the date of the IPO Prospectus, we did not have our place of central management and control in the U.K., the Channel Islands or the Isle of Man. Our place of central management and control remains outside of the U.K. for the purposes of the Takeover Code.

As a result, our shareholders are not currently entitled to the benefit of certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids and, therefore, holders of ADSs will not benefit from these protections.

In the event that this changes, or if the interpretation and application of the Takeover Code by the Takeover Panel changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the U.K., the Channel Islands or the Isle of Man), the Takeover Code may apply to us in the future.

Risks Relating to Ownership of Our Securities

The future exercise of registration rights by SoftBank Group may materially and adversely affect the market price of the ADSs.

Pursuant to the Shareholder Governance Agreement, SoftBank Group and certain of its affiliates are entitled to certain registration rights pursuant to which they may demand that we register the resale of its ordinary shares or securities convertible into or exchangeable for ordinary shares (including ADSs) (“Registrable Securities”) and, under certain circumstances, will also have customary “piggyback” registration rights for its Registrable Securities in connection with certain registrations of securities by us. In addition, SoftBank Group or its relevant affiliates may require us to file and maintain an effective shelf registration statement under the Securities Act covering the resale of SoftBank Group’s Registrable Securities. The registration of the resale of these securities will facilitate the public sale by SoftBank Group of such securities without regard to any limitations on the volume of securities that SoftBank Group may sell. In light of SoftBank Group’s beneficial ownership of our ordinary shares, the registration of the resale of a significant number of ADSs, or the perception that significant sales by SoftBank Group may occur, may have a material adverse effect on the market price of our ADSs.

Raising additional capital may cause dilution to our existing shareholders, restrict our operations or cause us to relinquish valuable rights.

We may seek additional capital through a combination of public and private equity offerings, debt financings, strategic partnerships and alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity, convertible debt securities or other equity-based derivative securities, your ownership interest will be diluted, and the terms of the securities may include liquidation or other preferences that may be senior to your rights as holder of ADSs. Any indebtedness we incur would result in increased payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt and other operating restrictions that could adversely impact our ability to conduct our business. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our shareholders. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our ADSs to decline and existing shareholders may not agree with our financing plans or the terms of such financings. If we raise additional funds through strategic partnerships, collaborations, and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our IP or products, or grant licenses on terms unfavorable to us.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to holders in the U.S. unless we register the offer and sale of the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depository bank will not make rights available to holders unless either both the rights and any related securities are registered under the Securities Act, or the distribution of them to ADS holders is exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities, to endeavor to cause such a registration statement to be declared effective or to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in such a rights offerings and may experience dilution in your holdings.

The market price of our ADSs may be volatile and may decline.

The market price of our ADSs could be volatile and may decline. The stock market in general, and the market for technology companies in particular, has experienced extreme volatility that has often been unrelated to the operating performance of particular companies, and the trading price of our ADSs may be volatile due to factors beyond our control. As a result of this volatility, you may not be able to sell your ADSs at or above the price at which you purchased your ADSs. The market price for our ADSs may be influenced by many factors, including, among others:

- variations in our actual or anticipated annual or quarterly operating results or those of others in our industry;
- results of operations that otherwise fail to meet the expectations of securities analysts and investors;
- changes in earnings estimates or recommendations by securities analysts, or other changes in investor perceptions of the investment opportunity associated with our ordinary shares relative to other investment alternatives;
- market conditions in the semiconductor industry;
- publications, reports or other media exposure of our licensed products or those of others in our industry, or of our industry generally;
- announcements by us or others in our industry, or by our or their respective suppliers, distributors or other business partners, regarding, among other things, significant contracts, price reductions, capital commitments or other business developments, the entry into or termination of strategic transactions or relationships, securities offerings or other financing initiatives, and public reaction thereto;
- additions or departures of key management personnel;
- significant lawsuits, including patent or shareholder litigation;
- regulatory actions involving us or others in our industry, or actual or anticipated changes in applicable government regulations or enforcement thereof;
- the development and sustainability of an active trading market for our ordinary shares;
- sales, or anticipated sales, of large blocks of our ADSs;
- general economic and securities market conditions; and
- other factors discussed in this “*Risk Factors*” section and elsewhere in this Annual Report.

Broad market and industry factors may negatively affect the market price of our ADSs, regardless of our actual operating performance. Further, a decline in the financial markets and related factors beyond our control may cause the price of our ADSs to decline rapidly and unexpectedly. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and materially and adversely affect our business, financial condition, and results of operations.

The trading price of our ADSs may be influenced by reports published by industry and equity research analysts.

The trading market for our ADSs is influenced by the research and reports that industry or equity research analysts publish about us or our business. As a newly public company, the analysts who publish information about our ADSs have relatively little experience with us, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. We do not have any control over the analysts’ content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, financial performance, ADS price or otherwise, our ADS price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause our ADS price or trading volume to decline and result in the loss of all or a part of your investment in us.

Substantial future sales of ADSs in the public market, or the perception that these sales could occur, could cause the price of the ADSs to decline.

If our existing shareholders sell, or indicate an intention to sell, substantial amounts of our ADSs in the public market or engage in financing transactions involving our ADSs or ordinary shares, or the market perceives that such transactions may occur, the market price of our ADSs and our ability to raise capital through an issue of equity securities in the future could be adversely affected. In addition, in the case of non-payment at maturity or another event of default, the providers of

the SoftBank Group Facility may exercise their rights to foreclose on and sell or cause the sale of our shares that are pledged as collateral. If such shares are sold, then the market price of our ADSs could be adversely affected. In the future, SoftBank Group may transfer a portion of its holdings in us to one or more of its affiliates or affiliated investment funds. Such affiliates or affiliated investment funds may have different investment strategies and interests and may decide to sell their holdings to third parties even if SoftBank Group intends to continue to hold the remainder of its holdings.

Holders of ADSs are not treated as holders of our ordinary shares.

Holders of ADSs are not treated as holders of our ordinary shares, unless they withdraw the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. The depositary, the custodian or their nominee is the holder of the ordinary shares underlying the ADSs. Holders of ADSs therefore do not have any rights as holders of our ordinary shares, other than the rights that they have pursuant to the deposit agreement. See the Description of Securities included as Exhibit 2.3 to this Annual Report.

Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See the Description of Securities included as Exhibit 2.3 to this Annual Report.

The depositary for our ADSs is entitled to charge holders fees for various services, including annual ADS service fees.

The depositary for our ADSs is entitled to charge ADS holders fees for various services, including for the issuance of ADSs upon deposit of ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual ADS service fees. In the case of ADSs issued by the depositary into the DTC, the fees will be charged by the DTC participants to the account of the applicable beneficial owners of ADSs in accordance with the procedures and practices of the DTC participants as in effect at the time.

You will not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in the Description of Securities included as Exhibit 2.3 to this Annual Report and the deposit agreement, holders of the ADSs are not able to exercise voting rights attaching to the ordinary shares represented by the ADSs. Under the terms of the deposit agreement, holders of the ADSs may instruct the depositary to vote the ordinary shares underlying their ADSs. Otherwise, holders of ADSs do not have a right to vote unless they withdraw the ordinary shares underlying their ADSs to vote them in person or by proxy in accordance with applicable laws and regulations and the Articles. Even so, ADS holders may not know about a meeting far enough in advance to withdraw those ordinary shares. If we ask for the instructions of holders of the ADSs, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to them. Upon our request, the depositary will mail to ADS holders a shareholder meeting notice that contains, among other things, a statement as to the manner in which voting instructions may be given to the depositary. We cannot guarantee that ADS holders will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying their ADSs. A shareholder is only entitled to participate in, and vote at, the meeting of shareholders, provided that it holds our ordinary shares as of the record date set for such meeting and otherwise complies with the Articles. In addition, the depositary's liability to ADS holders for failing to execute voting instructions or for the manner of executing voting instructions is limited by the deposit agreement. As a result, holders of ADSs may not be able to exercise their right to give voting instructions or be able to vote in person or by proxy and they may not have any recourse against the depositary or us if the ordinary shares underlying their ADSs are not voted as they have requested or if such ordinary shares cannot be voted.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us or to the depositary. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment are materially disadvantageous to ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to direct the depositary to terminate the ADS facility at any time for any reason. For example, terminations may occur if we decide to list our ordinary shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is materially disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying ordinary shares, but will have no right to any compensation whatsoever.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to the ADSs, any ADRs or the deposit agreement.

If this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the U.S. Supreme Court. However, it is our understanding that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the deposit agreement or ADRs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

The deposit agreement expressly limits our and the depositary's obligations and liabilities.

The deposit agreement expressly limits our obligations and liabilities as well as those of the depositary. See the section titled Limitations on Obligations and Liabilities in the Description of Securities included in Exhibit 2.3 to this Annual Report. Such limitations include the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and without negligence and in accordance with the terms of the deposit agreement.

- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the creditworthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of the Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in the Articles or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary disclaim any liability for any action or inaction of any clearing or settlement system (and any participant thereof).
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.

These provisions of the deposit agreement limit the ability of ADS holders to obtain recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.

In addition, nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary and you as ADS holder.

Furthermore, nothing in the deposit agreement precludes the depositary (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit agreement obligates the depositary to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions.

You may not receive distributions on our ordinary shares represented by the ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depositary for the ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses, and any taxes. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit distribution on the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may have an adverse effect on the value of your ADSs.

Because we do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

Under English law, a company's accumulated realized profits, to the extent they have not been previously utilized by distribution or capitalization, must exceed its accumulated realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made (on a non-consolidated basis), before dividends can be paid. Therefore, we must have distributable profits before issuing a dividend. In addition, as a public limited company in England, we will only be able to make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

We intend to retain earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, on our ADSs will be your sole source of gains for the foreseeable future, and you will suffer a loss on your investment if you are unable to sell your ADSs at or above the price at which you acquired your shares.

Claims of U.S. civil liabilities may not be enforceable against us.

We are incorporated under the laws of England and Wales and have our registered office in England. The U.S. and the U.K. do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the U.S., whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in the U.K. In addition, uncertainty exists as to whether English courts would entertain original actions brought in England and Wales against us or our directors or senior management predicated upon the securities laws of the U.S. or any state in the U.S. Any final and conclusive monetary judgment for a definite sum obtained against us in U.S. courts would be treated by English courts as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary, provided that certain requirements are met. Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the U.S. securities laws, including whether the award of monetary damages under such laws would constitute a penalty is an issue subject to determination by the court making such decision. If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the English court discretion to prescribe the manner of enforcement.

As a result, U.S. investors may not be able to enforce against us or our senior management, members of our Board of Directors who are residents of the U.K. or countries other than the U.S. any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain qualified members of our Board of Directors.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will continue to require us to incur significant legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources. For example, these rules and regulations have made it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn makes it more difficult for us to attract and retain qualified senior management personnel or members for our Board of Directors. Further, the Exchange Act requires, among other things, that we file annual and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results.

Risks Relating to U.S. and U.K. Tax Regimes

If we are (or one of our non-U.S. subsidiaries is) a "controlled foreign corporation" (a "CFC"), there could be adverse U.S. federal income tax consequences to certain U.S. investors.

Generally, if a U.S. investor is treated as owning, directly, indirectly or constructively, at least 10% of either the total value or total combined voting power of our stock, such U.S. investor may be treated as a “United States shareholder” with respect to each CFC in our group, if any, for U.S. federal income tax purposes. A non-U.S. corporation will generally be classified as a CFC for U.S. federal income tax purposes if United States shareholders own, directly, indirectly or constructively, more than 50% of either the total value or the total combined voting power of the stock of such corporation. Because SoftBank Group currently owns, and is expected to continue to own, more than 50% of our ordinary shares, we are currently a CFC and expect to remain so in the future so long as SoftBank Group continues to own, directly or indirectly, 50% or more (by value) of the stock of a U.S. subsidiary. In addition, because our group includes U.S. subsidiaries, our current non-U.S. subsidiaries and potentially any future newly formed or acquired non-U.S. subsidiaries generally will be treated as CFCs, regardless of whether we are treated as a CFC. A United States shareholder of a CFC may be required to annually report and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments of earnings in U.S. property, regardless of whether such CFC makes any distributions to its shareholders. Additionally, an individual that is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with CFC reporting obligations may also subject a United States shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such United States shareholder’s U.S. federal income tax return for the year for which reporting was due from expiring. We cannot provide any assurances that we will furnish to any United States shareholder information that may be necessary to comply with the reporting and tax paying obligations applicable under the CFC rules of the Internal Revenue Code of 1986, as amended (the “Code”), and the U.S. Internal Revenue Service (the “IRS”) has provided only limited guidance on situations in which investors may rely on publicly available information to comply with their reporting and tax paying obligations with respect to foreign-controlled CFCs. U.S. investors should consult their tax advisors regarding the potential application of these rules to their investment in our ordinary shares or ADSs.

If we are a passive foreign investment company (a “PFIC”) for any taxable year, there could be adverse U.S. federal income tax consequences to U.S. investors.

In general, we will be a PFIC for any taxable year in which, after the application of certain look-through rules with respect to our subsidiaries, either (1) 75% or more of our gross income consists of passive income or (2) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income (including cash and cash equivalents). For purposes of these tests, passive income generally includes, among other things, dividends, interest, gains from certain sales or exchanges of investment property and certain rents and royalties. If we are a PFIC for any taxable year during which a U.S. investor holds our shares, we will generally continue to be treated as a PFIC with respect to such U.S. investor for all succeeding taxable years during which such U.S. investor holds our ordinary shares or ADSs, even if we cease to meet the threshold requirements for PFIC status. Such U.S. investor may be subject to adverse tax consequences with respect to our ordinary shares or ADSs, including ineligibility for any preferential tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred and additional reporting requirements. We cannot provide any assurance that we will furnish to such U.S. investor information that may be necessary to comply with the reporting and tax paying obligations applicable under the PFIC rules of the Code.

Based upon the value of our assets and the nature and composition of our income and assets, we do not believe that we were a PFIC for the taxable year ended March 31, 2024, and we do not expect to become a PFIC in the foreseeable future. However, the determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation, and no assurances can be made in this regard. For instance, for our current and future taxable years, the total value of our assets (including goodwill) for PFIC testing purposes may be determined in part by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably. If our market capitalization declines while we hold a substantial amount of cash and cash equivalents for any taxable year, we may be a PFIC for that taxable year. Furthermore, under the income test, our status as a PFIC depends on the composition of our income for the relevant taxable year, which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by how we spend the cash we raise in any offering. As a result, there can be no assurance that we will not be treated as a PFIC for the current or any future taxable year. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the IRS will agree with our conclusion and that the IRS would not successfully challenge our position.

For further discussion of the PFIC rules and the adverse U.S. federal income tax consequences in the event we are classified as a PFIC, as well as certain elections that may be available to U.S. investors, see “*Item 10. Additional*”

Information—E. Taxation—Material U.S. Federal Income Tax Considerations for U.S. Holders—Passive Foreign Investment Company Rules” of this Annual Report.

Changes and uncertainties in the tax system in the countries in which we have operations, could materially adversely affect our financial condition and results of operations, and reduce net returns to our shareholders.

We conduct business globally and file income tax returns in multiple jurisdictions. Our consolidated effective income tax rate, and the tax treatment of our ADSs and ordinary shares, could be materially adversely affected by several factors, including: changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms under consideration (such as those related to the Inclusive Framework (as defined below), the European Commission’s state aid investigations and other initiatives); the practices of tax authorities in jurisdictions in which we operate; and the resolution of issues arising from tax audits or examinations and any related interest or penalties. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid, or the stamp duty or SDRT treatment of our ADSs or ordinary shares.

The Organisation for Economic Co-Operation and Development (“OECD”) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (the “Inclusive Framework”) have put forth two proposals—Pillar One and Pillar Two—that revise the existing profit allocation and nexus rules and ensure a minimal level of taxation, respectively. In July 2023, the U.K. enacted legislation to implement the OECD framework for Pillar Two, part of which went into effect January 1, 2024. A number of other countries where we do business, including the U.S., Japan, and many countries in the European Union, have implemented, or are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations. The overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions. In the U.S., various proposals to raise corporate income taxes are periodically considered, such as the Inflation Reduction Act, which introduced a 15% Corporate Alternative Minimum Tax beginning in 2023. These proposed and enacted changes in tax laws, treaties or regulations, or their interpretation or enforcement, could have a material adverse impact on our future tax positions.

We believe that our provision for income taxes is reasonable, but the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods in which such outcome is determined. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on our financial statements, and otherwise affect our financial position, future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders and increase the complexity, burden and cost of tax compliance. Additionally, our future tax liability could be impacted by changes in accounting principles or changes in applicable tax jurisdictions.

In addition, we may periodically restructure our legal entities and if taxing authorities were to disagree with our tax positions in connection with any such restructurings, our tax liability could be materially affected. In connection with any restructuring we could also incur additional charges associated with consulting fees and other charges.

We carry out extensive research and development activities, and as a result, we benefit in the U.K. from the research and development expenditure credit (“RDEC”) regime, which provides relief against U.K. corporation tax. Broadly, RDEC provides a tax credit currently equal to 20% of ‘qualifying research and development expenditure’ incurred from April 1, 2023 (the rate was previously 13% of qualifying research and development expenditure incurred from April 1, 2020 to March 31, 2023) by certain companies where certain criteria are met. To the extent a company cannot utilize the RDEC against U.K. corporation tax then certain rules apply that allow the RDEC to, among other things, reduce the tax liability of certain specified taxes (for example, value added tax or employee taxes), or be surrendered to a group company, and to the extent it is not possible to utilize the RDEC in full, then the net tax credit is paid to the company by HMRC in cash. On February 22, 2024, the U.K. government enacted changes to its research and development tax relief legislation which apply for accounting periods beginning on or after April 1, 2024. These changes include the merger of the RDEC regime and the small and medium-sized enterprise regime into a single RDEC regime. The merged RDEC regime provides the same tax credit as under the old RDEC scheme (currently equal to 20% of ‘qualifying research and development expenditure’). The enacted changes also restrict research and development relief where the research and development activity is subcontracted and takes place outside of the U.K.

We also benefit from the U.K.'s "patent box" regime, which allows certain profits attributable to revenues from patented products (and other qualifying income) to be taxed at an effective corporation tax rate of 10%.

If, however, there are unexpected adverse changes to the RDEC or the "patent box" regime, or for any reason we are unable to qualify for such tax incentives, then our business, results of operations and financial condition may be adversely affected.

Item 4. Information on the Company

A. History and development of the company

Corporate Information

The Company is a global leader in the semiconductor industry. The Company's principal operations are the licensing, marketing, research and development of microprocessors, systems IP, graphics processing units, physical IP and associated systems IP, software, tools and other related services.

Arm Holdings plc was incorporated as a private limited company with the legal name Arm Holdings Limited under the laws of England and Wales on April 9, 2018, with the company number 11299879. Arm Holdings Limited re-registered as a public limited company under the laws of England and Wales on September 1, 2023 and changed its name to Arm Holdings plc.

Arm Limited was incorporated as a private limited company with the legal name Widelogic Limited under the laws of England and Wales on November 12, 1990 with the company number 02557590. On December 3, 1990, Widelogic Limited changed its company name to Advanced RISC Machines Limited, and, on May 21, 1998, it changed its company name to Arm Limited (at which time it was a wholly owned subsidiary of Arm Holdings plc with the company number 02548782). Our business was initially operated through Arm Holdings plc with the company number 02548782, which was previously an independent publicly traded corporation until its acquisition in September 2016 by SoftBank Group. On March 19, 2018, as a part of a reorganization, Arm Holdings plc with the company number 02548782 re-registered as a private limited company and was renamed SVF HoldCo (UK) Limited, which became a subsidiary of SoftBank Vision Fund L.P. ("SoftBank Vision Fund"), which retained an approximate 25% interest in our company with the remainder beneficially held by SoftBank Group. In August 2023, a subsidiary of SoftBank Group acquired substantially all of SoftBank Vision Fund's interest in Arm Limited at a purchase price of approximately \$16.1 billion, with the associated payments to be made in installments over a two-year period. The purchase price was established by reference to the terms of a prior contractual arrangement between the parties. Accordingly, prior to Arm's initial public offering, SoftBank Group beneficially owned substantially all of our outstanding shares.

Our registered office is 110 Fulbourn Road, Cambridge, Cambridgeshire, CB1 9NJ, U.K., and the telephone number at that office is +44 (1223) 400 400. The principal office for Arm Inc., our U.S. subsidiary, is located at 120 Rose Orchard Way, San Jose, CA 95134, and our telephone number at that office is +1 (408) 576-1500. Our website address is www.arm.com. We have included our website address in this Annual Report solely as an inactive textual reference. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report, and you should not consider information on our website to be part of this Annual Report. Our agent for service of process in the United States is Arm, Inc.

For a discussion of our principal capital expenditures, refer to "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources", "Item 4. Information on the Company—D. Property and Equipment", "Item 8. Financial Information—Note 8 - Property and Equipment, Net" and "Item 8. Financial Information—Note 9 - Leases" in the Notes to the Consolidated Financial Statements included in this Annual Report.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Corporate Reorganization

In September 2023, we completed a board approved corporate reorganization which involved (1) the shareholders of Arm Limited exchanging each of the ordinary shares held by them in Arm Limited for newly issued ordinary shares of Arm Holdings Limited; and (2) the re-registration of Arm Holdings Limited as a public limited company under the laws of

England and Wales at which time its name was changed to Arm Holdings plc. This corporate reorganization was solely for the purpose of reorganizing our corporate structure, in which Arm Limited became a wholly owned subsidiary of the holding company, Arm Holdings plc. This transfer of equity resulted in the issuance of ordinary shares of Arm Holdings plc to shareholders in the same class and the same number of ordinary shares as their previous shareholding in Arm Limited. As a result of the corporate reorganization between entities under common control, our historical consolidated financial statements were retrospectively adjusted for the change in reporting entity. Therefore, the historical consolidated financial statements of Arm Limited became the historical consolidated financial statements of Arm Holdings plc as of the date of the corporate reorganization.

Initial Public Offering

The registration statement on Form F-1 relating to the IPO was declared effective on September 13, 2023 and our ADSs began trading on the Nasdaq Global Select Market under the ticker symbol “ARM” on September 14, 2023. On September 18, 2023, we completed the closing of the IPO. One of our shareholders sold an aggregate of 102,500,000 ADSs at a price of \$51 per share, including the underwriters’ full exercise of their option to purchase up to an additional 7,000,000 ADSs to cover over-allotments. We did not receive any proceeds from the sale of the ADSs in the IPO.

B. Business Overview

Industry Background

Semiconductors are indispensable to everyday life. In today’s technology-driven world, semiconductors are the enablers of the devices and infrastructure that facilitate virtually everything people do. As almost all of the products and services people use every day rely on semiconductors. Manufacturing, logistics, city infrastructure, and building management also increasingly build their processes and services around semiconductor-enabled devices. As consumers and enterprises continue to demand more from their devices, we expect the pervasiveness of high-performance and energy-efficient semiconductors to continue to expand.

The world is becoming increasingly digital with the proliferation of smart, connected devices, such as smartphones, wearables, personal computers (“PCs”), tablets, and other electronic devices. Even everyday products like washing machines, thermostats, and utility meters are becoming more advanced. The market trend to make nearly all products smart and connected is not just limited to consumer electronics, but is also driving a wave of innovation across a broad range of end markets and use cases. For example, vehicles are effectively transforming into computers on wheels, factory floors are becoming increasingly automated with robotics, and retail shopping is evolving with the help of cashier-less checkout technology.

The massive expansion of data, advanced software applications, and AI are driving the need for high-performance compute capabilities. To address increasingly complex workloads, a key approach has been to increase the speed of a CPU and expand the number of processor cores per chip. Solely running an existing chip faster may deliver more compute performance, but increasing performance in this way results in higher energy costs, and may cause thermal limits to be exceeded. For example, individual servers are limited by their ability to dissipate heat energy, while whole data centers are limited by how much electricity is available to them. Mobile devices are limited by the energy stored in their batteries, while their instantaneous power is limited by thermal constraints. Furthermore, the transition to electric vehicles is increasing pressure on automakers to consider the power consumption and thermal management of vehicle electronics. In addition, enterprises are increasingly mindful of environmental sustainability, which is driving a need for more efficient alternatives to offset the continued growth in data centers and other compute deployments. Collectively, these considerations result in the need for innovation in chip design to address market demands for an optimal balance of performance, efficiency, size, and cost across end markets.

Further, the resources required to develop leading-edge products are significant and continue to increase exponentially as manufacturing process nodes shrink. Design partners play an increasingly valuable role in the chip design process by providing specialized capabilities and expertise that enable semiconductor suppliers to focus on their core product differentiation, while keeping pace with market innovation. Design partners facilitate innovation and enhance customers’ competitive positioning by reducing the complexity, risk, and cost of a significant part of the development cycle. In addition, design partners, like Arm, that can demonstrate a deep understanding of their customers’ workloads are better positioned to integrate themselves into their customers’ workflows, further expanding their value proposition over time.

Many OEMs today utilize “off-the-shelf,” or “merchant,” semiconductors when building their product offerings. However, we are also seeing some leading OEMs looking to build custom chips in-house that deliver greater performance and greater efficiency at an equal or better price for a particular use case.

For a discussion of our business’s cyclical nature, see “*Item 5. Operating and Financial Review and Prospects—D. Trend information—Key Factors and Trends Affecting Our Operating Results—Global Demand for Semiconductor Products and Cyclical Nature of the Semiconductor Industry.*”

Our Company

Arm architects, develops, and licenses high-performance, low-cost, and energy-efficient CPU products and related technology, on which many of the world’s leading semiconductor companies and OEMs rely to develop their products. For the three months ended March 31, 2024, approximately 7 billion Arm-based chips were reported as shipped, resulting in more than 287 billion Arm-based chips cumulatively, powering everything from the tiniest of sensors to the most powerful supercomputers. Today, Arm CPUs run the vast majority of the world’s software, including the operating systems and applications for smartphones, tablets and PCs, data centers and networking equipment, and vehicles, as well as the embedded operating systems in devices such as smartwatches, thermostats, drones and industrial robotics.

Every CPU has an ISA, which defines the software instructions that can be executed by the CPU, essentially a common language for software developers to use. The ISA sets the foundation for a large library of compatible software which runs on those CPUs. The Arm ISA also has corresponding market position as compared to competing ISAs. This means that Arm-based chips have a global community of software developers familiar with how to program the CPU. Chip designers utilizing the Arm CPU can add desired functionality (Wi-Fi connectivity, image processing, video processing, etc.) to create an SoC to meet the needs of any end market.

Our primary product offerings are leading CPU products that address diverse performance, power, and cost requirements. Complementary products such as graphics processing units (“GPUs”), which accelerate the display of complex graphics onto a screen and can also be used for other mathematical applications, System IP, and compute platforms are also available as well as development tools and a software ecosystem to enable high-performance, efficient, reliable, system-level creation for a wide range of increasingly sophisticated devices and applications. Our development tools and robust software ecosystem have further solidified our position as the world’s most widely adopted processor architecture.

We also support ecosystems of third-party tool vendors for embedded software and the IoT. We are also committed to contributing to open-source software and tools to ensure our offerings are optimized for the latest technologies.

Arm CPUs run AI and ML workloads in billions of devices, including smartphones, cameras, digital TVs, cars and cloud data centers. The CPU is vital in all AI systems, whether it is handling the AI workload entirely or in combination with a co-processor, such as a GPU or a neural processing unit (“NPU”), which specializes in the acceleration of ML algorithms. In the emerging area of large language models, generative AI and autonomous driving, there will be a heightened emphasis on the low power acceleration of these algorithms. In our latest ISA, CPUs, and GPUs, we have added new functionality and instructions to accelerate future AI and ML algorithms.

History

Established in 1990, Arm began as a joint venture between Acorn Computers, Apple Computer, and VLSI Technology. We were publicly listed on the London Stock Exchange and the Nasdaq Stock Market from 1998 until 2016, when we were taken private by SoftBank Group, our controlling shareholder.

The original joint venture set out to develop a processor that was high performance, power efficient, easy to program, and readily scalable – a goal that continues to define Arm today. One of the first Arm-based products was a predecessor of today’s tablets. As a battery-powered device, it required an energy-efficient chip to maximize its battery life while providing the necessary compute capabilities. This product benefited from Arm’s clear focus on efficient CPU design. Our CPUs initially gained significant traction in mobile phones in the mid-1990s because our energy-efficient processors provided an appropriate level of performance while consuming little power, which was critical for these smaller form factor devices. As the mobile phone market continued to grow rapidly, more semiconductor companies entered the market. All these companies needed to source high-performance, energy-efficient processors to run their mobile phone software, and

many of them licensed Arm CPU products. Over time, mobile phones, and the chips they used, became more advanced and ultimately evolved into the smartphones that are prevalent today.

The mobile phone was one of the first consumer electronic devices to evolve into an intelligent, connected, digital device that needed a smart processor to run a growing library of software. With the help of Arm technology, many more devices such as televisions, watches, washing machines, cameras, factory equipment, and others are undergoing similar change.

Our Product Offerings

The key elements of our solution include:

- **Arm CPUs.** The foundation of our product offerings is our CPU products. Our CPU products leverage our common scalable ISA and address a range of performance, power, and cost requirements.
- **Other Design Offerings.** We have a portfolio of products that are deployed alongside our CPUs, including:
 - **Graphics Processing Units.** We offer a family of GPU products providing an optimal visual experience across a wide range of devices.
 - **System IP.** Complementary design components that enable designers to create high-performance, power-efficient, reliable, and secure chips.
 - **Compute Platform Products.** Arm's CPU, GPU, and System IP products integrate into a foundational compute platform optimized for a specific end market.
- **Development Tools and Software.** Our tools and software support the development and deployment of our offerings.

We continue to expand the scope of our product offerings, investing in more holistic, end-market optimized designs, expanding beyond individual design IP to providing subsystem designs. Given the complexities of developing chips using the most advanced manufacturing processes, we are making significant investments to better support the increasing number of OEMs looking to develop their own customized chips.

In addition, we have cultivated a broad ecosystem of third-party hardware and software partners to support our customers. Our partners include leading semiconductor technology suppliers, including foundries and EDA vendors. We also invest in our software ecosystem and work closely with firmware and operating system vendors, game engine vendors, software tool providers, and application software developers.

We believe that the primary customer benefits of our product offerings include:

- **Ability to Optimize for Performance, Power and Area (PPA).** Arm's flexible and modular design IP enables customers to build chips optimized for the PPA requirements for a specific use case or end market. A battery-powered device such as a smartphone has a different PPA requirement versus a high-performance cloud server or an IoT sensor. By developing a wide range of CPU and related technologies, Arm can provide a CPU optimized for various use cases to reduce both energy consumption and area (with area being a key driver of the ultimate cost of a chip).
- **Alignment with the Semiconductor Industry's Technology Roadmap.** As leading-edge manufacturing processes continue to progress towards smaller transistors, developing chips is becoming harder and more costly, requiring more engineering time and effort. To further reduce our customers' costs and to help de-risk their product development efforts, we combine our CPU products and SoC knowledge with our deep understanding of our ecosystem partners' design tools and manufacturing processes. In addition, through our deep customer and partner relationships, we have unique visibility into the future requirements of end markets many years out, which informs the development of our products to ensure that our products meet or exceed future market needs.
- **Reduced Design Risk and Cost.** Our product offerings allow customers to build optimized chips, while reducing their design execution risk and their internal development costs. We generally expect to license our products to multiple customers, enabling us to cover at least some of the cost of developing new Arm products. We invest significant time, resources and effort in the design and verification of each processor and work closely with our partners to develop the products we deliver to our customers.

- ***Incorporation of AI and ML Acceleration in Every Processor We Design.*** Using an AI or ML algorithm is just another way of programming the software needed to run a chip, and we expect that AI and ML algorithms will complement the software used by most chips in the future. To ensure that software developers can efficiently run the AI and ML workloads, each generation of our processors is designed to accelerate key parts of algorithms that will be used in future applications.

Our Primary Markets

A summary of our disaggregated revenue and information pertaining to revenue from customers based on the principal headquarters address by geographic regions for the fiscal years ended March 31, 2024, 2023, and 2022, is included in “*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Note 4 - Revenue*”.

Mobile Applications Processor

The mobile applications processor is the primary chip in a smartphone and runs the operating system and applications in addition to controlling many of the device functions, including gaming, music, video, and any other applications. While high compute performance is required for today’s applications, processors also must be highly energy efficient so that the smartphone’s battery will last all day without needing to be recharged. We have maintained market share in the mobile applications processor market of greater than 99% for many years, by virtue of all key mobile operating systems depending on Arm processors.

Our royalty revenue from the mobile applications processors market constituted approximately 35% of our total royalty revenue for the fiscal year ended March 31, 2024.

Other Mobile Chips

Mobile phones contain many chips beyond the main applications processor, including the modem, Wi-Fi, Bluetooth and NFC connectivity chips, GPS chips, touchscreen controllers, power management chips, camera chips, audio chips and more, which we refer to collectively as the “other mobile chips market.” The market share of Arm-based chips in the other mobile chips market varies by device and is generally higher in chips that run more software (such as modem and connectivity chips) and is lower in chips that require less software (such as power management chips).

Consumer Electronics

Consumer Electronics includes products found in the home, such as digital TVs, tablets, laptops, XR headsets and wearables. The opportunity for Arm-based chips in consumer electronics is increasing as new product categories, such as smart speakers, virtual reality headsets and laptops, need CPUs that can deliver high performance without sacrificing efficiency.

Industrial IoT and Embedded

The industrial IoT and embedded semiconductor market includes chips used by a wide range of goods, including washing machines, thermostats, digital cameras, drones, sensors, surveillance cameras, manufacturing equipment, robotics, electric motor controllers and city infrastructure and building management equipment.

Many manufacturers and logistics companies are using advanced sensors and smart machines capable of capturing and analyzing data in real time to improve and automate industrial processes and logistics systems. Combining the data captured by sensors with AI and data analytics can result in improvements in manufacturing yield and system throughput. Our products are broadly applicable for sensors and embedded computers that require small, power efficient and smart processors.

Networking Equipment

The networking equipment market includes chips deployed into wireless networking such as base-station equipment, enterprise Wi-Fi, and wired networking equipment such as routers and switches.

The networking equipment market is growing as more wired and wireless infrastructure is deployed, as much of the data consumed in the cloud is created at the edge and needs to be transmitted over networks to the data center for

processing. The deployment of 5G networks as infrastructure scales from fewer large cell towers covering a wide area to a large number of small cells providing high-speed coverage creates further demand for architecture that allow for flexible deployment of software and workloads.

Cloud Compute

The cloud compute market includes the main server chips, data processing units, and smart network interface cards used by cloud service providers (“CSPs”) to run their operations. Arm-based chips have been gaining market share as CSPs have started to deploy Arm products in their own in-house designed chips used in their data centers, and as other CSPs start to deploy chips designed by Arm licensees.

Other Infrastructure

Other Infrastructure refers to the technological components and systems that support various aspects of computing, networking, and data processing and include chips deployed into HPC systems, enterprise servers, and edge networking equipment.

Automotive

The automotive market includes all chips with processors within vehicles. This includes chips used for in-vehicle-infotainment (“IVI”), advanced driver assistance systems (“ADAS”), engine management, and body and chassis control. Today, our market share in the automotive market is highest in more technologically advanced functional areas such as IVI and ADAS.

The automotive market is expected to increase as ADAS, electrification, IVI, and eventually autonomous driving, accelerate requirements for higher compute performance in newly manufactured vehicles. At the same time, automakers must operate with strict constraints on power consumption, heat dissipation, and packaging, while prioritizing functional safety. Furthermore, automotive electronics are transitioning from hardware-defined to software-defined architecture and compute, enabling new services and features such as ADAS to be continuously improved via over-the-air updates.

Our Business Model and Customers

Our open and flexible business model provides access to high-quality CPU products for a wide range of potential customer types and end markets. We license our products to semiconductor companies, OEMs, and other organizations to design their chips. Our customers license our products for a fee, which gives them access to our designs and enables them to create Arm-based chips. Once a chip has been designed and manufactured with our products, we receive a per-unit royalty on substantially all chips shipped. The royalty has typically been based on a percentage of the ASP of the chip or a fixed fee per unit, and it typically increases as more Arm products are included in the chip. Our business model enables the widest range of customers to access Arm products through an agreement best suited to their particular business needs.

Our customers can choose from several licensing models, each with its own pricing mechanics and level of access to Arm products. These include Arm Total Access, Arm Flexible Access, TLAs and Architecture Licenses. Regardless of the license model a customer uses, we receive a per-unit royalty fee on substantially every chip shipped. Because each chip may ship for many years, and each Arm CPU can be reused in new products as new applications emerge, these licensing agreements contribute to a long tail of recurring royalty revenues, which provide visibility into future revenue streams.

Competition

We compete based on a variety of factors, including price, performance, product quality, software availability, marketing and distribution capability, customer support, name recognition and financial strength. Further, given our reliance on our partners and customers, our competitive position is dependent on our partners’ and customers’ competitive positions. In addition, our partners and customers do not license our products exclusively; rather, several of our partners and customers also design, develop, manufacture and market processors based on non-Arm based architectures as well as develop their own Physical IP in-house. Our partners and customers compete with each other and with us in various applications. The level of competition and the nature of the competitor generally varies based on the end market. For established markets where there is an incumbent architecture with a supporting ecosystem, it can be difficult for a new architecture to displace existing architectures and, therefore, to gain market share. For example, we have made significant progress and have established a large market share in markets such as smartphones, consumer electronics and IoT. We face

competition primarily from other architectures like x86 and RISC-V in many of these markets. Furthermore, certain semiconductor companies, including some of our existing customers, have designed or are in the process of designing their own architectures in markets such as smartphone application processors, other mobile chips, consumer electronics, IoT and embedded computing, networking equipment, automotive, and cloud compute.

The markets for our products are intensely competitive and are characterized by rapid technological change. These changes result in frequent product introductions, short product life cycles and increased product capabilities typically representing significant price and performance improvements. We face significant competition from established technologies such as the x86 architecture, as well as from free, open-source technologies, including the RISC-V architecture. Many of our customers are also major supporters of the RISC-V architecture and related technologies. If the RISC-V architecture and related technologies continue to be developed and market support for RISC-V increases, our customers may choose to utilize this free, open-source architecture instead of our products. The x86 and RISC-V architectures have business models that are different from ours and may be more attractive to our customers. Our current and potential competitors also may establish cooperative relationships among themselves or with third parties that may further enhance their resources or strengthen their positions within these markets or they may be subject to more favorable regulatory regimes. For example, in August 2023, a group of our customers and other competitors announced a joint venture aimed at accelerating the adoption of RISC-V. In addition, some semiconductor companies, including certain of our customers, have developed their own proprietary architecture for specific markets or applications.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry.”

Competitive Strengths

We believe that our architecture and CPU designs are the leading independent processor technologies licensable to other companies. In addition, our established worldwide network of partners and customers affords us abroad presence, which paired with our software developer ecosystem gives us an advantage over other companies that license processor-related technology. In addition, we believe that our extensive ecosystem and the high barriers to entry into certain of our end markets enhance our competitive position. Our competitive strengths include:

- **Technology Leadership Across Markets.** Arm CPU technology has been an industry leader for many years and continues to be the most widely deployed architecture globally. Our products are used in virtually all smartphones, a majority of tablets and digital TVs, and a significant proportion of all chips with embedded processors. We have an established presence in the cloud market, working with many of the largest hyperscalers and in the automotive market we work with many of the leading suppliers. Our products deliver best-in-class performance per watt and provide the flexibility to design custom chips, addressing the growing need for power-efficient compute capabilities.
- **Extensive Ecosystem of Third-Party Software and Hardware Partners.** Arm has the world’s largest ecosystem of third-party software and hardware partners, including chip design and verification tools vendors, advanced fabrication, operating system and application vendors, software tools providers, and training and support services companies. The wide deployment of chips based on the Arm ISA provides software and tools companies with a large market to develop and sell their products into. The breadth of our ecosystem creates a virtuous cycle that benefits our customers and deeply integrates us into the design cycle because it is difficult to create a commercial product or service for a particular end market until all elements of the hardware and supporting software and tools ecosystem are available.
- **Integration with Customers and Ecosystem Partners.** We work closely with our customers and ecosystem partners to understand future industry trends and the evolution of end markets. We believe that it is essential that we align with our customers on their development plans and engineering timeline, so that our products meet or exceed their requirements and are delivered at the right time in their chip development timeline. Because it can take two to three years to design a new Arm processor, and it can take another two to three years to develop a chip, we have close relationships with our customers’ research and development functions. This can provide us with unique visibility across the semiconductor industry, from the product pipeline of our customers to, by extension, their customers and end markets.
- **Efficient Model and Long-Term Visibility Enables Investment in Future Products.** Our business model provides significant flexibility to fund long-term investments in future products. Arm incurs research and development investments today for the development of products that will be licensed in the future, with royalty fees to follow for years beyond that. We focus our investments on leading-edge products, and we leverage our underlying technology across multiple derivative products targeting different markets and extending into new applications

over time. We are able to make significant upfront investments due to our alignment with customer roadmaps and the resulting visibility from long-term royalty streams.

- ***We Satisfy our Customers' Processor Design Needs in a Mutually Beneficial Way.*** We invest in creating leading products that can be used across a wide range of end markets and customers. As we expect to license our products to multiple customers, we can typically cover the entire cost of developing new Arm products by charging each customer only a portion of the total development costs. This lowers the costs for each semiconductor designer to license Arm products, versus developing the technology in-house, and enables customers to focus resources on differentiation. In addition, by licensing Arm CPU technology, the licensee immediately gains access to the vast Arm ecosystem, which would be impossible to leverage if they developed their own CPU in-house.
- ***World-Class Research and Development Team with a Proven Track Record of Innovation.*** Our customers rely on us to deliver advanced technology, leveraging our extensive capabilities and scale across our CPU, GPU, systems, and platform products. Our research and development team is prolific at developing new inventions, for which we seek patents to the greatest extent possible.

Research and Development

We are an engineering-first company, with approximately 83% of our global employees, as of March 31, 2024, focused on research, design, and technical innovation, and we have global operations and research and development centers in the U.K., Europe, North America, India, and Asia-Pacific. Our ability to compete is substantially dependent on advancement of our products in order to meet evolving market demands. Our engineers are involved in researching and developing new versions of processor cores, specialist processors, such as graphics IP and AI accelerators, System IP and Physical IP technology as well as related software and tools applications. Further, our management continually evaluates opportunities to innovate and develop new products and services to meet market demand and new market opportunities. Where appropriate, we allocate resources to research and development of nascent technology offerings. Our significant research and development investments and increasing market share in certain markets, such as mobile applications processors, consumer electronics, and embedded computing, enable us to invest more effectively and efficiently in the development of new products in various end markets such as the automotive and cloud computing markets. We have committed, and intend to continue to commit, significant financial and other resources to technology and product innovation and development. For more information about our research and development policies, see “*Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations—Comparison of Performance for the Fiscal Years Ended March 31, 2024 and 2023—Research and Development.*”

Intellectual Property

Our success and ability to compete effectively depend significantly on protecting our IP. To protect our IP rights, we primarily rely on patent, copyright, trade secret and trademark laws, trade secret protection and confidentiality agreements, as well as license agreements with our employees, customers, partners, and others. We have an active program of protecting our proprietary technology through the filing of patents, registration of trademarks, and use of confidentiality agreements and other IP rights. As of March 31, 2024, we owned or co-owned approximately 7,400 issued patents and have approximately 2,500 patent applications pending worldwide. The majority of these patents and patent applications fall into the categories of processor architecture and microarchitecture, ML and computer vision, graphic processor architecture, on-chip system design and memory technology. We maintain and support an active program to protect our IP, primarily through encouraging engineers to propose new invention submissions and defending issued patents against infringement.

Approximately 98% of our active patent portfolio (granted and pending) is owned solely by us, or jointly with, our subsidiaries, with the remaining 2% comprising patent assets jointly owned with one or more third parties. Through intra-group licensing arrangements, we have access to our entire patent portfolio for the purposes of licensing technology or otherwise providing services to third parties.

As a result of our global operations, efforts to protect our technology, trade secrets and other proprietary information can be difficult, particularly in jurisdictions that provide limited or no protection for IP rights. If confidential information (including, but not limited to, trade secrets, and proprietary technology and information) is improperly shared we would likely seek to determine the source and whether or not financial losses could be recovered through contractual claims against a licensee. Additionally, we would seek to block importation of finished goods created in such “limited-protection” territories into territories where there exist better protections. Although we intend to protect our rights vigorously, there can be no assurance that such measures will be successful. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to*

Our Business and Industry—Failure to obtain, maintain, protect, defend or enforce our IP rights could impair our ability to protect our proprietary products and our brand, and the costs of obtaining, maintaining, protecting, defending and enforcing such IP rights, particularly as a result of litigation, may adversely and materially affect our results of operations.”

The IPLA with Arm China

We are party to the IPLA with Arm China.

Under the IPLA, Arm China licenses certain of our IP from us. In turn, Arm China sublicenses such IP to its PRC customers, as the exclusive distributor of our IP licenses to customers in the PRC.

- **Customers.** Arm China is permitted to sublicense to customers in the PRC. This includes any ultimate parent of a group that is incorporated in the PRC and traded on any official stock exchange, any entity whose ultimate parent is incorporated in the PRC, and any entity under the ultimate control of a PRC citizen. However, it does not include PRC subsidiaries of companies incorporated outside of the PRC, even though these companies may still sell products in the PRC.
- **Products.** Arm China can sublicense our standard IP offerings. Arm China is required to procure our consent in order to sublicense non-standard technology or architectural licenses.

We may remove any sublicensable IP that we declare obsolete or no longer generally make available to our licensees, whereupon Arm China’s rights with respect to such IP are limited to licenses it previously granted.

Arm China may only distribute our IP in accordance with our model license terms provided by us. Any deviations from our model license terms require our consent.

- **Pricing.** There are no material restrictions under the IPLA on the prices that Arm China may set for its sublicenses.
- **Term.** The initial term of the IPLA is through April 23, 2048, after which the IPLA will automatically renew for consecutive 10-year periods until the later of (a) the last to expire of the patents licensed pursuant to the IPLA expires and (b) the last of the trade secrets licensed pursuant to the IPLA ceases to be confidential (other than through the fault of us or Arm China). During the term of the IPLA, Arm China may grant sublicenses to its PRC customers. There are no material restrictions on the duration of the sublicenses that Arm China provides during the term of the IPLA.
- **Termination.** We and Arm China each have the ability to unilaterally terminate the IPLA upon the occurrence of standard termination events, such as the non-terminating party’s material uncured breach of the IPLA, bankruptcy or extended force majeure event of at least 180 days having a material adverse effect on the terminating party.

Under the IPLA, Arm China may also develop its own IP. However, Arm China is only permitted to develop (i) certain derivative products incorporating our IP and (ii) Arm China’s own products that do not incorporate our IP, where such products constitute technology related to IC products or technology that enables companies to build ICs, and exclude any “processor cores.”

In addition, under the IPLA, we are contractually obligated to indemnify both Arm China and its PRC customers that sublicense our IP in the event either Arm China or such customers incur damages or costs in lawsuits, administrative proceedings or similar actions based upon a claim that our IP infringes the IP of a third party.

For the fiscal years ended March 31, 2024, 2023, and 2022, revenues attributable to our relationship with Arm China were approximately 21%, 24%, and 18% of our total revenue, respectively.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We depend on our commercial relationship with Arm China to access the PRC market or if that commercial relationship no longer existed or deteriorates, our ability to compete in the PRC market could be materially and adversely affected” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Neither we nor SoftBank Group control the operations of Arm China, which operates independently of us.”

Government Regulation

We are subject to regulation by various governmental agencies, including, but not limited to, such agencies in the U.K., the European Union, the U.S., and the PRC. These laws and regulations affect our activities in areas including, but not limited to, labor, telecommunications, IP ownership and infringement, tax, economic sanctions, import and export requirements and controls, anti-corruption, national security and foreign investment, foreign exchange controls and cash repatriation restrictions, privacy and data protection (such as the GDPR, the U.K. GDPR, and the CCPA), security and cybersecurity, and data localization requirements, anti-competition, environmental, health and safety, financial reporting and the certification requirements associated with public sector contracts. We monitor changes in these laws, regulations, treaties, and agreements, and believe that we are in material compliance with applicable laws. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Government Regulation and Legal Compliance*” and “*Item 3. Key Information—D. Risk Factors—Risks Relating to U.S. and U.K. Tax Regimes.*”

Disclosure Pursuant to Section 13(r) of the Exchange Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose in its annual or quarterly reports filed with the SEC whether the issuer or any of its affiliates has knowingly engaged in certain activities, transactions or dealings with the Government of Iran, relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by the annual or quarterly report. Disclosure is required even when the activities were conducted outside the United States by non-U.S. entities and even when such activities were conducted in compliance with applicable law.

SoftBank Group, through one of its non-U.S. subsidiaries, provides roaming services in Iran through Irancell Telecommunications Services Company. During the year ended March 31, 2024, SoftBank Group had no gross revenues from such services and no net profit was generated. We understand that the SoftBank Group subsidiary intends to continue such services. This subsidiary also provides telecommunications services in the ordinary course of business to accounts affiliated with the Embassy of Iran in Japan. During the year ended March 31, 2024, SoftBank Group estimates that gross revenues and net profit generated by such services were both under \$3,000. We understand that the SoftBank Group subsidiary is obligated under contract and intends to continue such services.

In addition, SoftBank Group, through one of its non-U.S. indirect subsidiaries, provides office supplies to the Embassy of Iran in Japan. SoftBank Group estimates that gross revenues and net profit generated by such services during the year ended March 31, 2024, were both under \$2,000. We understand that the SoftBank Group subsidiary intends to continue such activities.

C. Organizational Structure

SoftBank Group beneficially owns approximately 88.1% of our total issued and outstanding ordinary shares and is our parent company. The Company is the parent company of a number of subsidiaries held directly and indirectly which operate and are incorporated around the world. All of the Company’s subsidiaries are all, directly or indirectly, owned by the Company. See the Subsidiaries of the Company included as Exhibit 8.1 to this Annual Report for a list of significant subsidiaries.

D. Property and Equipment

Leases

We have operating lease arrangements for office space, data centers, equipment and other corporate assets. As of March 31, 2024, we had lease payment obligations of \$221 million, with \$33 million payable within twelve months of March 31, 2024. As of March 31, 2024, the Company had one lease signed but not yet commenced, with a lease value of approximately \$15 million and a lease term expiring in 2036.

Facilities

Our global headquarters are located in Cambridge, U.K., occupying approximately 322,950 square feet of leased office space in the aggregate, with the leases expiring between 2039 and 2044. Subsequent to March 31, 2024, we renewed two of the leases for our global headquarters with an approximate value of \$19 million. We also lease additional facilities in

Belgium, Denmark, France, Germany, Hungary, India, Ireland, Israel, Japan, South Korea, Norway, Poland, Slovenia, Sweden, Taiwan, the U.K., and the U.S.

We believe that our current global headquarters and global offices are well maintained and adequate for our current needs and that suitable additional or substitute space at commercially reasonable terms will be available as needed.

See “Item 8. Financial Information—Note 8 - Property and Equipment, Net” and “Item 8. Financial Information—Note 9 - Leases” in the Notes to the Consolidated Financial Statements included in this Annual Report.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

Management’s Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business and our expectations with respect to liquidity and capital resources, includes forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those risks and uncertainties described in the “Item 3. Key Information—D. Risk Factors” and “Special Note Regarding Forward-Looking Statements” sections in this Annual Report. Our actual results could differ materially from the results described in or implied by these forward-looking statements.

Recent Events and Transactions

Public Company Expenses

As a recently public company, we will continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect our finance, legal and employee-related expenses to increase as we establish more comprehensive compliance and governance functions and hire additional personnel to support such functions, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act of 2002, and prepare and distribute periodic reports in accordance with SEC rules. Our financial statements will reflect the impact of these expenses. We also expect higher premiums for the costs of our insurance, including directors’ and officers’ insurance.

In addition, in connection with the IPO, we recognized incremental and accelerated share-based compensation expense in the three months ended September 30, 2023. Certain RSUs previously issued under the Arm Limited All Employee Plan 2019 (“2019 AEP”), the Executive IPO Plan 2019 (“2019 EIP”), and the Arm Limited RSU Award Plan (the “2022 RSU Plan”) that were classified as liability-classified awards were modified to be classified as equity-classified awards. As of October 25, 2023 we determined that the market condition for the 2019 AEP had been met and, therefore, the RSUs had vested at 100% in March 2024. All RSUs under the 2019 EIP vested upon IPO, for which we recognized accelerated share-based expense in the three months ended September 30, 2023. The 2022 RSU Plan provides vesting schedules applicable prior to an IPO and after an IPO. The RSUs that were previously probable of vesting based on the vesting schedule applicable prior to the IPO were modified to the vesting schedule applicable post-IPO. Executive awards that were granted under the 2022 RSU Plan in monetary value were converted into shares upon the IPO and vesting will be satisfied in shares. Equity compensation has been, and will continue to be, an important part of our future compensation strategy and a significant component of our future expenses, which we expect to increase over time.

A. Operating results

Overview

Arm architects, develops, and licenses high-performance, low-cost, and energy-efficient central processing unit (“CPU”) products and related technology, on which many of the world’s leading semiconductor companies and original equipment manufacturers rely to develop their products. We enable any company to make a modern computer chip through

the unique combination of our energy-efficient CPU IP and related technologies and our unmatched ecosystem of technology partners. Our primary product offerings are leading CPU products that address diverse performance, power, and cost requirements. Complementary products such as graphics processing units (“GPUs”), System IP (including memory controller IP, interconnect IP, and other on-chip peripheral components), and compute platforms are also available and enable high-performance, efficient, reliable, system-level creation for a wide range of increasingly sophisticated devices and applications. Our development tools and robust software ecosystem have further solidified our position as the world’s most widely adopted processor architecture. Our partners include leading semiconductor technology suppliers (including foundries and electronic design automation vendors), firmware and operating system vendors, game engine vendors, software tool providers and application software developers. Our solution, combined with the breadth of our software ecosystem and the millions of chip design engineers and software developers that utilize it, has created a virtuous cycle of adoption, which means that software developers write software for Arm-based devices because it offers the biggest market for their products, and chip designers choose Arm processors because they have the broadest support of software applications.

Our Business Model

We have a flexible business model for licensing products to customers, and we are continuously assessing our ability to provide greater flexibility to our customers and maximize the number of design wins for our products. Our customers license our products for a fee, which gives them access to our products and enables them to develop Arm-based processors. Once a processor has been designed and manufactured with our products, we receive a per-unit royalty on substantially all Arm-based chips shipped by our customers. Our business model enables the widest range of customers to access Arm products through an agreement best suited to their particular business needs. Our licensing and royalty business model includes:

- **Arm Total Access Agreements:** Under an Arm Total Access agreement, we license a portfolio of CPU designs and related technologies to a customer in return for an annual fee determined at execution of the agreement. We retain the right, from time to time, to add or remove specific products from the package. The agreement is for a fixed term and may limit the number of concurrent chip designs that may use products from the package.
- **Arm Flexible Access Agreements:** Under an Arm Flexible Access agreement, we license a portfolio of CPU designs and related technologies to a customer in return for an annual fee determined at execution of the agreement. Unlike an Arm Total Access license, the package of products licensed pursuant to an Arm Flexible Access agreement will not contain our latest products. Although customers are free to experiment with products contained in the Arm Flexible Access package, they must pay a single use license fee for specific products if they include Arm products in a final chip design “tape out,” when the final result of a semiconductor chip design is sent for manufacturing. As with an Arm Total Access agreement, we retain the right, from time to time, to add or remove specific products from the package.
- **Technology Licensing Agreements (TLA):** Under a TLA, we license a single CPU design or other technology design to a customer in return for a fixed license fee. The license may be limited by term (i.e., the number of years during which the licensee is entitled to incorporate our products in new chip designs, but licensees typically have the right to manufacture designs perpetually) and/or by number of uses (i.e., the number of concurrent chip designs that may use our products).
- **Architecture License Agreements (ALA):** Under an ALA, the licensee is allowed to develop their own highly customized CPU designs that is compliant with the Arm instruction set architecture (“ISA”) for a fixed architecture license fee. As the creation of an optimized CPU is very costly and time consuming, architecture licensees will often also license Arm CPU designs to use either as a complementary processor alongside the licensee’s Arm-compliant CPU design, or in other chips where the licensee’s own design is unsuitable.
- **Royalty Fees:** We generate the majority of our revenue from customers who enter into license agreements, pursuant to which we receive royalty fees based on average selling price of the customer’s Arm-based chip or a fixed fee per chip. Royalty revenue is impacted primarily by the adoption of our products by the licensee as well as other factors, such as product lifecycles, customer’s business performance, market trends and global supply constraints. In the fiscal year ended March 31, 2024, royalty revenue represented 56% of our total revenue.

Components of Results of Operations

Total Revenue

Most of our licenses have two components: license fees and support and maintenance fees (recognized as license and other revenue) and per-chip royalties (recognized as royalty revenue). However, some licenses can have multiple payment milestones that are date-based or event-based (e.g., six months after the effective date of the contract or upon tape-out of the first chip design).

We disaggregate revenue into the following categories for major product offerings:

License and Other Revenue

License and other revenue include revenue from licensing, software development tools, design services, training, support, and all other fees that do not constitute royalty revenue. The products licensed by us consists of design information and related documentation to enable a customer to design and manufacture semiconductor chips and related technology. Over the term of a license, contractual payments can generally range from hundreds of thousands of dollars to hundreds of millions of dollars, depending on the type of license, its duration, and the type of product that is being licensed. A license may be perpetual, use-limited or time-limited in its application. Delivery (i.e., providing the customer access to the licensed products) generally occurs within a short period after executing a license agreement. In some cases, we may license products that are still under development, in which case delivery can be many months, or even years, after executing a license agreement. We generate a significant proportion of our Licensing and other revenue from a relatively small number of customers.

License fees are invoiced pursuant to an agreed schedule. Typically, the first invoice is generated upon signing of the license agreement, and licensing and other revenue is recognized upon delivery of the products. In addition to the license fees, our license agreements generally provide for customer support services, which consist of telephonic or e-mail support. Fees for customer support services are generally specified in the contract. Typically, no upgrades to the licensed products are provided, except those updates and upgrades provided on a when-and-if-available basis. Revenue from customer service support is recorded within other revenue.

Arm Flexible Access agreements provide our customers with access to a wide range of processor, graphics, and systems products, especially older and less performant products. Arm Flexible Access agreements have two components: an annual low-cost portfolio license fee payable in installments and a license fee once they have reached "tape-out," which occurs when the final result of our customer's semiconductor chip design incorporating our products is sent for manufacturing, at which point they decide which of our products they wish to deploy in their chip. We believe that Arm Flexible Access agreements are most suitable for smaller companies, including start-ups and business units of larger companies, that want to experiment with different configurations of our products before committing to a chip design.

Arm Total Access agreements also provide our customers with access to a package of our products, including processor, graphics, and systems products. Arm Total Access customers have the option to license our most advanced processors as part of the package. Arm Total Access customers pay a periodic portfolio license fee to maintain access to our products. There are no additional fees payable by our customers under our Arm Total Access agreements upon tape-out because manufacturing design rights are included within the portfolio license fee and are reflected in the license pricing. We believe that Arm Total Access agreements are most suitable for larger, established, semiconductor companies who expect to deploy our products in a wide range of their products.

We provide software development tools and a range of services to companies developing chips based on our products. These tools and services include, among others: (i) software development tools for engineers to write and debug software on Arm processors, (ii) design license and development services to customize technology IP tailored towards customers' specific needs, (iii) training on our products and how to write software to utilize their functionality and capability, and (iv) support and maintenance, for which we generally require an annual fee for a minimum of one year.

Royalty Revenue

Royalties are generally either set as a percentage of the licensee's average selling price per chip or as a fixed amount per chip. The royalty rates per chip typically reduce over time as the total volume of chips incorporating our products shipped increases; notwithstanding such reductions in royalty rates and fees per chip, license agreements with component

manufacturing customers typically include a minimum royalty percentage or fee per chip. Royalty payment schedules in individual license agreements vary depending on the nature of the license and the degree of market acceptance of our products on the date the license agreement is executed. In addition, the amount of royalty payments in respect of our products can increase as the customer integrates more of our products into the chip. See “*D. Trend Information—Key Factors and Trends Affecting Our Operating Results—Ability to Provide Our Customers with More Value Per Chip*” for examples of how customers may incorporate multiple products in a single chip. License contracts require the licensee to issue royalty reports, including details of chip sales, to us on a quarterly basis.

Royalty revenue is recognized on an accrual basis in the quarter in which the customers ship chips containing our products, using estimates from sales trends and judgment for several key attributes, including industry estimates of expected shipments, the mix of products sold, the percentage of markets using our products, and average selling price. Adjustments to revenue are required in subsequent periods to reflect changes in estimates as new information becomes available, primarily resulting from actual amounts subsequently reported by the licensees.

Revenue from External Customers and Related Parties

We also separately present revenue derived from contracts with our external customers and those derived from related parties. Revenue from related parties are derived from Arm China, customers in which we have an equity method investment, and other entities related to us by virtue of common control by SoftBank Group.

Cost of Sales

Cost of sales (“COS”) is comprised primarily of the costs of providing technical support and training to our customers. Occasionally, some R&D costs may be classified as COS if one of our IP products is being customized as part of professional and design services. COS expenses consist primarily of employee-related expenses, project costs associated with professional services and the provision of support and maintenance to customers, along with expenses related to license development services revenue, amortization of developed technology, and allocated overhead. Employee-related expenses include salaries, bonuses, share-based compensation and associated benefits.

Research and Development

Research and development is at the heart of our business and critical to our future success. Accordingly, we have always invested, and will continue to invest, significant resources in our research and development program. Our vision to invest and develop new products is driven by our desire to maintain or increase our market share and create value for our customers. By developing and licensing innovative products, we allow our customers to focus their resources on competitive differentiation, unique to their own ability to differentiate.

We have substantially increased our research and development investment to focus on long-term returns and to replicate the strong position that we maintain in smartphones and in other markets, such as automotive, networking equipment, cloud compute and industrial IoT. Each generation of processor is typically more advanced and more complex than the previous generation, which requires increased development efforts that may be partially offset by improvements in productivity. Consequently, each year we increase our research and development investment in line with the increased development needs of the next generation of products. Engineers are in high demand and well-remunerated, and accordingly our increased research and development activity will continue to result in an increase in costs, principally driven by salaries for such technical employees and the costs of tools they need.

Research and development expenses consist primarily of employee-related expenses, including salaries, bonuses, share-based compensation, and benefits associated with employees in research and development functions, along with project materials costs, third-party fees paid to consultants, depreciation and amortization, allocated overhead, information technology and other development expenses. We receive government grants to compensate for certain research activities and we recognize the benefit as a reduction of the related expenses included in research and development expenses.

Selling, General and Administrative

Our engineering teams are well supported by vital selling, general and administrative functions. Selling, general and administrative expenses consist primarily of employee-related expenses, including salaries, bonuses, share-based compensation, and benefits associated with employees in sales and marketing, along with corporate and administrative

functions, including accounting and legal professional services fees, depreciation and amortization, advertising expenses, allocated overhead, information technology and other corporate-related expenses.

Disposal, Restructuring and Other Operating Expenses, Net

In December 2023, we terminated an agreement with Arm China for certain software engineering-related services which will now be brought in-house. The contract termination costs are included in disposal, restructuring and other operating expenses, net in the Consolidated Income Statements.

In March 2022, we announced a restructuring plan to align our selling, general and administrative workforce with strategic business activities. The expenses associated with this plan are included in disposal, restructuring and other operating expenses, net in the Consolidated Income Statements and consist of employee termination benefits and other related costs.

Disposal expenses consist primarily of transaction costs, such as legal and professional fees, relating to various disposal activities. Restructuring and other operating expenses consist primarily of employee termination benefits and contract termination costs. Recognition of costs for employee termination benefits depends on whether employees are required to render service beyond a minimum retention period in order to receive the termination benefits. If employees are required to render service beyond a minimum retention period in order to receive the termination benefits, costs are recognized ratably over the applicable future service period. Otherwise, costs are recognized when we have committed to a restructuring plan and have communicated those actions to employees. Employee termination benefits covered by existing benefit arrangements are recognized when we have committed to a restructuring plan and the termination benefits are probable and estimable.

Impairment of Long-Lived Assets

Impairment of long-lived assets includes impairments recognized on certain property and equipment and acquired intangibles as a result of lower than anticipated operating results and a deterioration in projected results. For purposes of determining the impairment, we relied on the income approach utilizing discounted cash flows to arrive at fair value.

Income (loss) from Equity Investments, Net

Income (loss) from equity investments, net includes changes in the fair value of certain equity method investments for which we elect to apply fair value accounting or at the net asset value (“NAV”), our proportionate share of equity method investee income or loss for certain equity method investments, and gains and losses on other marketable and non-marketable securities. Our proportionate share of income or loss from equity method investments accounted for under the equity method is recognized in the subsequent quarter of which such income or loss is recognized by our investee.

Interest Income, Net

Interest income consists primarily of interest received on cash and cash equivalents, short-term investments that we hold with various financial institutions, and loans receivable. Interest expense consists primarily of interest on finance leases.

Other Non-Operating Income (Loss), Net

Other non-operating income (loss), net consists of one-time gains and losses and other miscellaneous income and expense items unrelated to our core operations, including gains or losses arising from changes in the fair value of derivative financial instruments, gains or losses on realized and unrealized foreign exchange contracts and changes in the fair value of convertible loans receivable.

Income Tax Benefit (Expense)

We account for income taxes using the asset and liability method under GAAP, whereby deferred income taxes are recognized for the tax consequences of temporary differences between financial statement carrying amounts and the tax basis of assets and liabilities. Income tax expense reflects income earned and taxed, in jurisdictions in which we conduct business, which mainly include U.K. and U.S. federal and state income taxes. We benefit from the U.K.’s “patent box”

regime, which allows certain profits attributable to revenue from patented products (and other qualifying income) to be taxed at an effective corporation tax rate of 10%.

Results of Operations

The following table sets forth the components of operations from our annual audited Consolidated Income Statements and such data as a percentage of total revenue on an absolute basis, for the periods indicated:

(in millions, except percentages)	Fiscal Year Ended March 31,					
	2024	% of revenue	2023	% of revenue	2022	% of revenue
Revenue:						
Revenue from external customers	\$ 2,509	78 %	\$ 2,025	76 %	\$ 2,219	82 %
Revenue from related parties	724	22 %	654	24 %	484	18 %
Total revenue	3,233	100 %	2,679	100 %	2,703	100 %
Cost of sales	(154)	5 %	(106)	4 %	(131)	5 %
Gross profit	3,079	95 %	2,573	96 %	2,572	95 %
Operating expenses:						
Research and development	(1,979)	61 %	(1,133)	42 %	(995)	37 %
Selling, general and administrative	(983)	30 %	(762)	28 %	(897)	33 %
Impairment of long-lived assets	—	0 %	—	0 %	(21)	1 %
Disposal, restructuring and other operating expenses, net	(6)	0 %	(7)	0 %	(26)	1 %
Total operating expense	(2,968)	92 %	(1,902)	71 %	(1,939)	72 %
Operating income (loss)	111	3 %	671	25 %	633	23 %
Income (loss) from equity investments, net	(20)	1 %	(45)	2 %	141	5 %
Interest income, net	110	3 %	42	2 %	2	0 %
Other non-operating income (loss), net	11	— %	3	— %	10	0 %
Income (loss) before income taxes	212	7 %	671	25 %	786	29 %
Income tax benefit (expense)	94	3 %	(147)	5 %	(110)	4 %
Net income (loss)	\$ 306	9 %	\$ 524	20 %	\$ 676	25 %

Percentages are calculated from the amounts presented and may not add to their respective totals due to rounding

Comparison of Performance for the Fiscal Years Ended March 31, 2024 and 2023

Total revenue

(in millions, except percentages)	Fiscal Year Ended March 31,								
	External Customers			Related Parties			Total		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
License and Other Revenue	\$ 1,051	\$ 569	85 %	\$ 380	\$ 435	(13)%	\$ 1,431	\$ 1,004	43 %
Royalty Revenue	1,458	1,456	— %	344	219	57 %	1,802	1,675	8 %
	<u>\$ 2,509</u>	<u>\$ 2,025</u>	24 %	<u>\$ 724</u>	<u>\$ 654</u>	11 %	<u>\$ 3,233</u>	<u>\$ 2,679</u>	21 %

Total revenue increased \$554 million, or 21%, to \$3,233 million during the fiscal year ended March 31, 2024, from total revenue of \$2,679 million during the fiscal year ended March 31, 2023. License and other revenue increased \$427 million, or 43%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily driven by new licensing agreements, an increase in revenue from arrangements entered into in prior periods, and renewals of our existing license arrangements by customers to gain access to the latest versions of our technology IP.

Royalty revenue increased \$127 million, or 8%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, driven primarily by the semiconductor industry recovery in the second half of the year.

Revenue from external customers increased \$484 million, or 24%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, driven by a \$482 million, or 85%, increase in license and other revenue, and a \$2 million increase in royalty revenue. Revenue from related parties increased \$70 million, or 11%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily driven by a \$125 million, or 57%, increase in royalty revenue mostly driven by higher chip shipments as well as an improved mix of products with higher royalty rates per chip, which was partially offset by a \$55 million, or 13%, decrease in license and other revenue.

During the fiscal years ended March 31, 2024, and 2023, revenue from sales to customers outside of the U.S. accounted for approximately 56% and approximately 59% of total revenue, respectively. Less than 2% of our total revenue is denominated in currencies other than USD, and the impact of changes in foreign exchange rates on our revenue and results of operations for the fiscal year ended March 31, 2024 and 2023 was immaterial.

Cost of sales

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Cost of sales	\$ (154)	\$ (106)	45%

Cost of sales increased by \$48 million, or 45%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to the impact of the incremental share-based compensation costs and associated employer taxes arising in connection with the IPO and new awards (see “Item 8. Financial Information—Note 16 - Share-based Compensation” in the Notes to the Consolidated Financial Statements included in this Annual Report). Other factors contributing to the increase included salaries and related expenses due to headcount increases from hiring, professional service fees, and activities associated with professional and design services.

Research and development

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Research and development	\$ (1,979)	\$ (1,133)	75%

Research and development expenses increased by \$846 million, or 75%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to the impact of the incremental share-based compensation costs and associated employer taxes arising in connection with the IPO and new awards (see “Item 8. Financial Information—Note 16 - Share-based Compensation” in the Notes to the Consolidated Financial Statements included in this Annual Report). Other factors contributing to the increase included salaries and related expenses due to headcount increases from hiring as well as increases in third-party engineering expenses, IT expenses including cloud services, and allocated facility overhead expenses, partially offset by increases in research and development tax incentives and gains from cash flow hedge activity.

Selling, general and administrative

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Selling, general and administrative	\$ (983)	\$ (762)	29%

Selling, general and administrative expenses increased by \$221 million, or 29%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to the impact of the incremental share-based compensation costs and associated employer taxes arising in connection with the IPO and new awards (see “Item 8. Financial Information—Note 16 - Share-based Compensation” in the Notes to the Consolidated Financial Statements included in this Annual Report). Other factors contributing to the increase included salaries and related expenses due to

headcount increases from hiring, public company readiness costs, travel expenses, professional service expenses and related charges, and IT expenses. These increases were partially offset by reduced allowance for expected credit losses on loan receivables, decreased provisions for current expected credit losses on accounts receivable, decreased amortization for capitalized software, amortization of patents and licenses intangible assets, employee related one-time payment in the prior period, and gains from cash flow hedge activity. For the fiscal year ended March 31, 2024, increases were also partially offset by the reversal of liability for litigation (see “Item 8. Financial Information—Note 19 - Commitments and Contingencies” in the Notes to the Consolidated Financial Statements included in this Annual Report).

Disposal, restructuring and other operating expenses, net

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Disposal, restructuring and other operating expenses, net	\$ (6)	\$ (7)	(14)%

Disposal, restructuring and other operating expenses, net remained relatively flat for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023.

Income (loss) from equity investments, net

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Income (loss) from equity investments, net	\$ (20)	\$ (45)	(56)%

Income (loss) from equity investments, net increased by \$25 million, or 56%, for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to reductions in unrealized losses related to equity method investments accounted for at fair value and non-marketable securities.

Interest income, net

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Interest income, net	\$ 110	\$ 42	162 %

Interest income, net increased by \$68 million, or 162%, for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to higher short-term investments and cash equivalents, and favorable interest rate yields recognized on short-term investments and cash equivalents.

Other non-operating income (loss), net

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Other non-operating income (loss), net	\$ 11	\$ 3	267 %

Other non-operating income (loss), net increased by \$8 million, or 267%, for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to increased realized and unrealized foreign exchange gains.

Income tax benefit (expense)

(in millions, except percentages)	Fiscal Year Ended March 31,		
	2024	2023	% Change
Income tax benefit (expense)	\$ 94	\$ (147)	(164)%
Income (loss) before income taxes	\$ 212	\$ 671	(68)%
Income tax benefit (expense) as a percentage of income before taxes	44.3 %	(21.9)%	

Income tax benefit (expense) and the effective tax rate for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023 changed primarily due to research and development tax credits and windfall tax benefits associated with share-based compensation arising in the fiscal year ended March 31, 2024.

On August 16, 2022, the Inflation Reduction Act of 2022 was enacted into U.S. law. The legislation includes a new corporate alternative minimum tax (“CAMT”) of 15% on the adjusted financial statement income (“AFSI”) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. The CAMT is effective for the Company for the fiscal year ended March 31, 2024. We have determined that CAMT did not have a material impact on the financial statements or results of operations for the fiscal year ended March 31, 2024.

The OECD reached agreement among various countries to implement a minimum 15% rate on certain multinational enterprises, commonly referred to as Pillar Two. In July 2023, the U.K. enacted legislation to implement the OECD framework for Pillar Two, part of which went into effect January 1, 2024. A number of other countries where we do business, including the U.S., Japan, and many countries in the European Union, have implemented, or are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations. We will continue to monitor the implementation of Pillar Two in the jurisdictions in which we operate. Given the numerous proposed tax law changes and the uncertainty regarding such proposed tax legislative changes, the impact of Pillar Two could adversely impact our effective tax rate.

Comparison of Performance for the Fiscal Years Ended March 31, 2023 and 2022

Please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Performance for the Fiscal Years Ended March 31, 2023, 2022 and 2021*” in the IPO Prospectus.

B. Liquidity and capital resources

We measure liquidity in terms of our ability to fund our cash obligations as they become due, including requirements of our business operations, working capital requirements, capital expenditures, contractual obligations, acquisitions and investments, and other commitments. We have historically financed, and intend to continue to finance, our operations primarily through cash generated from our business operations, partially supported by government research grants and tax credits. For the fiscal years ended March 31, 2024, 2023, and 2022, the government research grant and tax credits benefits recognized were \$138 million, \$83 million, and \$84 million, respectively. As of March 31, 2024, we had cash and cash equivalents of \$1,923 million and short-term investments of \$1,000 million.

We believe that our cash and cash equivalents and short-term investments will be adequate to meet our liquidity requirements for at least the next 12 months and in the longer term. Our future capital requirements will depend on several factors, including our revenue growth, the timing and extent of spending on research and development efforts and other growth initiatives, the timing of new products and services introductions, market acceptance of our products, and overall economic conditions. We could be required, or could elect, to seek additional funding through debt or equity financing; however, additional funds may not be available on terms acceptable to us, if at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, financial condition and prospects. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry.*”

The following table summarizes our cash flows for the periods indicated.

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Net cash provided by (used for) operating activities	\$ 1,090	\$ 739	\$ 458
Net cash provided by (used for) investing activities	\$ (516)	\$ (138)	\$ (619)
Net cash provided by (used for) financing activities	\$ (208)	\$ (42)	\$ (32)
Effect of foreign exchange rate changes on cash and cash equivalents	\$ 3	\$ (9)	\$ (17)
Net increase (decrease) in cash and cash equivalents	\$ 369	\$ 550	\$ (210)
Cash and cash equivalents at the beginning of the period	\$ 1,554	\$ 1,004	\$ 1,214
Cash and cash equivalents at the end of the period	\$ 1,923	\$ 1,554	\$ 1,004

Comparison of Cash Flows for the Fiscal Years Ended March 31, 2024 and 2023

Net Cash Provided by (Used for) Operating Activities

Net cash provided by operating activities increased by \$351 million, or 47%, to \$1,090 million for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, benefiting from certain non-cash items including incremental and accelerated share-based compensation costs, and changes in assets and liabilities, partially offset by lower loss on equity investments due to fair value movements. Changes in assets and liabilities were primarily driven by an increase in other liabilities for employee related payroll taxes and payables primarily related to vested RSUs to be paid in a subsequent period, lower accounts receivable balance due to improved collection cycles, an increase in contract assets, a decrease in contract liabilities due to the new contracts signed and timing of revenue recognition, a decrease in tax liabilities, a decrease in prepaid expenses and other assets due to a research and development tax incentive receivable, a decrease in accrued compensation and benefits and share-based compensation primarily due to liability-classified awards that were either modified to be equity-settled or had been settled in connection with the IPO, and an increase in operating lease liabilities primarily due to early termination of lease contracts in a prior period.

Net Cash Provided by (Used for) Investing Activities

Net cash used for investing activities increased by \$378 million, or 274%, to \$516 million for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to a \$656 million decrease in proceeds from maturity of short-term investments, a \$28 million increase in purchases of property and equipment, a \$22 million increase in purchases of intangible assets and a \$17 million increase in purchases of equity investments, partially offset by a \$346 million decrease in purchases of short-term investments.

Net Cash Provided by (Used for) Financing Activities

Net cash used for financing activities increased by \$166 million, or 395%, to \$208 million for the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023, primarily due to a \$158 million increase in payments of withholding tax on vested shares and a \$8 million increase in payment for finance lease arrangements.

Comparison of Cash Flows for the Fiscal Years Ended March 31, 2023 and 2022

Please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*” in the IPO Prospectus.

Contractual Obligations and Commitments

Our material cash requirements include the following contractual and other obligations.

Leases

We have operating lease arrangements for office space, data centers, equipment and other corporate assets. As of March 31, 2024, we had lease payment obligations of \$261 million, with \$33 million payable within twelve months of March 31, 2024. As of March 31, 2024, the Company had one lease signed but not yet commenced, with a lease value of

approximately \$15 million and a lease term expiring in 2036. Subsequent to March 31, 2024, we renewed two of the leases for our global headquarters with an approximate value of \$19 million.

Purchase Obligations

In the normal course of business, we contract with various third-party service providers for systems and services to perform certain day-to-day business activities. During the fiscal year ended March 31, 2024 we entered into a non-cancelable purchase commitment with our cloud computing web services provider with a total purchase commitment of \$340 million for the period from July 2023 through June 2029. As of March 31, 2024, the total remaining contractual obligations are approximately \$298 million, of which \$37 million is for the next 12 months.

C. Research and development, patents and licenses, etc.

Refer to “Item 4. Information on the Company—B. Business Overview—Research and Development”, “Item 4. Information on the Company—B. Business Overview—Intellectual Property,” “Item 5. Operating and Financial Review and Prospects—Components of Results of Operations—Research and Development,” “Item 5. Operating and Financial Review and Prospects—Comparison of Performance for the Fiscal Years Ended March 31, 2024 and 2023—Research and Development,” “Item 8. Financial Information—Note 1 - Description of Business and Summary of Significant Accounting Policies” in the Notes to the Consolidated Financial Statements included in this Annual Report and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparison of Performance for the Fiscal Years Ended March 31, 2023, 2022 and 2021” in the IPO Prospectus for discussion on our research and development policies.

D. Trend information

Key Factors and Trends Affecting Our Operating Results

We believe that the growth of our business and our future success are dependent upon many factors, including those described in the section titled “Item 3. Key Information—D. Risk Factors” and elsewhere in this Annual Report as well as the factors described below. While each of these factors presents significant opportunities for us, these factors also pose challenges that we must successfully address in order to sustain the growth of our business and enhance our results of operations.

Global Demand for Semiconductor Products and Cyclical Nature of the Semiconductor Industry

Semiconductor chips are essential components in consumer, enterprise, and automotive electronics, which has resulted in sustained and increasing long-term demand for semiconductor chips, a significant percentage of which contain our products. Our license and royalty revenue is, in part, affected by market conditions in the semiconductor industry, which is cyclical by nature and impacted by broad economic factors, such as worldwide gross domestic product and consumer and enterprise spending. While the semiconductor industry has experienced significant, prolonged, and sometimes sudden downturns in the past, we expect there to be continued and increasing demand for semiconductors over the long term as macro trends drive device manufacturers to produce more powerful and energy-efficient devices.

Because our royalty revenue is dependent on the number of Arm-powered chips shipped by our customers, dislocations created by cyclical, economic factors generally affect demand for our customers’ chips and, consequently, may result in variability in our operating performance. Royalties are recognized on an accrual basis in the quarter in which the customer ships products incorporating our products. A material portion of the accrual is estimated using trend analysis of market and sales data as well as customer-specific financial information with a true-up in the following quarter based on actual sales data once received. Accordingly, differences between our estimated market trends and our customers’ forecasts of their chip shipments can lead to variability in our royalty revenue.

Our Market Share Across End Markets

Arm CPUs are the world’s most widely licensed and deployed processors. Our products are used in almost all smartphones, the majority of tablets and digital TVs, and a significant proportion of all chips with embedded processors, including for both consumer and enterprise applications. As new high-growth markets for electronics emerge and incorporate more AI and ML workloads, they require our more advanced processor designs in areas such as cloud computing, the automotive industry, and the IoT economy. Our operating and financial performance is dependent, in large part, upon maintaining our market share in the smartphone and consumer electronics markets and maintaining or growing market share in our other target markets.

Ability to Provide Our Customers with More Value Per Chip

We believe our ability to continue to develop more advanced products and offer increasingly comprehensive product packages, including providing more complete subsystems, will encourage greater use of our products by existing and prospective customers. For example, some licensees may combine multiple different Arm CPUs in a single chip, Arm CPUs with other Arm IP such as Arm GPUs, or deploy Arm CPU implementations with more than 100 cores. Some customers may be better served by the integration of our IP into a subsystem with additional information to assist in fabrication. For chips where our products have provided more value, we will typically receive a higher royalty rate per

chip. Accordingly, we believe that our investments in higher performance, higher efficiency, and more specialized designs will drive greater demand for our products and higher value for our customers, which is expected to result in higher royalty fees. Our future performance is dependent on our continued ability to provide value to customers, and our ability to drive additional value through technological innovation.

Increasing Design Wins with Existing and Prospective Customers

We have in the past and will continue to make significant investments in research and development to ensure that we can develop products suitable for new opportunities with existing and prospective customers. A key measure of our success is our customer design wins. Because we are often embedded within our customers' research and development functions, we typically have significant, unique visibility into our customers' product development pipelines, which we believe positions us to capture design wins to a greater extent than our competitors. A "design win" occurs when a customer decides to include an Arm CPU product or related technology within one of their chip designs. For customers who already license our products, a new design win does not necessarily require a customer to sign a new license. By licensing a portfolio of Arm products to our customers (rather than licensing a single CPU design or other technology design), we have made it easier and more compelling for customers to access and utilize more Arm products, further broadening our potential customer base and end-market penetration. Our licensing options provide greater flexibility to our customers and maximize our opportunities to secure more design wins for our products, which results in greater opportunities to increase our recurring royalty revenue.

Performance of Arm China

We depend on our commercial relationship with Arm China to access the PRC market, and a significant portion of our total revenue is generated from Arm China, a related party. Arm China has the right to sublicense our processor technology pursuant to the intellectual property license agreement ("IPLA"). Our responsibility under the IPLA is to facilitate delivery of our processor technology to Arm China's end customers in accordance with detailed instructions and other specifications from Arm China. Our revenue is calculated as a percentage of license and royalty fees earned by Arm China from sublicense arrangements entered into with its end customers. Where our revenue is earned as a percentage of the license fee received by Arm China, we categorize such revenue as our license revenue. Our share of Arm China's royalties is categorized as royalty revenue in our financial statements. Despite our significant reliance on Arm China through our commercial relationship with it, both as a source of revenue and a conduit to the important PRC market, Arm China operates independently of us. Under the IPLA, Arm China's payments due to us are determined based on the financial information that Arm China provides to us. Accordingly, we are dependent on Arm China providing us with reliable and timely financial information. Additionally, political actions, including trade and national security policies of the U.S. and PRC governments, such as tariffs, placing companies on restricted lists, or new end-use controls, have in the past, currently do and could in the future limit or prevent us, directly or through our commercial relationship with Arm China, from transacting business with certain PRC customers or suppliers, limit, prevent or discourage certain PRC customers or suppliers from transacting business with us or Arm China, or make it more expensive to do so, which could adversely affect demand for our products. Total revenue derived from the PRC market increased \$40 million, or 6%, during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023. Our royalty revenue from Arm China increased during the fiscal year ended March 31, 2024 as compared to the fiscal year ended March 31, 2023 primarily driven by higher chip shipments as well as an improved mix of products with higher royalty rates per chip.

Developments in Export Control Regulations

In October 2023, the Bureau of Industry and Security ("BIS") of the U.S. Department of Commerce published updated export controls on advanced computing chips, computer commodities that contain such chips, and certain semiconductor manufacturing items, as well as controls on transactions involving items for supercomputer and semiconductor manufacturing end-uses. The October 2023 export controls expand the scope of items subject to license requirements for certain entities on BIS's Entity List. As a result, our freedom to license our products to designated countries or entities could be reduced, and our commercial relationships could be further harmed by limiting the ability of certain of our customers and partners from freely shipping chips and end products incorporating certain of our products.

Impact of the Current Macroeconomic Environment and Geopolitical Events

Uncertainty in the macroeconomic environment, resulting from a range of events and trends, including the recent financial institution failures, rise in global inflation and interest rates, supply chain disruptions, geopolitical pressures, including the unknown impact of current and future U.S. and PRC trade regulations, changes in PRC-Taiwan relations, the

war in Ukraine, fluctuation in foreign exchange rates, and associated global economic conditions have resulted in volatility in our operating performance. For example, the war in Ukraine could lead to further market disruptions and exacerbate current supply chain constraints, including with respect to certain materials and metals, which are essential in semiconductor manufacturing. The conflicts in the Middle East have caused no major interruption to our operations to date. Furthermore, given the concentration of semiconductor manufacturing in East Asia (particularly in Taiwan), any potential escalation in geopolitical tensions in Asia, particularly with respect to Taiwan, could significantly disrupt existing semiconductor chip manufacturing and increase the prospect of increased interruption to the semiconductor chip supply across the world.

Investment in Technology and Product Development

To remain competitive, we must continue to develop new applications and enhancements to our existing products and services, particularly as next generation technology is adopted by market participants. Allocating and maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the evolving demands of the market is essential to our continued success.

In addition, we continue to evaluate opportunities and potential investments to develop new technologies and advanced products, including in the AI arena and thereby expand beyond individual design IP elements to providing a more complete system.

Although our efforts in this regard are still in the nascent stages, in the future we may invest greater financial and other resources in furtherance of those efforts, explore investment and/or acquisition opportunities, and engage with one or more partners to provide technical, financial and/or other support.

E. Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. We base our estimates on historical and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances, including assumptions as to future events. By their nature, estimates are subject to an inherent degree of uncertainty. Although we believe that the estimates and the assumptions supporting our assessments are reasonable, actual results could differ materially (either positively or negatively, as applicable) from our estimates, which could have a material effect on our consolidated financial statements.

We believe that, of our significant accounting policies, which are described in “*Item 8. Financial Information—Note 1 - Description of Business and Summary of Significant Accounting Policies*” in the Notes to the Consolidated Financial Statements included in this Annual Report, the following accounting policies involve a greater degree of management judgment and complexity. Accordingly, the following policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition, results of operations, and cash flows.

Revenue Recognition

Our revenue is derived from contracts with customers. We recognize revenue in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers (“ASC 606”). The core principle of ASC 606 is to recognize revenue upon the transfer of services or products to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services or products. We apply the five-step framework under ASC 606 to recognize revenue as described in our revenue recognition policy included in “*Item 8. Financial Information—Note 1 - Description of Business and Summary of Significant Accounting Policies*” in the Notes to the Consolidated Financial Statements included in this Annual Report.

The most critical judgments required in applying ASC 606 and our revenue recognition policy relate to the determination of distinct performance obligations, the evaluation of the standalone selling price (“SSP”) for each performance obligation and the assessment of the contract combination criteria.

Determination of distinct performance obligations

For our licensing arrangements, we grant customers the choice to acquire additional rights, goods, or services at contract inception (for example, renewals of offerings, version extensions through term renewals, additional future products, or additional usage of term license). Therefore, judgment is required in determining whether products and services are considered distinct performance obligations that should be accounted for separately. We utilize forward-looking information in identifying performance obligations for IP or their version extensions of architecture IP under development or future products and in considering if implicit promises exist in certain long-term contracts.

Evaluation of the standalone selling price for each performance obligation

Judgment is required to determine the SSP for each distinct performance obligation in the contract. Directly observable prices are generally not available for our products, so we estimate the SSP for each performance obligation by maximizing the use of observable inputs. Some of our performance obligations, such as support, maintenance services, and training services, have observable inputs that are used to determine the SSP of those distinct performance obligations. However, our licenses of products often have highly variable pricing as standalone sales are rare and pricing varies from one transaction to another. When offerings with highly variable pricing lack substantial direct costs to estimate SSP based on a cost-plus margin approach, the transaction price is allocated using the residual approach on the basis that we have identified the SSP for other performance obligations in the same contract. If two or more performance obligations have highly variable or uncertain pricing, we apply a combination of methods to estimate the SSPs, including utilizing list prices, contract prices, and effort estimates of future IP.

Assessment of contract combination criteria

In certain instances, we enter into multiple contracts with the same customer that are treated, for accounting purposes, as a single contract if the contracts are entered into at, or near, the same time and are interrelated. Judgments are required in evaluating whether various contracts are interrelated, which includes considerations as to whether they were negotiated as a package with a single commercial objective, where the amount of consideration on one contract is dependent on the performance of the other contract, or if some or all obligations in the contracts constitute a single performance obligation.

Estimates on Sales-Based Royalty Revenue Accruals

For certain license arrangements, sales-based royalties are collected on customers' chips that incorporate our products. Royalties are set either as a percentage of the licensee's average selling price per chip or as a fixed amount per chip. Royalties are recognized on the licensee's sales in the period in which they ship their Arm-powered chips to their end customers. Our estimates of royalty-based accruals take into consideration the macroeconomic effects of global events, such as geopolitical issues (such as trade bans or wars), and natural disasters, any of which may interrupt supply chain activities as well as demand for shipments of technology products. These estimates also involve the use of historical data and judgment for several key attributes, including industry estimates of expected shipments, the percentage of markets using our products, and average selling price. Generally, our estimates represent the then-current period's shipments for which we expect our licensees to submit royalty statements in the following quarter in accordance with our license agreements. Upon receipt of royalty statements from the licensees with the actual reporting of sales-based royalties that we previously estimated, we record a favorable or unfavorable adjustment based on the difference, if any, between estimated and actual sales. Historically, actual amounts for sales-based royalties have been materially consistent with our estimates, and no significant adjustments have been required for prior-period royalty estimates. However, we can provide no assurances that material adjustments will not be required in future periods.

Valuation of Equity Investments Measured at Fair Value

Non-marketable securities

Non-marketable securities represent either direct or indirect, through a capital fund, investments in unlisted early-stage development enterprises. For certain of these securities, we have elected to apply the NAV practical expedient, where NAV is the estimated fair value of the investments. For other investments, under the measurement alternative, these equity securities are recorded at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes resulting from the issuance of similar or identical securities in an orderly transaction by the same issuer. As of March 31, 2024 and 2023, non-marketable securities measured at NAV were \$18 million and \$18 million, respectively.

Determining whether an observed transaction is similar to a security within our portfolio requires judgment based on the rights and preferences of the securities. Recording upward and downward adjustments to the carrying values of equity securities as a result of observable price changes requires quantitative assessments of the fair values of equity securities held.

Equity Method Investments

Equity method investments represent strategic investments in unlisted development enterprises. For certain of these investments, we have elected to apply the fair value option. Where applicable, the NAV practical expedient has been applied. Equity method investments measured at NAV as of March 31, 2024 and 2023 were \$106 million and \$109 million, respectively. Equity method investments measured at fair value as of March 31, 2024 and 2023 were \$466 million and \$482 million, respectively.

We elected the fair value option for Arm China, Acetone Limited, and Ampere Computing Holdings LLC. We initially computed the fair value for our investments, consistent with the methodology and assumptions that market participants would use in their estimates of fair value, with the assistance of a third-party valuation specialist or based on inputs provided by the investee. The fair value computation is updated on a quarterly basis. The investments are classified within Level 3 in the fair value hierarchy because we estimate the fair value of the investments using (i) the market approach based on similar transactions, (ii) the market-calibration approach based on the guideline public company method and/or (iii) probability-weighted expected return approach, and/or (iv) subject to the availability of sufficient information, the income approach based on the discounted cash flow method.

We consider numerous objective and subjective factors to determine the best estimate of fair value for our investees. These factors include forecasts, the financial condition of the investee and the prices paid for securities sold to third-party investors, if any, as well as the valuation of comparable companies.

Impairment of investments

Non-marketable equity securities under the measurement alternative are subject to periodic impairment analysis. The periodic impairment analysis considers both qualitative and quantitative factors that may have a significant impact on the investee's fair value. Qualitative factors considered include the investee's financial condition and business outlook, industry and sector performance, market for technology, operational and financing cash flow activities, and other relevant events and factors affecting the investee. When indicators of impairment exist, we prepare a quantitative assessment of the fair value of the equity investments using both the market and income approaches, which require judgment and the use of estimates, including discount rates, investee revenue and costs, and comparable market data of private and public companies, among others. During the fiscal years ended March 31, 2024, 2023 and 2022, we recognized impairments of \$3 million, \$8 million and \$3 million, respectively, on non-marketable equity securities.

Equity method investments not measured under the fair value option are subject to periodic impairment reviews using the other-than-temporary impairment model, which considers the severity and duration of a decline in fair value below cost and our ability and intent to hold the investment for a sufficient period of time to allow for recovery. We did not recognize any impairments on equity method investments during the fiscal years ended March 31, 2024, 2023 and 2022.

Ordinary Share Valuations

In determining the fair value of ordinary shares, the Board of Directors considered the grant date fair value for share-based awards as of the closing price of the Company's ADSs on Nasdaq on the day of grant. The Company generally recognizes share based compensation cost using the straight-line method over the requisite service period of the award, net of estimated forfeitures, except for awards that are subject to continuous service and satisfaction of certain Company performance conditions. For awards that are subject to continuous service and satisfaction of certain Company performance conditions, the Company revises its estimate of the number of shares expected to vest at each reporting date as a result of the effect of the Company's performance conditions. The impact of the revision of the original estimates, if any, is recognized in the Consolidated Income Statements such that the cumulative expense reflects the revised estimate. Certain fixed monetary amount liability-classified awards were modified to equity-classified awards at the time of IPO and were converted to into a variable number of ADSs representing ordinary shares based on the IPO price of \$51.00 per ADS.

Please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates*" in the IPO Prospectus for critical accounting estimates applicable prior to the IPO.

Share-based Compensation

We expense share-based compensation over the requisite service periods of the awards, which generally is equivalent to the vesting term. Compensation expense is recorded only for those awards that are expected to vest. The fair value of RSUs is based on the grant date fair value for share-based awards based on the closing price of the Company's ADSs on Nasdaq on the day of the grant.

Prior to the IPO, the fair value of RSUs was determined on the date of grant and at the end of each reporting period using Monte Carlo simulations or the discounted cash flow approach. The fair value of Phantom Shares (as defined below) was determined based on the share price of our ultimate parent, SoftBank Group. We classified awards that were settled in cash as liabilities on our Consolidated Balance Sheets. Certain RSUs and all Phantom Shares are liability-classified and are remeasured at the end of each reporting period through the date of settlement to ensure that the expense recognized for each award is equivalent to the amount to be paid in cash.

Restricted Share Units (RSUs)—2019 AEP and 2019 EIP

As of March 31, 2024, 100% of the 2019 AEP and 2019 EIP awards have vested and were settled in shares.

Prior to the IPO, RSUs were granted to both employees and certain of our executive officers and vesting is subject to continuous service, the achievement of market condition targets, and are contingent upon the occurrence of various events comprising a change in control, an initial public offering, or the passage of time. RSUs would vest on the earliest to occur of (1) our initial public offering or six months following our initial public offering (as applicable), (2) the acquisition of more than 50% of the voting power of our shares, or the sale of the Company or another change in control event, and (3) March 9, 2026. The vesting of certain RSUs was subject to market condition targets related to our valuation upon change in control, initial public offering, or passage of time. Prior to the IPO, the Company recognized share-based compensation over the vesting term assuming a March 9, 2026 vesting date.

The weighted average fair value of the 2019 AEP RSUs was measured at each reporting date using the Monte Carlo simulation model. The Monte Carlo simulation model simulates our equity value at an assumed listing exit event in order to determine the RSU vesting percentage. The model simulates the RSU vesting percentage over one million iterations, and the average of all iterations is the fair value of an RSU. The model then discounts the future value of RSU at the assumed listing exit event date back to the valuation date based on the risk-free rate. The Monte Carlo simulation model incorporates various assumptions such as expected share price volatility until a liquidity event, expected dividend yield, risk-free interest rate, and expected time to an initial public offering.

The fair value of the 2019 EIP RSUs was estimated using the income approach and market-calibration approach based on comparable publicly traded companies in similar lines of businesses. Cash flow assumptions used in the income approach consider historical and forecasted revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) and other relevant factors.

For the fiscal year ended March 31, 2023, the Company paid \$15.9 million in relation to the modification of 2019 AEP RSUs that had vesting conditions accelerated pursuant to restructuring activities, of which \$11.8 million of share-based compensation cost was recognized in the fiscal year ended March 31, 2023. We did not have any cash payments arising from normal course vesting events for liability-classified RSU awards for the fiscal years ended March 31, 2024, 2023 and 2022. All awards under the 2019 AEP vested in March 2024 following the completion of the IPO. Upon completion of the IPO, all RSUs under the 2019 EIP vested and were settled in ordinary shares instead of cash. This resulted in a change to the classification of the RSUs from liability-classified to equity-classified awards. We recognized incremental and accelerated share-based compensation expense of \$221.3 million under the 2019 AEP and 2019 EIP for which the service-based vesting condition was satisfied or partially satisfied as of the date of the IPO.

The 2022 RSU Plan

In June 2022, the 2022 RSU Plan was established to grant RSUs to all employees of the Company ("All Employee Awards"). Employees may elect not to participate in the plan. The RSUs vest in tranches, require continuous service through the vesting date and are subject to graded vesting over time. We recognize share-based compensation cost using the straight-line method over the service period of the award except for performance grants with specific performance criteria, net of estimated forfeitures. The 2022 RSU Plan provides vesting schedules applicable prior to an IPO and after an

IPO. The RSUs that were previously probable of vesting based on the vesting schedule applicable prior to the IPO were modified to the vesting schedule applicable post-IPO.

Prior to the IPO, we used the income approach and market-calibration approach based on comparable publicly traded companies in similar lines of businesses to measure the fair value of the All Employee Awards. The income approach estimates enterprise value based on the estimated present value of future cash flows the business is expected to generate over its remaining life. The estimated present value is calculated using a discount rate reflective of the risks associated with an investment in a similar company in a similar industry or having a similar history of revenue growth. For each valuation, we prepared a financial forecast to be used in the computation of the value of invested capital for both the income approach and market-calibration approach. The financial forecast considered the Company's past results and expected future financial performance. The risk associated with achieving this forecast was assessed in selecting the appropriate discount rate. There is inherent uncertainty in these estimates as the assumptions used are highly subjective and subject to changes as a result of new operating data and economic and other conditions that impact the business.

The market-calibration approach analyzes the percent change in the enterprise values of peer companies between the prior valuation date and the current valuation date. Based on the observed market movement in the enterprise values of peer companies, a market movement factor is selected to represent the potential shift in enterprise value between the prior valuation date and the current valuation date. The selected market movement factor is applied to the indicated value as of the prior valuation date.

Impairment of Goodwill

Goodwill is recorded as the excess of consideration transferred over the acquisition-date fair values of assets acquired and liabilities assumed. We have identified one reporting unit. We perform an annual impairment assessment in the fourth fiscal quarter or more frequently if indicators of potential impairment exist, which includes evaluating qualitative and quantitative factors to assess the likelihood of an impairment of the reporting unit's goodwill. If our assessment concludes that it is more likely than not that the fair value is more than its carrying value of our reporting unit, goodwill is not considered impaired and we are not required to perform the quantitative goodwill impairment test.

If our impairment assessment concludes that it is more likely than not that the fair value is less than its carrying value, we perform the quantitative goodwill impairment test, which compares the fair value of the reporting unit to its carrying value. Impairments, if any, are based on the excess of the carrying amount over the fair value. Our goodwill impairment test considers the income method and/or market method to estimate a reporting unit's fair value. Significant judgments are required in assessing impairment of goodwill include the identification of reporting units, estimating future cash flows, determining appropriate discount and growth rates and other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value, whether an impairment exists and if so the amount of that impairment.

We completed our annual goodwill impairment test in the fourth quarter of the fiscal years ended March 31, 2024, 2023 and 2022. It was determined, after performing a qualitative review, that it is not more likely than not that the fair value of our single reporting unit was less than its carrying amount. Accordingly, there was no indication of impairment, and the quantitative goodwill impairment test was not performed.

Income Taxes

We are subject to income taxes in the United Kingdom and other foreign jurisdictions. We account for deferred taxes by using the asset and liability method under GAAP. Under this method, we determine deferred tax assets and liabilities based on temporary differences between the financial reporting and the tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. We recognize a deferred tax asset when it is more likely than not that the asset will be realized. We regularly review our deferred tax assets for recoverability and establish a valuation allowance based upon historical losses, projected future taxable income and the expected timing of the reversals of existing temporary differences. To the extent we increase or decrease the allowance in a period, we recognize the change in the allowance within "Income tax expense (benefit)" in the Consolidated Income Statements. Unforeseen changes in tax rates and tax laws, as well as differences in the projected taxable income as compared to actual taxable income, may affect these estimates.

The provision for income taxes includes the impact of reserves for unrecognized tax benefits as well as the related net interest and penalties. In addition, we are subject to the continuous examination of our income tax returns by the United

Kingdom and other tax authorities that may assert assessments against us. We regularly assess the likelihood of adverse outcomes resulting from these examinations and assessments to determine the adequacy of our provision for income taxes.

Item 6. Directors, Senior Management and Employees

A. Directors and senior management

The following table sets forth information regarding our Non-Executive Directors and Senior Management as of March 31, 2024.

Name	Age	Position(s)
Non-Executive Directors:		
Masayoshi Son	66	Chairman of the Board of Directors
Ronald D. Fisher	76	Director
Jeffrey A. Sine	69	Director
Karen E. Dykstra	65	Director
Anthony Michael Fadell	55	Director
Rosemary Schooler	56	Director
Paul E. Jacobs, PhD	61	Director
Senior Management:		
Rene Haas	61	Chief Executive Officer and Director
Jason Child	55	Executive Vice President and Chief Financial Officer
Kirsty Gill	51	Executive Vice President and Chief People Officer
Spencer Collins	43	Executive Vice President and Chief Legal Officer
Richard Grisenthwaite	56	Executive Vice President and Chief Architect
Will Abbey	53	Executive Vice President and Chief Commercial Officer

Non-Executive Directors

Masayoshi Son has served as a Director and Chairman of our Board of Directors since March 2018. From September 2016 to March 2018, Mr. Son served as Chairman of the Board of Directors of Arm Holdings plc. Mr. Son founded SoftBank Group in September 1981 and has been its Chairman and Chief Executive Officer since February 1986. Founded initially as a PC software distribution business, SoftBank Group and its portfolio of companies have expanded to cover a range of technologies, including advanced telecommunications, internet services, AI, smart robotics, and IoT. Mr. Son has overseen investments in some of the world's fastest-growing technology companies. Mr. Son serves in various capacities within SoftBank Group's portfolio of companies, including SoftBank Corp. (Japanese Telecommunication Operator) as its Chairman since 2015 and served as its Chairman and Chief Executive Officer from 2006 to 2015. Mr. Son has also served as Honorary Chairman of the Broadband Association in Japan.

Mr. Son was selected to serve on our Board of Directors because of his vast executive leadership experience, including through his service as Chairman and Chief Executive Officer of SoftBank Group, a large international public company and our controlling shareholder, along with his significant expertise in technology and innovation.

Ronald D. Fisher has served as a Director of our Board of Directors since March 2018. Mr. Fisher is a Senior Advisor at SoftBank Investment Advisors. Mr. Fisher joined SoftBank Group in 1995 and was the founder and Managing Partner of SoftBank Capital. Mr. Fisher joined the Board of SoftBank Group in 1997 and was Vice Chairman from 2017 to 2022. Mr. Fisher also serves on the boards of several of SoftBank Group's portfolio companies. Mr. Fisher has more than 40 years of experience of working with high-growth and turnaround technology companies. Prior to joining SoftBank Group, Mr. Fisher was the Chief Executive Officer of Phoenix Technologies Ltd., the leading developer and marketer of system software products for personal computers, from 1990 to 1995. Mr. Fisher joined Phoenix from Interactive Systems Corporation, a UNIX software company that was purchased by the Eastman Kodak Company in 1988. Mr. Fisher served for five years as President, initially as Chief Operating Officer and then Chief Executive Officer at Interactive Systems. Mr. Fisher earned an MBA from Columbia University and a Bachelor of Commerce from the University of Witwatersrand in South Africa.

Mr. Fisher was selected to serve on our Board of Directors due to his extensive business, operational and management experience in the technology industry.

Jeffrey A. Sine has served as a Director of our Board of Directors since September 2022. Mr. Sine is the Co-Founder and Partner of The Raine Group LLC, a global merchant bank focused on technology, media, and communications. Prior to founding The Raine Group LLC, he served as Vice Chairman and Global Head of Technology, Media & Telecom Investment Banking at UBS Investment Bank. Mr. Sine was a Managing Director at Morgan Stanley and an attorney at Sullivan & Cromwell in New York and London. Mr. Sine currently serves on the boards of many portfolio companies and subsidiaries of The Raine Group LLC. He also serves on the boards of National Public Radio, TelevisaUnivision, ITHAKA, Educational Testing Service, American University and The Manhattan Theatre Club.

Mr. Sine was selected to serve on our Board of Directors due to his significant experience as a leader and director of multiple global companies with international operations as well as his capital markets and financial experience from his tenure at global financial institutions.

Karen E. Dykstra has served as a Director of our Board of Directors since September 2022. From June 2023 to November 2023, Ms. Dykstra served as Chief Financial Officer of VMware, Inc. Ms. Dykstra previously served as Chief Financial and Administrative Officer, and as Chief Financial Officer, of AOL, Inc., a web portal and online service provider. Prior to joining AOL, Inc., Ms. Dykstra was a Partner at Plainfield Asset Management LLC (“Plainfield”), where she served as Chief Operating Officer, Chief Financial Officer and a director of Plainfield Direct LLC, Plainfield’s business development company. Previously, she spent over 25 years with Automatic Data Processing, Inc., a provider of human capital management solutions to employers, serving most recently as Chief Financial Officer, and prior thereto as Vice President—Finance, Corporate Controller, and in other capacities. Ms. Dykstra currently serves on the board of Gartner, Inc. and is a former director of VMware, Inc., Crane Co., AOL, Inc. and Boston Properties, Inc.

Ms. Dykstra was selected to serve on our Board of Directors due to her broad executive management experience and financial expertise as the Chief Financial Officer of multiple global companies and her experience from serving on the board of directors of other companies in the technology industry.

Anthony Michael Fadell has served as a Director of our Board of Directors since September 2022. Mr. Fadell is an active investor and entrepreneur with over 30 years of experience in founding companies and designing consumer products. He is the Principal at the Build Collective, an investment and advisory firm that invests in deep tech startups. Currently, the Build Collective is working with startups on over 200 innovative technologies. Mr. Fadell is the founder and former Chief Executive Officer of Nest, a major pioneer in the IoT space. He was Senior Vice President of Apple’s iPod division and led the team that created the first 18 generations of the iPod and the first three generations of the iPhone. Mr. Fadell also served as an Advisor to the Chief Executive Officer at Apple. Throughout his career, Mr. Fadell has authored more than 300 patents. He is also a New York Times bestselling author of *BUILD: An Unorthodox Guide to Making Things Worth Making*. Mr. Fadell currently serves on the boards of Concerto Management, Inc., Concerto Management EU, SAS and Orionis Biosciences, Inc.

Mr. Fadell was selected to serve on our Board of Directors due to his extensive experience in a range of technology companies as well as his significant leadership experience, including serving as the founder and Chief Executive Officer of a leader in the IoT space, and his in-depth knowledge of the technology industry.

Rosemary Schooler has served as a Director of our Board of Directors since December 2022. Ms. Schooler has over 30 years of experience in the global technology industry. She most recently served as Corporate Vice President and General Manager of Data Center and AI Sales for Intel Corporation. During her 33-year career at Intel, Ms. Schooler managed and oversaw sales and corporate strategy for the company’s IoT business. Ms. Schooler also held vice president and general manager positions at a number of Intel start-up initiatives in the embedded/IoT, networking and storage businesses, including architecture, product development and customer success efforts. In her networking role, Ms. Schooler led industry transforming initiatives, including Network Function Virtualization and technologies such as Data Plane Development Kit. Ms. Schooler has supported industry efforts, including ATIS and TIA, as well as non-profits, including the National Center for Women in Technology. She was previously a director for Cloudera and currently serves on the board of directors for Zurn Water Solutions and Densify. Ms. Schooler earned a B.S. in ceramic science and engineering from Penn State University.

Ms. Schooler was selected to serve on our Board of Directors due to her expansive knowledge of corporate strategy and strategic planning and vast experience as a leader in the technology industry.

Paul E. Jacobs, PhD has served as a Director of our Board of Directors since December 2022. Dr. Jacobs has been the Chief Executive Officer and a director of Globalstar, Inc. since August 2023. He is the Chairman, and until April 2024 also held the position of Chief Executive Officer, of Virewirx, Inc. (formerly known as XCOM Labs), which he founded in 2018 to develop high performance wireless technologies and applications. Prior to founding XCOM Labs, Dr. Jacobs served as the Chief Executive Officer and Executive Chairman of Qualcomm Inc., where he spearheaded the company's efforts to develop and commercialize fundamental mobile technology breakthroughs that fueled the wireless internet and smartphone revolutions. Dr. Jacobs is a prolific inventor with over 80 U.S. patents granted or pending in the field of wireless technology and devices. Dr. Jacobs currently also serves as a director of Dropbox, Inc., Global Star, Inc., Virewirx Inc., Get Heal, Inc., and the NBA Board of Governors. He earned a B.S. in Electrical Engineering and Computer Science, M.S. in Electrical Engineering, and Ph.D. in Electrical Engineering and Computer Science from the University of California, Berkeley. He founded the Jacobs Institute for Design Innovation at the University of California, Berkeley. Dr. Jacobs is a member of the National Academy of Engineering and a Fellow of the American Academy of Arts and Sciences.

Dr. Jacobs was selected to serve on our Board of Directors based on his experience as the leader and board member of multiple global companies, as well as his innovation and business experience with companies in, and his in-depth knowledge of, the technology sector.

Designation of Non-Executive Directors

Pursuant to the terms of the Shareholder Governance Agreement, SoftBank Group has the right to designate seven of the candidates for election to our Board of Directors. Each of our non-executive directors were designated by SoftBank Group for election to our Board of Directors. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions with SoftBank Group—Shareholder Governance Agreement.*”

Senior Management

Rene Haas has served as our Chief Executive Officer and a Director since February 2022. Prior to being appointed as Chief Executive Officer, Mr. Haas served as President of our IP Product Groups (IPG) from January 2017. Under his leadership, Mr. Haas transformed IPG to focus on key solutions for vertical markets with a more diversified product portfolio and increased investment in our software ecosystem. In addition to his role as Chief Executive Officer, Mr. Haas has sat on the boards of Arm China and SoftBank Group since December 2016 and June 2023, respectively. Mr. Haas also provides certain advisory and consulting services to SoftBank Group. Mr. Haas joined the Company in October 2013 as Vice President of Strategic Alliances and two years later was appointed to the Executive Committee and named Arm's Chief Commercial Officer in charge of global sales and marketing. Before joining the Company, Mr. Haas held several applications management, applications engineering and product engineering roles, including seven years at NVIDIA as Vice President and General Manager of its computing products business. Prior to NVIDIA, Mr. Haas executive roles at Scintera Networks and Tensilica. Mr. Haas earned his Bachelor of Science in Electrical and Electronics Engineering from Clarkson University and is a graduate of the Stanford University Graduate School of Business Executive Education Program. Mr. Haas was selected to serve on our Board of Directors due to his knowledge of our business as our Chief Executive Officer and his extensive experience in the semiconductor industry.

Jason Child has served as our Executive Vice President and Chief Financial Officer since November 2022. Mr. Child's career spans 30 years across all aspects of global finance and strategy, accounting, capital markets and treasury, initial public offering execution, and investor relations. He has extensive experience in scaling disruptive technologies within enterprise software and software-as-a-service industries, e-commerce, local commerce, consumer hardware and IoT, and online residential real estate. He most recently served as Senior Vice-President and Chief Financial Officer at Splunk, a technology company specializing in application management, security, and compliance, as well as business and web analytics. Mr. Child has also served as Chief Financial Officer for Groupon, Inc., a global e-commerce marketplace, Jawbone, a consumer technology and wearable device company, and Opendoor Technologies Inc, an online real estate company. Prior to those roles, he spent more than 11 years leading various global finance teams at Amazon and served as Chief Financial Officer of Amazon International. Mr. Child has served as a member of the board of directors of Coupang, Inc., an e-commerce company, since April 2022. He holds a B.A. from the Foster School of Business at the University of Washington, where he currently serves on its Global Advisory Board.

Kirsty Gill has served as our Executive Vice President and Chief People Officer since April 2018. Ms. Gill joined the Company in 2002 and has held various leadership roles in the People group, including executive compensation, reward, organizational effectiveness, and people services and systems. As Chief People Officer, she is responsible for managing our policies with respect to our employees, our workplace and the sustainability of our business practices. Ms. Gill delivers

a unique, progressive, and human working environment, ensuring that our Core Beliefs are reflected in our policies and practices, allowing everyone to thrive and contribute to their full potential. Prior to joining the Company, Ms. Gill was Human Resources Director for a start-up company, GF-X, and started her human resources career at Accenture. Ms. Gill graduated from the University of Cambridge and is a board member of Cambridge Ahead.

Spencer Collins has served as our Executive Vice President and Chief Legal Officer since September 2022. Prior to his appointment, he served as Interim General Counsel from February 2022. Mr. Collins has more than 20 years of industry experience and has served as lead counsel on many of the highest-profile M&A and investment transactions in the technology sector. Prior to joining the Company, Mr. Collins was Managing Partner and General Counsel at SoftBank Investment Advisors, the investment manager of SoftBank Vision Fund. Mr. Collins has also served as a partner in the investment team at SoftBank Investment Advisors. Prior to joining SoftBank Investment Advisors, he practiced as a technology-focused M&A and investment lawyer in the London offices of White & Case and Allen & Overy. Mr. Collins also spent time on secondment from Allen & Overy to Fenwick & West. Mr. Collins holds an LL.B. with first class honors.

Richard Grisenthwaite has served as our Executive Vice President and Chief Architect since March 2022. Mr. Grisenthwaite joined Arm in March 1997, and is responsible for the long-term evolution of our architecture, leading its development for more than 20 years, beginning with Armv6. He is currently leading development on Armv9 to ensure its specialized processing unlocks new markets and opportunities across the full spectrum of compute. Early in his tenure at the Company, Mr. Grisenthwaite worked on Arm720T, Arm940T, and Arm1136EJF-S. Prior to joining the Company, he worked for Analog Devices on fixed-function digital signal processors and at Inmos/ST on the Transputer. Mr. Grisenthwaite is an Arm fellow, has a B.A. in Electrical and Information Sciences from the University of Cambridge and holds 120 patents in the field of microprocessors. Additionally, Mr. Grisenthwaite serves on the U.K. government's Semiconductor Advisory Panel.

Will Abbey has served as our Executive Vice President and Chief Commercial Officer since April 2023. Mr. Abbey joined the Company in 2004 and has held a number of leadership roles, including Senior Vice President of Sales and Partner Enablement, General Manager of our Physical Design group and Vice President of Commercial Operations for the Physical IP Division. Now, as Executive Vice President and Chief Commercial Officer, Mr. Abbey leads sales, field engineering, and partner enablement at the Company, helping some of the world's most innovative organizations leverage the newest technologies to ready themselves for the next wave of digital transformation. From IP to AI, his unique insight has helped the world's technology leaders transform their products and operations. Before joining the Company, he worked in product management positions at Celoxica, Infineon Technologies, and Loughborough Sound Images. Mr. Abbey serves on the board of EnPro Industries and holds a BEng from Sheffield Hallam University, U.K.

Family Relationships

There are no family relationships among any of our Non-Executive Directors or Senior Management.

Board Diversity

The table below reflects certain diversity information based on self-identification by each member of our Board of Directors. Each of the categories listed in the below table has the meaning as it is used in the listing standards of Nasdaq.

Board Diversity Matrix (as of the date of this Annual Report)

Country of Principal Executive Offices	United Kingdom
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	8

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	2	3	0	3

Part II: Demographic Background

LGBTQ+	0
Underrepresented in Home Country Jurisdiction	0
Did Not Disclose Demographic Background	3

B. Compensation

Except for the information under “*Remuneration of Senior Management*,” “*Senior Management Employment Agreements*” and “*Description of Incentive Plans*,” the following information on remuneration has been prepared in accordance with disclosure requirements for the Company under the Companies Act.

Remuneration of Senior Management

For the fiscal year ended March 31, 2024, the aggregate remuneration paid to our Senior Management for services in all capacities, including retirement, benefits and vested Executive Awards (as described below), was approximately \$141,568,000. This amount excludes outstanding Executive Awards.

We do not set aside or accrue any amounts to provide pension, retirement or similar benefits to Senior Management, although we made defined contribution pension contributions on behalf of, and paid pension allowances to, our Senior Management in an aggregate amount of \$176,000 during the fiscal year ended March 31, 2024.

During the fiscal year ended March 31, 2024, pursuant to our equity incentive plans described below under “—Equity Incentive Plans,” we granted conditional rights to receive a specified amount of cash or our ordinary shares to our Senior Management, which we refer to as “Executive Awards,” with outstanding awards in the aggregate amount of \$75,323,000.

Directors' Remuneration Policy

Remuneration policy table – Executive Director

The following table applies to any Executive Director. Currently, the only Executive Director is the CEO, but this policy will apply to any future Executive Directors appointed to the Board of Directors.

The Company's approach to executive remuneration is to attract and retain the highest caliber talent from the global technology industry. The Remuneration Committee has developed the CEO package to be competitive with U.S. standards reflecting the location of our key competitors for executive and other talent, the listing of our ADSs on Nasdaq and the US-location of our CEO.

Base Salary	
Purpose and link to strategy	To provide fixed remuneration to the Executive Director to reflect the responsibilities of the role. To attract and retain the highest caliber talent from the global technology industry, including within the context of our growth aspirations.
Operation	The Executive Director's salary is reviewed annually by the Remuneration Committee and any increase or adjustment is usually applied from April 1st of each year. When reviewing the Executive Director's salary, the Remuneration Committee will take into account the general market movements, salary levels for comparable roles in comparable companies, the performance of the Company and the individual and any changes to the scope and/or responsibility of the role.
Maximum	There is no defined maximum salary. The salary and any increases are determined by the Remuneration Committee based on the factors described above.
Performance conditions	N/A
Benefits	
Purpose and link to strategy	To provide competitive benefits that enable our people's wellbeing. Benefits align with the wider workforce and reflect those commonly available in the Executive Director's home country.
Operation	Benefits provided to the Executive Director include vacation, health coverage and insurance, accident and disability insurance, and group life insurance. The Executive Director is also eligible to receive benefits offered to the wider workforce within their home country. Situation-specific taxable benefits may be provided as may be required in the interests of the Company's business such as, but not limited to, company paid car or telephone, car allowance, memberships, directors and officers indemnification and insurance cover, and tax return preparation and advice. Executive Directors may receive other benefits that are judged to be cost-effective and appropriate in terms of the individual's role, time and/or security. Where applicable, we may provide housing or relocation allowances, travel allowance and expenses, tax equalization or other expatriate benefits, and where necessary some or all of these benefits may be grossed up for taxes. Other benefits may be provided if the Remuneration Committee considers it appropriate, in its discretion. Any reasonable business-related expenses, in line with the Company's expenses policy from time to time, may be reimbursed, including any taxes payable if reimbursement is determined to be a taxable benefit. Where necessary some or all expenses may be grossed up for taxes.
Maximum	Reasonable market cost of providing the benefits. The Remuneration Committee shall have the discretion to introduce new benefits where these are introduced for the wider workforce, where it concludes that it is in the interests of the Company to do so, or which are considered necessary or desirable to support the executive in the execution of their duties, having regard to the particular circumstances of the individual. There is no overall defined maximum level of benefit.
Performance conditions	N/A
Pension	
Purpose and link to strategy	Enable the Executive Director to save for retirement and ensures their overall remuneration is competitive.

Operation	<p>The Executive Director is invited to participate in the pension arrangements in their local market and will receive the same level of contributions as other employees in that market.</p> <p>The Company may make payments of defined contribution pension contributions and pension allowances, which can either be made directly to the pension scheme or in cash via payroll.</p> <p>In the U.S., employees including the Executive Director may contribute into the Company's 401(k) Savings Plan, and the Company matches 100% up to the first 6% of employee contributions. A portion of the Executive Director's contributions will be matched each pay period subject to annual IRS limits.</p> <p>The Company does not set aside or accrue any amounts to provide pension, retirement or similar benefits to executives.</p>
Maximum	The maximum percentage may not exceed the workforce rate. The Remuneration Committee has discretion to consider the relevant workforce rate including consideration of the relevant jurisdiction.
Performance conditions	N/A
Annual Bonus	
Purpose and link to strategy	The purpose of the Arm Annual Bonus Plan (as defined below) is to incentivize the Executive Director towards achieving stretching short-term goals based on the Company's strategy.
Operation	<p>The Remuneration Committee sets the performance conditions towards the beginning of each fiscal year with the relevant weightings, which are communicated to the Executive Director. The Remuneration Committee assesses performance at the end of the fiscal year against these targets. Any amount is fully paid in cash.</p> <p>The Remuneration Committee retains the right to exercise its discretion in the event that the formulaic outturn of the bonus does not reflect the Company or individual's overall performance.</p>
Maximum	The maximum is 125% of salary for target performance. The plan may then pay up to 200% of target depending on performance plus any individual performance multiplier of up to 1.25x (312.5% of salary).
Performance conditions	<p>The performance conditions may include financial targets (including for example revenue and/or profit targets) and strategic measures, and/or any other measures that the Remuneration Committee considers appropriate, in its discretion. At least 50% of the performance conditions in any year will be financial targets.</p> <p>The exact measures, weightings, thresholds for vesting and targets are determined by the Remuneration Committee each year taking into account the Company's key strategic priorities and any other priorities which the Remuneration Committee considers are important, in its discretion, for the Executive Director to prioritize. No amounts are paid for below threshold performance. Maximum payment requires stretching levels of outperformance.</p>
Equity Awards	
Purpose and link to strategy	To incentivize the Executive Director towards achieving long-term goals based on the Company's strategy and to align their remuneration with shareholder interests.

Operation	<p>The Executive Director is granted equity awards annually which can take the form of RSUs, performance share units (“PSUs”), dividend equivalent rights, restricted shares, options or share appreciation rights (“SARs”) (or other forms of awards) under the Arm Holdings 2023 Omnibus Incentive Plan (the "Omnibus Incentive Plan") or successor plans. The Remuneration Committee will determine, in its discretion, the vesting and, if relevant, the performance conditions applicable to the awards of the Executive Director.</p> <p>Annual Awards to the Executive Director will vest over at least three years, subject to the Executive Director remaining in employment and subject to any performance conditions being met. Market price share options would have an overall life cycle of 10 years. Dividend equivalents may be paid on RSUs or PSUs to the extent that the awards vest.</p> <p>For the fiscal year ending March 31, 2025, awards will be made in the form of PSUs and it is anticipated that PSUs will form the majority or entirety of awards for the Executive Director in future years.</p> <p>The Remuneration Committee retains the right to exercise its discretion in the event that the formulaic outturn of the performance measures does not reflect the Company or individual’s overall performance.</p> <p>The Executive Director may also participate in any all employee share purchase plan or share option plan that is adopted by the Company on the same terms and conditions as other employees.</p>
Maximum	<p>The maximum initial target value of the Annual Awards will be 14 times base salary (assessed at the time of grant). Awards may then vest up to 125% of the target value based on satisfaction of stretching performance conditions.</p>
Performance conditions	<p>The performance conditions may include financial targets (including for example revenue and profit targets, or relative or absolute total shareholder return or earnings per share targets) and strategic measures. These will be set over a three year period and tested annually in relation to the relevant tranche and/or at the end of the three year performance period.</p> <p>The exact measures, weightings, thresholds for vesting and targets are determined by the Remuneration Committee, in its discretion, each year taking into account the Company's key strategic priorities. The targets will, where relevant, be determined in accordance with the Company's annual budget. No amounts are paid for below threshold performance.</p> <p>The Committee shall determine the extent to which the performance measures have been met and may make adjustments to the targets in the event that the Committee determines this is appropriate. Adjusted targets will be no less challenging as those originally set.</p>

Implementation of remuneration policy in the fiscal year ending March 31, 2025

Details of how the Remuneration Policy will be implemented for the next fiscal year are set out below:

Base Salary

During the year, in conjunction with the design of the Remuneration Policy, the Remuneration Committee reviewed the base salary for the CEO. The Remuneration Committee did not propose any increase and as such the CEO’s base salary will remain at \$1,350,000. The Remuneration Committee will continue to review this on an on-going basis. The average workforce rate increase was 5.2%.

Pension

The CEO participates in the Company’s 401(k) Savings Plan and receives a match of up to 6% of the employee contribution in line with the workforce rate. The CEO’s estimated 401(k) employer match is approximately \$14,000.

Annual bonus

The Remuneration Committee sets the target annual bonus at 125% of salary for the CEO with up to 187.5% of this amount being paid for maximum levels of performance. The award will be subject to the Company's attainment of goals relating to revenue (50% weighting) and the Non-GAAP Operating Income (50% weighting). Any payment above target will be subject to the Company's achievement of goals relating to strategic priorities through a modifier of 1x - 1.5x. An individual performance multiplier of up to 1.25x is then applied to the company performance outcome. The Remuneration Committee will have overall discretion to adjust the formulaic outturn based on the company's overall performance for the year. Any pay-out will be subject to our Clawback Policy.

PSU award

The CEO will be granted a PSU award which will have an initial target value of 14 times base salary. The maximum opportunity will be 125% of grant. 75% of the award will be measured over three one-year performance periods (25% attributed to each year) subject to the attainment of goals relating to:

- Revenue (25%)
- Non-GAAP Operating Income (25%)
- Strategic priorities (up to 2x modifier to financial performance)

25% of the award will be subject to Relative TSR measured over the full three-year performance period. TSR will be measured relative to the S&P 500 IT Sector Index.

At the end of each year, performance will be assessed against the financial and strategic measures. At the end of the three-year performance period Relative TSR achievement will be measured. 0% of the TSR portion will vest if TSR is at or below the 25th percentile of the index and 200% will vest if TSR is at or above the 75th percentile of the index with linear interpolation for intermediate levels of performance.

0% to 200% of the PSUs attributed to each year will vest annually, with the Year 3 vest combining this and the portion attributed to Relative TSR.

PSUs will be subject to our Clawback Policy.

The Remuneration Committee believes the salary multiple delivered at maximum appropriately reflects the sustained stretch performance required across financial and strategic measures to deliver the maximum vesting scenario. By design, these goals provide significant alignment to shareholder value creation in both the long and short term. There will be no payment attributed to any strategic measure that is not achieved in full.

Remuneration policy table – Non-Executive Directors

The following table applies to any Non-Executive Director, other than for Mr. Son (who is not currently paid by the Company).

Fees	
Purpose and link to strategy	To provide a fixed remuneration to the Non-Executive Director to reflect their responsibilities and to attract high caliber talent to the Board of Directors. The Non-Executive Chair's fee (where paid) will typically be determined by the other members of the Remuneration Committee, and the Board of Directors is responsible for determining all other Non-Executive Director fees.
Operation	<p>Non-Executive Director fees consist of an annual cash retainer. In addition, each Non-Executive Director will receive a fee per meeting of the Board of Directors. Members of the Audit Committee and the Remuneration Committee, as well as the chairs of each committee, will receive a separate annual fee in cash. The Non-Executive Chair typically receives an annual cash retainer. However, Mr. Son has waived his eligibility and does not receive any remuneration from the Company.</p> <p>These fees will normally be paid quarterly.</p> <p>For the fiscal year ending March 31, 2025, Non-Executive Directors will receive an annual cash retainer of \$80,000. In addition, each Non-Executive Director will receive a cash fee of \$5,000 per meeting of the Board of Directors. Members of the Audit Committee and the Remuneration Committee will receive \$15,000 and \$10,000, respectively, in cash annually. The chairs of the Audit Committee and Remuneration Committee will receive \$30,000 and \$20,000, respectively in cash annually. As stated above, Mr. Son (the current Remuneration Committee Chair) does not receive any remuneration from the Company.</p> <p>Fees are reviewed on a regular basis and determined by reference to fee levels in the U.S. market, taking into account the expected time commitment and responsibilities involved.</p> <p>Non-Executive Directors will be reimbursed for expenses properly incurred in connection with the performance of their duties as a director, including, but not limited to, reasonable travel expenses.</p>
Maximum	<p>Fees are set at an appropriate level taking into account the factors outlined in this table.</p> <p>Any Non-Executive Director who performs services which, in the opinion of the Board of Directors on recommendation from the Remuneration Committee, are outside the scope of the ordinary duties of a director, may be paid additional fees.</p>
Performance conditions	None.
Equity Awards	
Purpose and link to strategy	To provide a fixed remuneration to the Non-Executive Directors to reflect their responsibilities and to attract high caliber talent to the Board of Directors while being linked to shareholder experience.
Operation	<p>Non-Executive Directors will receive an annual award of RSUs. The amount of the award is determined by the Board following recommendations from the Remuneration Committee. The Non-Executive Chair is typically eligible for an annual award. However, Mr. Son has waived his eligibility and does not receive any remuneration from the Company.</p> <p>The awards are not subject to performance conditions. The awards are subject to a 12-month vesting period. Non-Executive Directors are permitted to delay the vesting of their awards for up to 12 additional months.</p>
Maximum	The maximum is determined by the Board of Directors (on recommendation from the Remuneration Committee). The current value of RSUs awarded to each Non-Executive Director (other than Mr. Son) for the fiscal year ending March 31, 2025 is equivalent to \$220,000.
Performance conditions	None.
Shareholding requirements	The Company has shareholding principles set out in its Corporate Governance Principles. The shareholding principles are summarized below.

Notes to the policy table

Shareholding principles

Members of the Executive Committee, which includes executives eligible to receive PSUs, have five years from the later of (a) the IPO; and (b) the start of employment to obtain and maintain the required level of shareholding. The holding requirement is 1,000% of base salary for the CEO. Vested ADSs and unvested time-based RSUs will count towards the holding requirement. If the required holding level is not reached within the required timeframe, subject to the discretion of the Remuneration Committee, an Executive Director must retain 100% of their net ADSs.

Non-Executive Directors have five years from the later of (a) the IPO and (b) appointment to the Board of Directors, to obtain and maintain the required level of shareholding. The holding requirement for Non-Executive Directors is 300% of the then-current annual cash retainer (excluding any additional cash retainer for committee chairs). Vested ADSs and unvested time-based RSUs will count towards the holding requirement. If the required holding level is not reached within the required timeframe, subject to the discretion of the Remuneration Committee, a Non-Executive Director must retain 100% of their net ADSs.

Discretion

The Remuneration Committee operates the Arm Annual Bonus Plan, the Omnibus Incentive Plan and the Prior Plans (as defined below) in accordance with the relevant plans rules and in accordance with any applicable rules and legislation (where applicable). The Remuneration Committee retains discretion within the provisions of the applicable rules and the remuneration policy over a number of items, including but not limited to:

- Who receives awards;
- The size of awards;
- Treatment of leavers;
- Treatment of outstanding awards upon a change of control;
- Adjustments in certain circumstances, mostly corporate events e.g. corporate reorganization;
- Setting performance conditions, targets and thresholds; and
- The application of malus and clawback (subject to the Company's Clawback Policy).

For individuals other than members of the Board of Directors or the CEO, certain elements of the discretions above are delegated to the CEO (and their designees) in accordance with the terms of the Remuneration Committee Charter.

Selection of performance measures

The Remuneration Committee sets stretching and realistic performance targets, taking into account the Company's strategic priorities and key drivers of future shareholder value.

The performance measures for the annual bonus and PSUs are chosen to support the Company's strategy. The Remuneration Committee believes it is appropriate to use a balance between financial targets and strategic objectives. The Remuneration Committee annually reviews the measures, weightings and targets to ensure they remain relevant and stretching for the Company.

External appointments

Mr. Haas is a director of SoftBank Group, the Company's indirect controlling shareholder, and is a party to an agreement pursuant to which he provides certain advisory and consulting services to SoftBank Group. Mr. Son is the Chair and CEO of SoftBank Group. Both Mr. Haas and Mr. Son receive remuneration for their roles with SoftBank Group as determined by SoftBank Group.

Executive Directors may take up to two external appointments with the agreement of the Board of Directors and may receive remuneration for these roles.

Approach to recruitment remuneration

Executive and Non-Executive Directors will be remunerated in accordance with the policy set forth above (including the maximums), except as set out in this section. The maximum initial target level of ongoing variable remuneration which may be awarded on recruitment to an Executive Director is 15.25 times the base salary.

Newly hired Executive Directors may be eligible for a pro-rated annual bonus award if they join part way through the plan period.

If the Remuneration Committee considers it appropriate, in its discretion, in connection with the hiring of an Executive Director, the Company may provide for a sign-on, retention or similar bonus to the Executive Director as compensation for awards that were forfeited due to leaving their previous employer. This would be based on reasonable evidence of the awards and the awards would generally take account of the form, timing and expected value of the forfeited award. If the Remuneration Committee considers it appropriate, in its discretion, the newly hired executive may also receive a top-up award in connection with their recruitment to the Company. In no event will the Remuneration Committee approve payment greater than it believes is necessary to secure the required talent.

If an Executive Director is relocating in order to take up their position, the Company may pay such reasonable relocation costs as the Remuneration Committee considers appropriate, in its discretion. The Remuneration Committee may, in its discretion, also make payments to cover reasonable other miscellaneous expenses including, but not limited to, housing, tax, immigration support, legal fees and/or other amounts.

If an internal candidate is promoted to the Board of Directors, the legacy terms and conditions relating to outstanding incentive awards would normally be honored.

New Non-Executive Directors that are hired will be provided remuneration in line with that of the Company's current Non-Executive Directors.

Service Contracts and payments for loss of office

Executive Director

The CEO has a current employment agreement with an indefinite term, unless it is terminated by the Company or the Executive Director with prior notice. The Company may terminate the CEO's employment for cause, at any time, without advance notice of severance (except for accrued remuneration or where required by applicable law). Cause includes typical bad-leaver events, such as where the CEO has committed gross misconduct or negligence. The Company may terminate the CEO's employment without cause with 30 days' advance notice. The CEO is required to give the Company 60 days' advance notice and a reasonable cure period if they wish to terminate their employment for good reason, which generally includes a significant diminution of their authority, duties or responsibilities or a material reduction in their salary, annual or long-term incentive opportunity or other monetary compensation.

If the CEO's employment is terminated by the Company without cause or by the CEO for good reason, in either case, then, subject to the CEO's execution of an effective severance and release agreement and continued compliance with their restrictive covenants obligations, the CEO is entitled to severance pay in the form of 12 months' base salary, payable in 12 equal monthly installments following the date of termination for the period until alternative employment is found.

In the event of a change in control of the Company, the CEO has the right, but not the obligation, to terminate their employment and may, subject to the Remuneration Committee's discretion, become entitled to the severance pay benefit described above, subject to their execution of an effective severance and release agreement and continued compliance with their restrictive covenants obligations.

In the unfortunate event that the CEO's employment is terminated due to death, the severance entitlement described above will be paid to the designated beneficiary of the Executive Director. The CEO has no set contractual entitlements upon disability, though the Remuneration Committee may in its absolute discretion determine that the CEO may receive compensation payments if the CEO ceases employment as a result of disability.

If the CEO's employment is terminated for cause, the CEO will have no severance entitlement.

The CEO is subject to certain restrictive covenant obligations, including confidentiality, non-competition, non-solicitation, non-recruiting and non-disparagement covenants, subject to applicable law.

The Company may pay any statutory entitlements or requirements under local law. The Company may make payments to settle or compromise claims in connection with termination of employment, where the Remuneration Committee consider it in the best interests of the Company, in its discretion. The Company may pay any legal and/or professional fees as required or customary in local markets. The Company may pay out any accrued but untaken holiday.

Executive Directors may be provided certain benefits after departure at the Remuneration Committee's discretion. Benefits may include, but are not limited to, medical coverage, home security, tax return preparation assistance, legal expenses, and/or outplacement or relocation costs.

Any future Executive Directors may be engaged by the Company with such terms relating to the termination of employment as the Remuneration Committee agrees in its sole discretion, based on the specific circumstances and location of the individual.

The Remuneration Committee retains the discretion to make payments in connection with an Executive Director's loss of office or employment, which may be in addition to contractual and statutory entitlements.

Non-Executive Directors

Non-Executive Directors do not receive any benefits or payment upon removal or resignation from their respective position as directors (except for accrued remuneration or where required by applicable law).

Senior Management Employment Agreements

We have entered into offer letters or employment agreements with our Senior Management. Each member of Senior Management is employed for an indefinite term unless either we or the member of Senior Management gives prior notice to terminate such employment. We may terminate a member of Senior Management's employment for cause, at any time, without advance notice or severance (except for accrued remuneration or where required by applicable law). Cause includes, for example, where the member of Senior Management has committed gross misconduct or negligence. We may terminate a member of Senior Management's employment, for a fair reason and following a fair process, by providing prior written notice varying between 30 days and 12 months depending on the terms of the employment agreement or at any time for some members of Senior Management based in the U.S. In such case of termination by us, we will provide severance payments to the member of Senior Management as expressly required by the applicable law of the jurisdiction where the member of Senior Management is based or per the terms contained in their individual agreement, if any. Two members of Senior Management in the U.S. are entitled to receive severance if they resign for good reason or if there is a change in control event, as set out in their employment agreements. Good reason includes, for example, a significant diminution in authorities, duties or responsibilities, or a material reduction of the executive's salary. To resign for good reason, the executive must provide 60 days of notice and a reasonable cure period. An executive officer may terminate their employment at any time with prior written notice, if required, as set out in their individual employment agreement.

Each member of Senior Management has agreed to hold, both during and after the employment agreement is terminated, in strict confidence and not to use, except for our benefit, any confidential information of our company or affiliates or of our customers, suppliers and other business partners. Each member of Senior Management has also agreed to disclose to us all inventions, designs and any other IP which they develop during their employment with us and to assist us in obtaining and enforcing patent, copyright and other legal rights for such inventions, designs, and IP. In addition, each member of Senior Management has agreed to be bound by post-termination covenants in order to protect our business interests, including restrictions on soliciting our customers and our employees. Two members of Senior Management in the U.S. have post-termination non-compete provisions that equal or exceed the duration of their severance benefits.

Description of Incentive Plans

Arm Annual Bonus Plan

We have paid cash bonuses to our Senior Management under the Arm Annual Bonus Plan (the "Annual Bonus Plan"). The principal features of this cash plan are summarized below. This summary is qualified in its entirety by reference to the actual text of the Annual Bonus Plan, which is filed as an exhibit to this Annual Report.

Administration

For our CEO, the Annual Bonus Plan is administered by the Remuneration Committee.

Eligibility

Our (and our subsidiaries') employees (which include our Senior Management) are eligible to participate in the Annual Bonus Plan. With effect from April 1, 2024, the Annual Bonus Plan will apply to members of our Executive Committee only.

Start of Plan Period

At the start of each plan period (which runs from April 1st of a year to March 31st of the following year), the Remuneration Committee determines: (i) whether the Annual Bonus Plan will be operated in respect of that plan period, (ii) the CEO's target percentage of the actual base salary which may be payable as the bonus award (the "Target Bonus Percentage") for such plan period; and (iii) the performance conditions for such plan period. With respect to the fiscal year ended March 31, 2024, the target bonus opportunity of our Senior Management was in the range from 100% to 125% of their base salary levels. The maximum bonus award that can be earned is 200% of the target bonus award (based on the Target Bonus Percentage of the participant's salary) plus any individual performance multiplier.

Performance Conditions

The Remuneration Committee sets performance conditions for each plan period for the whole Company, one or more divisions or business units of the Arm group (or any subdivision thereof), and/or individual participants, as appropriate, and may in its sole discretion amend or waive the performance conditions in whole or in part (a) in accordance with the terms specified in the performance conditions, or (b) if events happen which cause the Remuneration Committee to consider that (i) the amended performance conditions would be a fairer measure of performance and would be no more difficult to satisfy than the existing performance conditions, or (ii) the existing performance conditions should be waived in whole or in part. The Remuneration Committee may withhold, reduce or cancel all or any part of the bonus award for any participant in the event that the Remuneration Committee considers that such participant's performance or conduct during the plan period warrants such action.

With respect to the fiscal year ended March 31, 2024, the performance conditions were based on the revenue and profit (EBITDA) of our group, plus strategic measures. For a description of the bonus outcome for Mr. Haas, see "—Bonus outcomes for year ended March 31, 2024" for further information.

New Hires

A person who becomes an eligible member of Senior Management during the course of a plan period and who the Remuneration Committee determines shall become a participant will be eligible to receive a pro-rated bonus award for such plan period. The pro-rated bonus award will be calculated by determining what the participant's full-year bonus award entitlement would have been under the applicable performance conditions and then making a pro-rata adjustment to such entitlement based on the portion of such plan period in which such participant participated in the Annual Bonus Plan.

Change of Performance Conditions and Targets

The Remuneration Committee, in its sole discretion and at any time within a plan period, may evaluate performance conditions and make changes to a participant's defined targets. In such case, such participant's bonus award shall be calculated based on the Remuneration Committee's evaluation, in its sole discretion, of what such participant's full-year bonus award entitlement would have been under the original performance conditions and what such participant's full-year bonus award entitlement would be under the new performance conditions. Following this, the Remuneration Committee shall make an adjustment to such bonus award based on each of the two entitlements.

Termination of Employment

Generally, a participant must be continuously employed by a member of our group through the end of the applicable plan period in order to receive a bonus award for such plan period. If a participant ceases to be an eligible member of

Senior Management prior to the end of such plan period for any reason, such participant shall immediately forfeit upon termination any and all entitlement to any portion of the bonus award for such plan period.

Change in Control

In the event of a change of control event during a plan period, the plan period will end and each participant will receive a bonus award payment, payable as soon as administratively practicable following such change of control event, calculated by determining what such participant's full-year bonus award entitlement would have been based on deemed maximum achievement of the applicable performance conditions through the date of the consummation of such change of control event and then making a pro-rata adjustment to such entitlement based on the portion of such plan period occurring before the date on which such change of control event is consummated.

Plan Amendment and Termination

Subject to applicable law, our Board of Directors (or another duly authorized committee of executives) may (i) delete, alter or add to any of the provisions of the Annual Bonus Plan in any respect at any time unilaterally and without the consent of any participant, or (ii) terminate the Annual Bonus Plan at any time. If the Annual Bonus Plan is terminated during a plan period, such termination will not affect the operation of the Annual Bonus Plan for the rest of such plan period and bonus awards may be determined and paid pursuant to the rules of the Annual Bonus Plan.

Equity Incentive Plans

As of the fiscal year ended March 31, 2024, we granted equity-based awards to our Senior Management and Non-Executive Directors under: (1) the 2022 RSU Plan, (2) the NED Plan, (3) the 2019 AEP and (4) the 2019 EIP (collectively, the "Prior Plans"). Since the IPO, we have not and will not grant further awards under the Prior Plans. Instead, equity-based awards granted at or after the completion of the IPO are under the Omnibus Incentive Plan. The principal features of the four previously-adopted plans that pertain to outstanding awards held by our Senior Managements and Non-Executive Directors, and the principal features of the Omnibus Incentive Plan, are summarized below. With respect to awards granted under the Prior Plans and the Omnibus Incentive Plan that may be satisfied by transfer or issue of our ordinary shares, the Remuneration Committee or other plan administrator may also satisfy them by transfer or issue of ADSs instead. Unless otherwise indicated, under this "Equity Incentive Plans" section, references to our ordinary shares shall also include references to ADSs. These summaries are qualified in their entirety by reference to the actual text of the applicable plan, each of which is filed as an exhibit to this Annual Report.

2022 RSU Plan

The 2022 RSU Plan was adopted on June 13, 2022 and amended and restated on each of September 6, 2022 and August 25, 2023. The 2022 RSU Plan allows for the grant of awards to our (and our subsidiaries') employees and Executive Directors. The principal features of the 2022 RSU Plan are summarized below.

Awards

The 2022 RSU Plan provides for the grant of RSUs, phantom awards, which are similar to RSUs, except that they may only be settled in cash, and other awards. Only Executive Awards, which are conditional rights to receive a specified amount of cash or our shares, have been awarded to our Senior Management under the 2022 RSU Plan.

Key Terms of Executive Awards Granted to our Senior Management under the 2022 RSU Plan

The Executive Awards granted to our Senior Management under the 2022 RSU Plan entitle each member of Senior Management to a fixed amount of cash or, after our IPO, our ordinary shares. We have generally granted two types of Executive Awards under the 2022 RSU Plan, which we refer to as Annual Awards and One-time Launch Awards. On limited occasions, we have also granted Executive Awards with customized vesting schedules to certain of our Senior Management. Annual Awards and One-time Launch Awards could be settled differently depending on whether vesting occurs before or after our IPO. The Annual Award typically consists of a portion that is subject only to a time-based vesting schedule and a portion that is subject to a performance-based and time-based vesting schedule. The time-based portion of the Annual Award vests on an annual basis over three years. The performance-based portion vests on an annual basis over three years, with each year's vesting amount being within a range of 0% to 200% of the award value based on whether our annual performance metrics are satisfied. The One-time Launch Awards vest on an annual basis over three

years, with no performance-based vesting conditions. We have also granted Executive Awards with terms that differ from those described above. Generally, these awards provide for all or a portion of the award to vest upon the earliest to occur of our IPO, a change in control event and a specified future date, subject to continued employment through the applicable vesting date.

Before our IPO, any portion of the Executive Awards that vested were settled in cash. After our IPO, any portion of the Executive Awards that vest will be satisfied in our shares based on the closing price per ADS on the date of our IPO, subject to the right of the Remuneration Committee to satisfy all or part of any such vested portion in cash. As with the RSU awards, upon a change of control event, which generally includes the acquisition of more than 50% of the voting power of our shares or the sale of all or substantially all of our assets, a pro rata portion of the unvested Executive Awards will vest.

Generally, unvested awards granted under the 2022 RSU Plan will lapse on the date the member of Senior Management ceases to be an eligible employee or executive director for any reason whatsoever under the 2022 RSU Plan (including, e.g., in connection with the termination of his or her employment or service as an executive director), except that if the cessation to be an eligible employee or executive director in question is due to ill-health, injury, disability or death, the Remuneration Committee may vest all or a portion of that participant's awards. The member of Senior Management will not be treated as ceasing to be an eligible employee or executive director for these purposes upon leaving the employment of a member of our group if, within the following seven days, he or she recommences employment with another member of our group. The awards will also lapse if the Remuneration Committee determines that part or all of any such unvested awards should lapse in accordance with our Clawback Policy.

Before the record date on which such shares are actually issued or transferred, a participant is not entitled to any voting, dividend or other rights attaching to such shares. After such record date of the issue or transfer of such shares, the shares held by a participant will rank equally in all respects to our other ordinary shares.

Clawback

All awards granted under the 2022 RSU Plan are subject to lapse, forfeiture and/or recoupment under our Clawback Policy.

Adjustment

In the event of a variation of our equity share capital, a demerger or exempt distribution by virtue of section 1075 of the U.K. Corporation Tax Act 2010 or a special dividend or distribution, the Remuneration Committee (acting unanimously) may adjust the number and/or class of shares comprised in an award as it considers appropriate.

Plan Amendment

The Remuneration Committee may amend the 2022 RSU Plan at any time; however, any amendment which would materially disadvantage participants may not be made without prior consent of the majority (assessed by reference to the size of the affected awards) of disadvantaged participants who respond to the request made by the Remuneration Committee to approve such amendment. The Remuneration Committee has the absolute discretion to determine which participants are materially disadvantaged by a proposed amendment.

Transferability and Participant Payments

A participant may not transfer, assign or otherwise dispose of an award or any rights in respect of it. If he or she does, whether voluntarily or involuntarily, then the award immediately lapses. No payment is required from a participant for the grant of an award.

The Arm Non-Executive Directors RSU Award Plan

The NED Plan was adopted on September 6, 2022 and allows for the grant of RSUs and phantom awards to our non-executive directors. The principal features of the NED Plan and awards granted to our non-executive directors are substantially the same as the terms of the 2022 RSU Plan, except that only non-executive directors are eligible to receive awards and the only awards granted to our non-executive directors have been RSUs, which generally have provided for vesting to occur over a one-year period. The NED Plan is administered by the Remuneration Committee. The aggregate

number of shares over which the Remuneration Committee may grant awards under the 2022 RSU Plan and the NED Plan is limited so that it does not exceed at any time an amount equal to (x) 4% of the aggregate nominal amount of our fully diluted equity share capital less (y) the aggregate of the nominal amount of shares allocated in respect of awards granted under the rules of the 2022 RSU Plan and awards granted under the rules of the NED Plan (excluding any shares allocated in respect of lapsed awards under the 2022 RSU Plan and the NED Plan). Following the IPO, no awards may be granted under the NED Plan.

RSUs are awards that entitle the holder to a specified number of our ordinary shares, subject to satisfaction of vesting and other conditions. The RSUs granted to our Non-Executive Directors vest in March or May of the year following the year of grant on the basis of the continued service of the director. In addition, a pro-rata portion of the Non-Executive Directors' RSUs vest upon the occurrence of a change of control event. In each case, once vested, the RSUs are capable of being settled in shares or cash (or a mix of both), as determined by the Remuneration Committee.

The Arm Limited All-Employee Plan 2019

The 2019 AEP was adopted by our shareholders on December 8, 2019 and amended and restated on each of May 18, 2021, June 13, 2022 and August 25, 2023, and allows for the grant of awards to our employees and executive directors. The material terms of the 2019 AEP are summarized below.

Awards

The 2019 AEP provides for the grant of RSUs and phantom shares. Our Senior Management were not granted phantom shares pursuant to the 2019 AEP and there were no unvested awards under the 2019 AEP as of March 31, 2024.

Key Terms of RSUs Granted to our Executive Officers under the 2019 AEP

RSUs granted to our Senior Management under the 2019 AEP generally vested on a linear scale on the earliest to occur of (1) 180 days following our IPO with a listing value between \$32 billion and \$55 billion and above (with none of the awards vesting when the value is \$32 billion or less and all awards vesting when the value is \$55 billion or above), (2) the acquisition of more than 50% of the voting power of our shares, or sale of the Company or other change in control event with an implied value between \$32 billion and \$55 billion and above (with none of the awards vesting when the value is \$32 billion or less and all awards vesting when the value is \$55 billion or above), and (3) March 9, 2026 if the value of our fully diluted share capital on December 31, 2025 is between \$55 billion and \$75 billion and above (with none of the awards vesting when the value is \$55 billion or less and all awards vesting when the value is \$75 billion or above). All RSUs granted under the 2019 AEP vested in March 2024.

Other terms applicable to the RSUs awarded to our Senior Management under the 2019 AEP, including terms relating to termination of employment and forfeiture of the awards, awards being subject to our Clawback Policy, adjustments in the event of changes to capitalization and similar events, plan amendments and transferability of awards, are generally consistent with the terms of the RSUs granted under the 2022 RSU Plan, as described above.

The 2019 EIP

The 2019 EIP was adopted by our shareholders on December 8, 2019 and amended and restated on September 6, 2022, and allows for the grant of awards to certain of our Senior Management or other eligible employees designated by the Remuneration Committee in its absolute discretion acting unanimously. During the fiscal year ended March 31, 2024, only one member of our Senior Management held an award under the 2019 EIP, which award vested in connection with the IPO. The material terms of the 2019 EIP are substantially similar to the terms of the 2019 AEP described above, except that (1) participation was generally limited to Senior Management, (2) the aggregate number of shares over which the Remuneration Committee may grant awards under the 2019 EIP is 0.3% of the aggregate nominal amount of our fully diluted equity share capital (less the aggregate of the nominal amount of shares allocated in respect of awards granted under the rules of the 2019 EIP, excluding any shares allocated in respect of lapsed awards under the 2019 EIP), and (3) vesting of the member of senior management's RSUs upon the earliest to occur of an initial public offering, sale of the Company or other change in control event and a specified future date is not subject to the value thresholds noted in the discussion of the 2019 AEP.

Omnibus Incentive Plan

In August 2023, our Board of Directors adopted, and our shareholders approved, the Omnibus Incentive Plan, which became effective from the date on which the underwriting agreement between us, the underwriters and the selling shareholder for the IPO was signed. We have used the Omnibus Incentive Plan following the completion of the IPO for the grant of incentive awards to our employees, including our executive directors, and our non-employees, including our non-employee directors. The principal terms of the Omnibus Incentive Plan are summarized below.

Eligibility

Our employees, including executive directors, and employees of our subsidiaries are eligible to participate in the Omnibus Incentive Plan. Our non-executive directors and consultants, and non-executive directors and consultants of our subsidiaries, are eligible to participate in the Non-Employee Sub-Plan to the Omnibus Incentive Plan. Persons eligible to receive awards under the Omnibus Incentive Plan (including the Non-Employee Sub-Plan) are together referred to as service providers below. Except as otherwise specified, references below to the Omnibus Incentive Plan include the Non-Employee Sub-Plan, provided that in no event may an officer or employee grant, or have administrative discretion with respect to, his or her own award.

Administration

The Omnibus Incentive Plan is administered by our Board of Directors, the Remuneration Committee or any other committee composed of members of our Board of Directors that is appointed by our Board of Directors or the Remuneration Committee to administer the Omnibus Incentive Plan, subject to certain limitations imposed under the Omnibus Incentive Plan, and other applicable laws and stock exchange listing rules. The administrator will have the authority to construe and interpret the Omnibus Incentive Plan and the terms of awards granted under the Omnibus Incentive Plan. Subject to applicable law, the administrator may authorize one or more officers or employees to administer the Omnibus Incentive Plan.

Shares Available for Awards

The maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan as approved at the time of adoption of the Omnibus Incentive Plan was equal to the sum of (i) 20,500,000 ordinary shares and (ii) an annual increase on April 1 of each year beginning on April 1, 2024 and ending on April 1, 2028, equal to the lesser of (A) 2% of the aggregate number of ordinary shares outstanding on March 31 of the immediately preceding fiscal year and (B) such smaller number of ordinary shares as determined by our Board of Directors or the Remuneration Committee. No more than 20,500,000 ordinary shares may be issued under the Omnibus Incentive Plan upon the exercise of incentive stock options.

If an award under the Omnibus Incentive Plan is exchanged for or settled in cash, forfeited, canceled or expires without the issuance of our ordinary shares, any unused shares underlying the award will be deemed not to have been issued for purposes of determining the maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan. Additionally, shares underlying awards issued by the Company in assumption of, or in substitution or exchange for, awards previously granted by a company acquired by the Company or any of its affiliates or with which the Company or any of its affiliates combines will not be deemed not to have been issued for purposes of determining the maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan. To the extent not prohibited by applicable laws, any ordinary shares underlying an award that are surrendered or withheld in payment of the award's exercise or purchase price, or in satisfaction of tax withholding obligations with respect to an award, will be deemed not to have been issued for purposes of determining the maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan, unless otherwise determined by the administrator.

Awards may be settled in ordinary shares or ADSs. References in this summary to ordinary shares include references to our ADSs. Ordinary shares issued under the Omnibus Incentive Plan may be new shares, shares purchased on the open market or treasury shares.

Awards

The types of awards granted under the Omnibus Incentive Plan will be determined by the administrator, but may include awards of share options, SARs, restricted shares, RSUs, other awards of cash, shares or other property (which may include a specified cash amount that is payable in cash or shares, or awards tied to the appreciation in the value of shares),

dividends and dividend equivalents. Vesting conditions applicable to awards may be based on continued service, achievement of company, business unit or other performance objectives, or such other criteria as the Remuneration Committee may establish.

- *Options and SARs.* Options provide for the purchase of our ordinary shares in the future at an exercise price set at a specified price and usually become exercisable in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of performance targets established by the administrator. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares underlying the award between the grant date and the exercise date, payable either in ordinary shares, cash or a combination of the two, as determined by the administrator. The administrator will determine the number of shares underlying each option and SAR, the exercise or base price of each option and SAR and the conditions and limitations applicable to the exercise of each option and SAR. In general, the exercise price per share for each option or SAR granted under the Omnibus Incentive Plan will not be less than the nominal value of such share and for grantees who are subject to tax in the U.S. not less than the fair market value of such share at the time of grant.
- *Restricted Shares and RSUs.* Restricted shares are an award of non-transferable ordinary shares that remain forfeitable unless and until specified conditions are met and which may be subject to a purchase price. RSUs are contractual promises for grantees to receive our ordinary shares (or, as determined by the administrator, the cash equivalent) in the future, which may also be subject to vesting, issuance and forfeiture conditions. The administrator may provide that the delivery of the shares underlying RSUs will occur upon or as soon as reasonably practicable after the RSUs vest or will be deferred on a mandatory basis or at the election of the grantee. The terms and conditions applicable to restricted shares and RSUs will be determined by the administrator, subject to the conditions and limitations contained in the Omnibus Incentive Plan.
- *Other Awards; Dividends and Dividend Equivalents.* Other awards may include awards of fully vested ordinary shares, cash incentive awards, and other awards valued wholly or partially by referring to, or otherwise based on, our ordinary shares or other property. Other awards may be granted to grantees and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of compensation to which a participant is otherwise entitled. The administrator will determine the terms and conditions of other awards, which may include any purchase price, performance goal, transfer restrictions and vesting conditions. Awards of restricted shares may also entitle the participant to receive dividends paid on the ordinary shares underlying the awards, and RSUs and other share-based awards (other than options and SARs) may entitle the participant to receive dividend equivalents, which are notional entitlements representing the dividends that would have been paid had the ordinary shares underlying the award been outstanding. Dividends and dividend equivalents may be subject to the same vesting conditions as the awards to which they relate.

Awards may be granted in consideration of past or future services. The administrator may, but need not, require the payment of consideration by the participant with respect to an award. To the extent permitted by applicable law, the administrator may authorize the deferral of the settlement of awards.

To the extent terms of the Omnibus Incentive Plan do not address local laws in non-U.S. jurisdictions, we anticipate that provisions specific to such non-U.S. jurisdictions in which awards are granted will be addressed in the award agreement "riders," which will set forth or modify otherwise applicable terms as needed to comply with local laws, including, as applicable, tax laws, securities laws, employment laws, data privacy requirements and exchange controls.

Transferability

Prior to the issuance of ordinary shares with respect to an award granted under the Omnibus Incentive Plan, participants generally will not be allowed to transfer awards. However, awards may be transferred by will or by the laws of descent and distribution.

Term of Plan; Amendment and Termination

The Omnibus Incentive Plan will have a five-year term; however, the administrator may amend, suspend or terminate the Omnibus Incentive Plan and award agreements at any time. Generally, if the administrator proposes any amendment, suspension or termination that would be to the material disadvantage of any grantees in respect of subsisting rights under the Omnibus Incentive Plan or the relevant award agreement, then: (i) the administrator must invite each such disadvantaged grantee to indicate whether or not they approve the amendment, and (ii) such amendment shall only take

effect if the majority (assessed by reference to the size of affected awards) of the grantees who respond to an invitation consent to the amendment.

Change in Control

In the event of a change in control, unless otherwise specified by the administrator or specified in an individual agreement with the participant, awards generally will only accelerate to the extent they are not substituted or assumed by the acquiring entity or if the awards are substituted or assumed by the acquiring entity and the participant's service is terminated under specified circumstances within 18 months following the change in control. In the event the awards are not assumed or substituted by the acquiring or surviving entity in a change in control, except as otherwise determined by the administrator or provided in an award agreement, employment or similar agreement in the definitive change in control transaction agreement, time-based awards will become vested on a pro-rata basis as of the date of the change in control, and all or a portion of performance-based awards may vest, but only to the extent (if at all) determined by the administrator. The administrator may also elect to terminate an award in exchange for cash.

Adjustments for Certain Corporate Events

In the event of a stock dividend, stock split or other non-reciprocal transaction that affects share values, the type and the number of ordinary shares, ADSs or other securities subject to the Omnibus Incentive Plan and outstanding awards, and the exercise or base price of outstanding awards will be equitably adjusted as appropriate to reflect the transaction. Additionally, in the event of a reorganization, amalgamation, dissolution, sale of assets or shares or other corporate transactions, the administrator may take a variety of actions with respect to outstanding awards, including canceling awards in exchange for cash or other property, accelerating the vesting of awards, causing awards to be terminated or replaced with other rights or property or providing for the substitution or assumption of outstanding awards in a manner intended to preserve the intended economic and other benefits of the plans and outstanding awards.

Non-U.S. and Non-U.K. Participants

The Remuneration Committee may modify awards granted to participants who are non-U.S. or U.K. nationals or employed outside the U.S. and the U.K. or establish sub-plans or procedures to address differences in laws, rules, regulations or customs of such international jurisdictions with respect to tax, securities, currency, employee benefit or other matters or to enable awards to be granted in compliance with a tax favorable regime that may be available in any jurisdiction.

Non-Employee Sub-Plan

The Non-Employee Sub-Plan governs equity awards granted to our non-executive directors, consultants, advisers and other non-employee service providers and generally provides for awards to be made on identical terms to awards made under the Omnibus Incentive Plan.

Employee Benefit Trust

In connection with the IPO, the Company established an employee benefit trust (the "EBT"), constituted by a trust deed entered into by the Company and a professional trustee, with the principal purpose to facilitate the efficient and flexible settlement of share-based compensation arrangements with employees. See *Note 14 - Shareholders' Equity* for further details.

Directors' Remuneration Report

The Executive Director

Single figure table – Executive Director

The table below summarizes the total remuneration earned by the sole Executive Director of the Company, in respect of his employment with the Company for the fiscal year ended March 31, 2024 (dollars in thousands).

\$000		Salary	Taxable Benefits	Pension	Total Fixed Remuneration	Annual Bonus	Special Bonus	Prior Plans	Total Variable Remuneration	Total
Rene Haas	2024	\$ 1,350	\$ 19	\$ 14	\$ 1,383	\$ 2,468	\$ 20,000	\$ 46,282	\$ 68,750	\$ 70,133

Notes:

- **Taxable Benefits:** The Company operates a benefits scheme through which the Executive Director is entitled to participate. The scheme offers a range of benefits (not all of which are taxable) which include: vacation; medical, dental and vision coverage and insurance; accident and disability insurance, group life insurance and Employee Assistance Program. The Taxable Benefit figure captured above includes group life insurance, a one-time taxable travel benefit and tax compliance advice provided by the Company.
- **Annual Bonus:** For the fiscal year ended March 31, 2024, this includes the Executive Director's annual bonus of \$2,468,000 to be paid in May 2024. During the fiscal year ended March 31, 2024, the Executive Director also received an IPO cash award of \$20,000,000 shown in the Special Bonus column above, the performance condition for which was the occurrence of the IPO and so it was paid out in cash shortly following the IPO.
- **Prior Plans:** This amount includes the one-time IPO award and the one-time AEP award which vested during FYE24, related to the occurrence of the IPO during FYE24, and Tranche 1 of the FYE24 annual award which will vest in May 2024. Pursuant to the one-time IPO award under the 2022 RSU Plan and the AEP award, the Executive Director acquired 392,157 and 79,811 ADSs, respectively. Pursuant to Tranche 1 of the FYE24 annual award which will vest in May 2024, the Executive Director acquired 123,087 ADSs. The Prior Plans remuneration is the aggregate value of vested awards under the Prior Plans, as of the applicable vesting dates occurring in the fiscal year ended March 31, 2024.

Executive Director's bonus outcomes for fiscal year ended March 31, 2024

The annual bonus is determined based on a scorecard of metrics, details of which are set out in the table below (dollars in millions).

Performance Condition	Measure	Weighting	Threshold (0%)	Target (100%)	Overall achievement	Outcome (% of overall max)
Financial: Target achievement (100% payment)	Revenue	50%	\$2,876	\$3,295	\$3,233 / 42.6%	85%
	Non-GAAP Operating Income	50%	\$1,268	\$1,459	\$1,408 / 36.6%	73%
Strategic: Stretch (up to additional 50%)	Strategic business initiatives	40%	Delivery of solutions and achievement of major design wins / key client adoption equally weighted across the four Lines of Business		29.0%	73%
	Organization	10%	Delivery of operating model changes and increase in gender and racial/ethnic representation.		8.8%	88%

The Company was successful in meeting a majority of the strategic business initiatives that will be key in delivering long-term growth. This included important product achievements with new processors in the Client & Infrastructure markets achieving significant generation-on-generation performance improvements, and releases of new safety-enabled Automotive Enhanced processors & edge AI accelerators for the Autonomous and IoT markets. The Company also introduced its first Neoverse compute subsystem offering for data centers, and achieved key partner design wins across all four Lines of Business.

As a result of the above achievement, the Company was deemed to have achieved 117% of target under the Company scorecard (78% of the maximum 150% Company performance). The Executive Director's individual performance multiplier was determined by the Board of Directors to be 1.25, resulting in a bonus of 146% of target bonus (183% of salary) or \$2,468,000.

Share award outcomes in respect of the fiscal year ended March 31, 2024

One Time Executive Award

Prior to IPO, the CEO was granted an award under the 2022 RSU Plan with a value of \$20 million, which was settled by the delivery of 392,157 ADSs based on the IPO price of \$51 per ADS. The single performance condition was the occurrence of the IPO, and so this became fully vested and the ADSs were released shortly following the IPO. However, the award is subject to a 12-month holding period.

Fiscal Year End 2024 Annual Award

The Company granted an award under the 2022 RSU Plan. This vests in tranches over 3 years (30% in year 1 and year 2 and 40% in year 3). The performance conditions for Tranche 1 (i.e. 30%) of the award are set out in the table below (dollars in millions).

Performance Condition	Measure	Weighting	Threshold (0%)	Target (100%)	Overall achievement	Outcome (% of overall max)
Financial: Target achievement (100% payment)	Revenue	50%	\$2,876	\$3,295	\$3,233 / 42.6%	85%
	Non-GAAP Operating Income	50%	\$1,268	\$1,459	\$1,408 / 36.6%	73%
Strategic: Stretch (up to additional 100%)	Strategic business initiatives	80%	Delivery of solutions and achievement of major design wins / key client adoption equally weighted across the four Lines of Business		58.0%	73%
	Organization	20%	Delivery of operating model changes and increase in gender and racial/ethnic representation.		17.6%	88%

The Company was successful in meeting a majority of the strategic business initiatives that will be key in delivering long-term growth, as described under “*Executive Director’s bonus outcomes for fiscal year ended March 31, 2024.*” As a result of the above achievement, the Company was deemed to have achieved 155% of target (78% of the maximum 200% Company performance). The first tranche of the PSUs awarded in May 2023 therefore vested in May 2024 at 155% and were settled by the delivery of 123,087 ADSs.

Non-Executive Directors

Single figure table – Non-Executive Directors

The table below summarizes the total remuneration earned by each Non-Executive Director of the Company, in respect of their service to the Company for the fiscal year ended March 31, 2024 (dollars in thousands).

\$000		Fees	Taxable Benefits	Total Fixed Remuneration	Prior Plans	Total Variable Remuneration	Total
Masayoshi Son	2024	\$—	\$—	\$—	\$—	\$—	\$—
Karen E. Dykstra	2024	\$135	\$—	\$135	\$220	\$220	\$355
Anthony Michael Fadell	2024	\$85	\$—	\$85	\$220	\$220	\$305
Jeffrey A. Sine	2024	\$115	\$—	\$115	\$220	\$220	\$335
Paul E. Jacobs, PhD	2024	\$105	\$—	\$105	\$220	\$220	\$325
Rosemary Schooler	2024	\$121	\$—	\$121	\$220	\$220	\$341
Ronald D. Fisher	2024	\$130	\$—	\$130	\$220	\$220	\$350

Notes:

- Ronald D. Fisher has served as a Director of our Board of Directors since March 2018, and has been remunerated for his Arm role since April 1, 2024. Karen Dykstra, Tony Fadell and Jeffrey Sine have served as a Director of our Board of Directors since September 2022. Paul Jacobs and Rosemary Schooler have served as a Director of our Board of Directors since December 2022.
- Fees in the table above relate to the annual retainer, committee fees and meeting fees.
- In line with policy, Non-Executive Directors do not receive any Taxable Benefits.
- Prior Plans: Pursuant to the NED Plan, the Non-Executive Directors each acquired 5,301 ADSs on May 15, 2024.
- The Non-Executive Directors did not receive any pension contributions.

Scheme interests granted in period

The table below sets out the awards granted to the Executive Director during the fiscal year ended March 31, 2024:

	Award type	Grant date	No. of shares under award	Face value (\$000)	Threshold performance (% shares delivered)	End of performance period
Rene Haas	PSU	May 23, 2023	264,706	\$27,000	—%	March 31, 2026

Notes:

- The Executive Director received an annual award of PSUs pursuant to the 2022 RSU Plan. This was an award of 10x salary (\$13,500,000) which will vest between 0%-200% over a three year period subject to achievement of performance conditions. Executive Awards made prior to listing were awarded as a dollar amount and were converted to PSUs based on the IPO price of \$51.00 as set out at the time of the award. The final vest under the award will be May 15, 2026, reflective of performance for the period to March 31, 2026.

The table below sets out the awards granted to the Non-Executive Directors:

	Award type	Grant date	No. of shares under award	Face value (\$000)	Threshold performance (% shares delivered)	End of performance period
Masayoshi Son	—	—	—	—	—	—
Karen E. Dykstra	RSU	May 22, 2023	5,301	\$220	100%	May 15, 2024
Anthony Michael Fadell	RSU	May 22, 2023	5,301	\$220	100%	May 15, 2024
Jeffrey A. Sine	RSU	May 22, 2023	5,301	\$220	100%	May 15, 2024
Paul E. Jacobs, PhD	RSU	May 22, 2023	5,301	\$220	100%	May 15, 2024
Rosemary Schooler	RSU	May 22, 2023	5,301	\$220	100%	May 15, 2024
Ronald D. Fisher	RSU	August 29, 2023	5,301	\$220	100%	May 15, 2024

Notes:

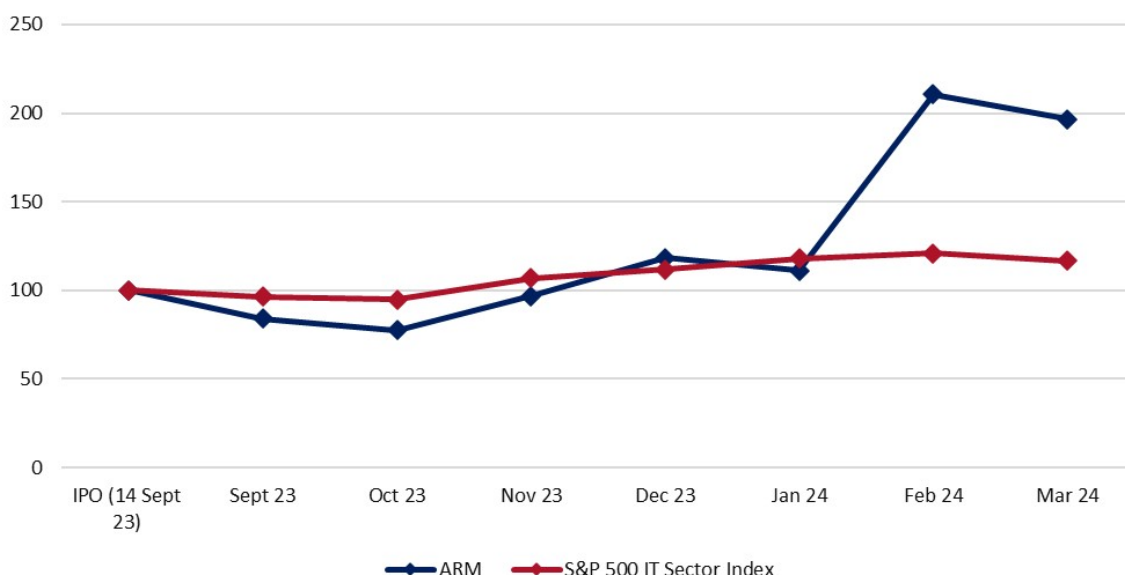
- The Non-Executive Directors received an annual award of RSUs pursuant to the Arm Non-Executive Directors RSU Award Plan. In line with the Director's Remuneration Policy, this award of \$220,000 will vest in May 2024. Awards made prior to listing were awarded using a share price of \$41.50 based on an independent valuation.

Payments for loss of office and payments to past directors

No payments for loss of office or to past directors were made during the year.

Performance graph

Our ADSs began trading on Nasdaq on September 14, 2023. The Total Shareholder Return ("TSR") graph represents the value at March 31, 2024 of \$100 invested in our ADSs on September 14, 2023, compared with the value of \$100 invested in the S&P 500 IT Sector Index. This index is considered the most relevant and appropriate comparator index for the Company, incorporating organizations our shareholders would be likely to consider for their investments. It is also the index to be used in the future Performance Share Plan design.



CEO remuneration

The table below shows the total remuneration received by the CEO for the fiscal year ended March 31, 2024. The Company has not disclosed for years prior to Arm’s listing on the Nasdaq.

	Year ended March 31, 2024
CEO single figure (\$000)	\$70,133
Annual bonus as % of max	59%
PSUs as % of max	78%

CEO equity awards

The CEO will be granted a PSU award which will have an initial target value of 14 times base salary. The maximum opportunity will be 125% of grant. 75% of the award will be measured over three one-year performance periods (25% attributed to each year) subject to the attainment of goals relating to:

- Revenue (25%)
- Non-GAAP Operating Income (25%)
- Strategic priorities (up to 2x modifier to financial performance)

25% of the award will be subject to Relative TSR measured over the full three-year performance period. TSR will be measured relative to the S&P 500 IT Sector Index.

At the end of each year, performance will be assessed against the financial and strategic measures. At the end of the three-year performance period Relative TSR achievement will be measured. 0% of the TSR portion will vest if TSR is at or below the 25th percentile of the index and 200% will vest if TSR is at or above the 75th percentile of the index with linear interpolation for intermediate levels of performance.

0% to 200% of the PSUs attributed to each year will vest annually, with the Year 3 vest combining this and the portion attributed to Relative TSR.

PSUs will be subject to our Clawback Policy.

The Remuneration Committee believes the salary multiple delivered at maximum appropriately reflects the sustained stretch performance required across financial and strategic measures to deliver the maximum vesting scenario. By design, these goals provide significant alignment to shareholder value creation in both the long and short term. There will be no payment attributed to any strategic measure that is not achieved in full.

Non-Executive Director fees

During the year, in conjunction with the design of the Remuneration Policy, the Remuneration Committee reviewed the Non-Executive Director fees. No increases are proposed and as such fees remain unchanged as summarized in the table below:

	Fees (\$)
Non-Executive Director: Annual Cash Retainer	\$80,000
Board of Directors Meeting Attendance	\$5,000 per meeting
Audit Committee Chair	\$30,000
Remuneration Committee Chair	\$20,000
Audit Committee Members	\$15,000
Remuneration Committee members	\$10,000

Mr. Son does not receive any remuneration from the Company.

Insurance and indemnification

To the extent permitted by the Companies Act, we are empowered to indemnify our directors against any liability they incur by reason of their directorship. We maintain directors' and officers' insurance to insure such persons against certain liabilities and have entered into a deed of indemnity with each of our directors and executive officers. We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under U.S. federal securities laws is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

C. Board practices

Composition of our Board of Directors

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors currently consists of eight members, all of whom will continue to serve on our Board of Directors until our next annual general meeting or their earlier resignation. Mr. Son serves as the Chair of our Board of Directors. Our Board of Directors has affirmatively determined that none of Ms. Dykstra, Mr. Fadell, Ms. Schooler and Dr. Jacobs have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these directors is "independent" as that term is defined under the listing standards of Nasdaq.

Six of our eight current directors were appointed in 2022 in anticipation of becoming a public company. Prior to the appointment of these new directors, we undertook a fulsome review of the composition of our Board of Directors and the skills and qualifications necessary to lead our company going forward. Our Board of Directors considered diversity of experience and expertise as well as gender, racial and ethnic diversity. We believe that the diversity of viewpoints and collective experience of our directors makes our Board of Directors well positioned to lead Arm into the future.

At the end of each annual general meeting of shareholders, all the directors must retire from office except for any director appointed by our Board of Directors after notice of that annual general meeting has been given and before that annual general meeting has been held. Each director who retires at an annual general meeting may be re-elected.

Other than with respect to Mr. Haas and other than providing pro-rata vesting to non-executive directors if they are terminated other than for cause or in the event of a change in control of the Company, there are no arrangements or understandings between us, on the one hand, and any of our directors, on the other hand, providing for benefits upon termination of their service as directors of the Company.

SoftBank Group's Director Nomination Rights

Our Board of Directors does not have a standing nominating committee. Pursuant to the Shareholder Governance Agreement, SoftBank Group will have the right to designate a certain number of candidates for election to our Board of Directors based on its and its controlled affiliates' ownership of our outstanding ordinary shares, provided that a certain number of such candidates must be "independent" under law or stock exchange rules applicable to our directors at the time of such nomination. SoftBank Group's designation rights are as follows:

Ownership of our outstanding ordinary shares:	Number of SoftBank Group candidates for election to our Board of Directors:	Number of SoftBank Group candidates that must be independent:
Greater than 70%	7	3
Less than or equal to 70% and greater than 60%	6	2
Less than or equal to 60% and greater than 50%	5	1
Less than or equal to 50% and greater than 40%	4	0
Less than or equal to 40% and greater than 30%	3	0
Less than or equal to 30% and greater than 20%	2	0
Less than or equal to 20% and greater than 5%	1	0

SoftBank Group's rights to designate candidates for election to our Board of Directors are based on an eight-member board, including our CEO, and pursuant to the Shareholder Governance Agreement, will be modified ratably to reflect any change in the number of directors on our Board of Directors.

Additionally, effective upon completion of the IPO and for so long as SoftBank Group and its controlled affiliates own more than 70% of our outstanding ordinary shares, SoftBank Group will have the right to increase the size of the Board of Directors to nine directors and appoint a director, who need not be independent, to the board to fill the newly created vacancy. If such right is exercised, SoftBank Group will have the right to nominate up to eight candidates for election to our Board of Directors for as long as it and its controlled affiliates hold more than 70% of our outstanding ordinary shares.

Our Board of Directors will make determinations with respect to each director's independence. To the extent SoftBank Group nominates a director as an independent director that our Board of Directors, upon advice of counsel, determines does not meet the applicable independence standards, SoftBank Group will be required to propose a new nominee.

The Shareholder Governance Agreement also provides SoftBank Group with proportional rights to representation on the committees of our Board of Directors, subject to applicable restrictions.

Committees of our Board of Directors

Our Board of Directors has two standing committees: an Audit Committee and a Remuneration Committee.

Audit Committee

Our Audit Committee oversees our corporate accounting and financial reporting process and assists our Board of Directors in monitoring our financial systems. Our Audit Committee is responsible for, among other things:

- selecting a qualified firm to serve as (i) the independent registered public accounting firm to audit our financial statements and (ii) the U.K. statutory auditors;
- helping to ensure the independence and performance of the independent registered public accounting firm and the U.K. statutory auditors;
- helping to maintain and foster an open avenue of communication between management and the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm and U.K. statutory auditors, and reviewing, with management, the independent registered public accounting firm and U.K. statutory auditors, our interim and year-end operating results;

- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing and approving, if applicable, in accordance with our related party transaction policy, any proposed transactions with related persons;
- reviewing our policies and practices on risk assessment and risk management, including in respect of cyber security, data privacy and technology and information security;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes its internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit services to be performed by the independent registered public accounting firm and U.K. statutory auditors.

Our Audit Committee consists of Ms. Dykstra, Ms. Schooler and Mr. Fisher, with Ms. Dykstra serving as chair. Our Board of Directors has affirmatively determined that Ms. Dykstra and Schooler meet the requirements for independence under the listing standards of Nasdaq and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 of the Exchange Act. Mr. Fisher will be permitted to serve on the Audit Committee until September 13, 2024, one year from the date of effectiveness of the registration statement (File No. 333-274120) filed under Rule 10A-3(b)(iv)(A) of the Exchange Act, and pursuant to the phase-in provisions under the listing standards of Nasdaq applicable to new public companies. In addition, our Board of Directors has determined that Ms. Dykstra qualifies as an “audit committee financial expert” as defined by applicable SEC rules. Each member of our Audit Committee is financially literate.

Remuneration Committee

The Remuneration Committee oversees our remuneration policies, plans and benefits programs. The Remuneration Committee is responsible for, among other things:

- reviewing and making recommendations to our Board of Directors related to our remuneration plans and equity-based plans;
- reviewing and making recommendations to our Board of Directors concerning the overall remuneration philosophy, policies and plans of the Company;
- reviewing and making recommendations to our Board of Directors regarding the performance goals and objectives relevant to the remuneration of our CEO;
- evaluating and making recommendations to our Board of Directors regarding the performance of our CEO under the previously established performance criteria, goals and objectives, and evaluating and making recommendations to our Board of Directors regarding total remuneration for our CEO;
- reviewing and making recommendations to our Board of Directors regarding the remuneration to be paid to our non-executive directors;
- reviewing and recommending to our Board of Directors the approval of the directors’ remuneration report, which shall be subject to a shareholder advisory vote at the Company’s annual general meeting each year;
- selecting and retaining a remuneration consultant; and
- such other matters that are specifically delegated to the Remuneration Committee by our Board of Directors from time to time.

The Remuneration Committee consists of Mr. Son, Mr. Fisher, Mr. Sine and Ms. Schooler, with Mr. Son serving as chair.

D. *Employees*

Our Employees

We employ a global workforce that spans across 19 countries. As of March 31, 2024, approximately 83% of our 7,096 global employees were engaged in engineering activities delivering products for our partners to schedule and specification

as well as driving innovations in our industry. During the fiscal year ended March 31, 2024, we engaged an average of 1,787 temporary employees.

The following table sets forth the number of our employees for each of the past three financial years:

Function	March 31, 2024⁽¹⁾	March 31, 2023	March 31, 2022
Engineering	5,887	4,753	4,758
Non-Engineering	1,209	1,210	1,571
Geographic Distribution			
United Kingdom	3,183	2,785	3,219
United States	1,389	1,157	1,177
India	1,150	848	793
Other	1,374	1,173	1,140
Total Employees	7,096	5,963	6,329

(1) 180 application engineers were reclassified from Non-Engineering to Engineering.

We consider relations with our employees to be good and have never experienced a work stoppage. Our employees in France and Hungary are represented by works councils. We consider our relationship with these works councils to be productive and constructive, and there are currently no ongoing disputes.

E. Share ownership

For information regarding the share ownership of Directors and Senior Management, refer to “*Item 7. Major Shareholders and Related Party Transactions–A. Major Shareholders.*” For information regarding our equity incentive plans specific to arrangements involving Directors and Senior Management in the capital of the company, refer to “*Item 6. Directors, Senior Management and Employees–B. Compensation.*”

F. Disclosure of a registrant’s action to recover erroneously awarded compensation

Pursuant to Rule 10D-1 under the Exchange Act and Nasdaq Rule 5608, on November 15, 2023, the Company adopted a Clawback Policy providing that the Company will recover reasonably promptly the amount of erroneously awarded incentive-based compensation from any “Executive Officer” (as such term is defined in Rule 10D-1 under the Exchange Act and Nasdaq Rule 5608) in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

A copy of our Clawback Policy is filed as Exhibit 97.1 hereto.

During the fiscal year ended March 31, 2024, the Company was not required to recoup any compensation awarded under the Clawback Policy.

Item 7. Major Shareholders and Related Party Transactions

A. Major shareholders

Register of members

We are required by the Companies Act to keep a register of our shareholders. Under English law, the ordinary shares are deemed to be issued when the name of the shareholder is entered in the register of members. The register of members therefore is prima facie evidence of the identity of our shareholders, and the shares that they hold. The register of members generally provides limited, or no, information regarding the ultimate beneficial owners of our ordinary shares. Our register of members is maintained by our registrar, Computershare Investor Services Plc.

Holders of the ADSs will not be treated as our shareholders and their names will therefore not be entered in our register of members. The depository, the custodian or their nominees will be the holder of the ordinary shares underlying the ADSs. Pursuant to the terms of the deposit agreement, holders of the ADSs have a right to receive the ordinary shares underlying their ADSs. For discussion on the ADSs and ADS holder rights, see Description of Securities in Exhibit 2.3 to this Annual Report.

Principal Shareholders

The following table and related footnotes set forth information with respect to the beneficial ownership of our ordinary shares, as of May 15, 2024, by:

- each beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our Directors and Senior Management; and
- all of our Directors and Senior Management as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares.

The percentage of ordinary shares beneficially owned as of May 15, 2024 is based on 1,047,835,240 ordinary shares outstanding.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose.

A description of any material relationship that our principal shareholders have had with us or any of our affiliates within the past three years is included under “*Item 7. Major Shareholders and Related Party Transactions—Related Party Transactions.*” The principal shareholders listed below do not have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares.

Except as otherwise indicated in the table below, addresses of the Directors, Senior Management and named beneficial owners are care of Arm Holdings plc, 110 Fulbourn Road, Cambridge CB1 9NJ, United Kingdom. As of May 15, 2024, to our knowledge, there are no U.S. record holders of our issued and outstanding ordinary shares.

Name of Beneficial Shareholder	Ordinary Shares Beneficially Owned	
	Number	Percent
5% Shareholders:		
SoftBank Group Corp. ⁽¹⁾	922,733,999	88 % ⁽²⁾
Senior Management and Directors:		
Masayoshi Son ⁽¹⁾	—	— %
Ronald D. Fisher	*	*
Jeffrey A. Sine	*	*
Karen E. Dykstra	*	*
Anthony Michael Fadell	*	*
Rosemary Schooler	*	*
Paul E. Jacobs, PhD	*	*
Rene Haas	*	*
Jason Child	*	*
Kirsty Gill	*	*
Spencer Collins	*	*
Richard Grisenthwaite	*	*
Will Abbey	*	*
All Senior Management and Directors as a group (13 individuals)	*	*

* Represents beneficial ownership of less than 1% of the outstanding ordinary shares. Accordingly, pursuant to the Instructions to Item 6.E of Form 20-F, the individual's beneficial ownership has been omitted.

(1) Represents shares held of record by Kronos II LLC, an indirect wholly-owned subsidiary of SoftBank Group. 769,029,000 of our ordinary shares that are beneficially owned by SoftBank Group, representing a 73.4% equity interest in us, were pledged as security under the SoftBank Group Facility. Masayoshi Son, who is a Director and the Chairman of our Board of Directors, is Representative Director, Corporate Officer, Chairman and CEO of SoftBank Group. Mr. Son disclaims beneficial ownership of these shares. The address for SoftBank Group is 1-7-1 Kaigan, Minato-ku, Tokyo 105-7537, Japan.

(2) Excludes one ordinary share beneficially owned by SoftBank Vision Fund, a subsidiary of SoftBank Group. SoftBank Group may be deemed to have beneficial ownership of such ordinary share. SoftBank Group disclaims any such beneficial ownership.

Controlled Company

We are currently controlled by SoftBank Group. As of May 15, 2024, SoftBank Group beneficially owns approximately 88.1% of our total issued and outstanding share capital and thus a majority of the total voting power of our ordinary shares. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer.*”

In addition, certain subsidiaries of SoftBank Group have entered into a margin loan facility secured by our ordinary shares, which we refer to as the SoftBank Group Facility. The SoftBank Group Facility is initially secured by a pledge of 769,029,000 of our ordinary shares representing a 73.4% equity interest in us. In the case of non-payment at maturity or another event of default, the providers of the SoftBank Group Facility may, in addition to other remedies, exercise their rights to foreclose on and sell or cause the sale of our shares that may be pledged as collateral. The foreclosure on our shares that are initially pledged as collateral for the SoftBank Group Facility could cause a change of control of us. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer—SoftBank Group has engaged, and may in the future engage, in financing transactions whereby our shares are pledged as security.*”

B. Related Party Transactions

In addition to the Director and Senior Management remuneration and indemnification arrangements discussed in “Item 6. Directors, Senior Management and Employees—B. Compensation,” this section describes transactions or loans, since April 1, 2021, between us and (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, our company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of our company that gives them significant influence over our company, and close members of any such individual’s family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling our activities, including directors and senior management and close members of such individuals’ families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. We refer to the entities and persons described in (a) through (e) above as “related parties.”

Transactions with SoftBank

Shareholder Governance Agreement

In connection with the IPO, we entered into the Shareholder Governance Agreement with SoftBank Group, which governs certain aspects of the relationship between us and SoftBank Group, including matters related to pre-emptive rights, rights related to the composition of our Board of Directors and its committees, registration rights, rights related to related party transactions, information and other rights, consultation rights and a consent right, among other matters, including during periods in which SoftBank Group beneficially owns less than a majority of our outstanding ordinary shares. The form of the Shareholder Governance Agreement is attached as an exhibit to this Annual Report.

Pre-emptive Rights

Pursuant to the Shareholder Governance Agreement, if we propose to allot or issue any ordinary or preferred shares or options, warrants or other securities convertible into or exercisable for ordinary or preferred shares (including ADSs) (other than (i) pursuant to an offer made to all ordinary shareholders on the same terms; or (ii) in connection with any incentive plan or share scheme otherwise approved by SoftBank Group to the extent such approval is required under the Shareholder Governance Agreement), SoftBank Group and its controlled affiliates shall be entitled (but not obligated) to subscribe for a number of the securities we propose to allot or issue that will enable SoftBank Group and its controlled affiliates to maintain their proportional legal and economic interests in our share capital prior to such allotment or issuance.

Rights Related to Our Board of Directors

Pursuant to the Shareholder Governance Agreement, SoftBank Group will have the right to designate a certain number of candidates for election to our Board of Directors based on the level of its and its affiliates’ ownership of our outstanding ordinary shares, provided that a certain number of such candidates must be “independent” under law or stock exchange rules applicable to our directors at the time of such nomination. SoftBank Group’s designation rights are as follows:

Ownership of our outstanding ordinary shares:	Number of SoftBank Group candidates for election to our Board of Directors:	Number of SoftBank Group candidates that must be independent:
Greater than 70%	7	3
Less than or equal to 70% and greater than 60%	6	2
Less than or equal to 60% and greater than 50%	5	1
Less than or equal to 50% and greater than 40%	4	0
Less than or equal to 40% and greater than 30%	3	0
Less than or equal to 30% and greater than 20%	2	0
Less than or equal to 20% and greater than 5%	1	0

SoftBank Group's rights to designate candidates for election to our Board of Directors are based on an eight-member board, including our CEO and, pursuant to the Shareholder Governance Agreement, will be modified ratably to reflect any change in the number of directors on our Board of Directors.

Additionally, for so long as SoftBank Group and its controlled affiliates own more than 70% of our outstanding ordinary shares, SoftBank Group will have the right to increase the size of our Board of Directors to nine directors and appoint a director, who need not be independent, to the board to fill the newly created vacancy. If such right is exercised, SoftBank Group will have the right to nominate up to eight candidates for election to our Board of Directors for as long as it and its controlled affiliates hold more than 70% of our outstanding ordinary shares.

Our Board of Directors will make determinations with respect to each director's independence. To the extent SoftBank Group nominates a director as an independent director that our Board of Directors, upon advice of counsel, determines does not meet the applicable independence standards, SoftBank Group will be required to propose a new nominee.

The Shareholder Governance Agreement also provides SoftBank Group with proportional rights to representation on the committees of our Board of Directors, subject to applicable restrictions.

Registration Rights

Pursuant to the Shareholder Governance Agreement, we will provide SoftBank Group with certain registration rights that will obligate us to register the resale of Registrable Securities owned by SoftBank Group after the completion of the IPO, provided that we will not be obligated to effect a registration, offer or sale when restricted from doing so under an applicable lock-up entered into in connection with a registered offering of our ordinary shares or securities convertible into or exchangeable for ordinary shares (including ADSs) (provided further that such restriction will not exceed 180 days after the date of pricing of the IPO or 60 days after any other public offering). At the request of SoftBank Group, we will use our commercially reasonable efforts to register the resale of Registrable Securities owned by SoftBank Group or certain of its affiliates after the closing of the IPO, or subsequently acquired, for public sale under the Securities Act on a registration statement on Form F-1, or a short-form registration statement on Form F-3 if we are then eligible to use such form to register the resale of Registrable Securities on SoftBank Group's behalf. There are no limitations on the total number of times that SoftBank Group may request such registration, but SoftBank Group will not be permitted to request such registration more than three times in any rolling 12-month period.

In addition, SoftBank Group or its relevant affiliates may require us to file and maintain the effectiveness of a short-form registration statement on Form F-3 after we are eligible to use that form to register the resale of Registrable Securities on SoftBank Group's or the relevant affiliates' behalf. In the event that SoftBank Group requests registration in connection with registered underwritten offerings, SoftBank Group will retain the right to designate the underwriters for such offerings.

We will also provide SoftBank Group with "piggyback" registration rights that will entitle SoftBank Group or its relevant affiliates to include its Registrable Securities in future registrations effected by us of our securities under the Securities Act. There is no limit on the number of these "piggyback" registrations that SoftBank Group may request. SoftBank Group's "piggyback" rights will be subject to cutbacks on the number of Registrable Securities that SoftBank Group may include in registrations effected by us in connection with underwritten offerings, subject to the good faith determination by the managing underwriters for such offerings that the number of Registrable Securities to be offered by us and SoftBank Group exceeds the number of Registrable Securities that can reasonably be sold in the offering.

We also have agreed to cooperate in these registrations and certain other financing transactions. All expenses payable in connection with such registrations will be paid by us, except that SoftBank Group will pay all of its own internal administrative and similar costs, the fees and disbursements of its counsel and underwriting discounts and commissions applicable to the sale of its Registrable Securities.

The Shareholder Governance Agreement will contain customary indemnification and contribution provisions by us for the benefit of SoftBank Group and, in limited situations, by SoftBank Group for the benefit of us with respect to the information provided by SoftBank Group for inclusion in any registration statement, prospectus or related document.

Rights Related to Related Party Transactions

Pursuant to our related party transactions policy, material related party transactions must be reviewed and approved or ratified by the audit committee of our Board of Directors. The Shareholder Governance Agreement further provides, however, that, so long as SoftBank Group is considered a “related party” under our related party transactions policy, all transactions with SoftBank Group and its affiliates that would otherwise be subject to the related party transactions policy will be presented to the audit committee of our Board of Directors, and the following process will apply to transactions with SoftBank Group and its affiliates:

- transactions or arrangements existing as of the date of the Shareholder Governance Agreement and disclosed in the IPO Prospectus will be exempt from the review and approval or ratification requirements of our related party transactions policy; provided that extensions and material amendments thereof will require review and/or approval or ratification to the same extent as other related party transactions;
- if the audit committee of our Board of Directors determines that a particular transaction will be conducted in the ordinary course of our business upon terms generally available to third parties, such transaction will be exempt from the approval and ratification requirements of our related party transactions policy unless such transaction, or series of related transactions, has a value of over \$20 million, in which case such transaction will be presented to the Board of Directors for review and approval or ratification; and
- if the audit committee of our Board of Directors determines that a particular proposed transaction is to be conducted on an arm’s-length basis or upon terms generally available to third parties, such transaction will be exempt from the approval and ratification requirements of our related party transactions policy, provided that such transaction will be presented to our full Board of Directors for review and approval or ratification.
- if the audit committee of our Board of Directors determines that a particular transaction does not meet the criteria in the preceding bullets, such transaction will require review and/or approval or ratification to the same extent as other related party transactions.

If one or more directors on the audit committee of our Board of Directors do not qualify as independent, determinations required to be made by the audit committee in accordance with the foregoing will be made by those directors on the audit committee which qualify as independent.

Information and Other Rights

The Shareholder Governance Agreement also provides, among other things, that, for so long as SoftBank Group consolidates us for the purposes of its consolidated financial statements or accounts for its investment in us under the equity method:

- to the extent permitted by applicable law, we will in a timely manner provide SoftBank Group with information and data relating to our business and financial results so as to enable SoftBank Group and its controlled affiliates to satisfy their respective ongoing financial reporting, audit and other legal and regulatory requirements;
- to the extent permitted by applicable law, we will in a timely manner provide SoftBank Group with access to our auditors, personnel, data, information and systems, in each case in the same manner as we do immediately prior to the date of our listing on Nasdaq and on or prior to any reasonable deadline set by SoftBank Group for receipt of such information, data or access;
- to the extent permitted by applicable law, we will consult with SoftBank Group in a timely manner (i) prior to the disclosure and filing of our annual and quarterly earnings information and related periodic reports and (ii) prior to the disclosure of any information that may reasonably be considered material to SoftBank Group or in which SoftBank Group is named, in each case taking into account all of SoftBank Group’s reasonable comments or advice prior to the filing thereof;
- we will inform SoftBank Group promptly of any events or developments that might reasonably be expected to materially affect our financial results; and
- certain of our executive officers and employees will provide quarterly certifications regarding our disclosure controls and procedures and internal control over financial reporting, as reasonably requested by SoftBank Group in a timely manner.

We have also agreed to provide SoftBank Group with such information as SoftBank Group may reasonably require to facilitate the compliance by SoftBank Group and its controlled affiliates with their respective global legal, regulatory and tax obligations in a timely manner.

SoftBank Group Consultation Rights

For so long as we are a consolidated subsidiary of SoftBank Group, if we propose to (i) change our independent auditor to a firm outside of the professional services networks commonly referred to as the “Big Four accounting firms” or (ii) make any material changes in our accounting policies applicable to our financial statements prepared under International Financial Reporting Standards, the Shareholder Governance Agreement requires us to provide SoftBank Group with prior written notice of such proposed changes, consult with SoftBank Group in good faith regarding the rationale for such proposed changes, and use our reasonable endeavors to resolve any disagreement and obtain SoftBank Group’s consent to such proposed changes.

In the event SoftBank Group has not responded within 30 calendar days of being notified of such proposed changes after good faith consultation by us, then we may adopt such changes upon a determination by our Board of Directors that such changes are in the best interests of us and our shareholders.

SoftBank Group Consent Right

In addition to statutory rights under English law, until the later of (i) the time at which SoftBank Group and its controlled affiliates cease to own at least a majority of our ordinary shares and (ii) the time at which we cease to be a consolidated subsidiary of SoftBank Group, the Shareholder Governance Agreement provides that SoftBank Group shall have a consent right with respect to any decision by us to adopt any incentive plan or share scheme or expansion of an existing plan or scheme (including our Omnibus Incentive Plan), in each case, unless the maximum number of ordinary shares over which rights may be issued does not exceed 5% of our issued share capital at the time of adoption or expansion of such plan or scheme. Such consent right does not apply to any incentive plan or share scheme in place at the time of completion of the IPO.

Consulting Agreement

We are party to a consulting agreement with SoftBank Group pursuant to which we provide to SoftBank Group and its affiliates certain technical consultancy and advisory services relating to potential transactions, strategic partnerships, licensing agreements, commercial arrangements or other arrangements involving SoftBank Group or its affiliates. We are not entitled to any fees for the consulting and advisory services provided, other than the reimbursement of certain expenses incurred in connection with providing such services. In connection with the performance of services under the consulting agreement or otherwise, we may enter into strategic partnerships, licensing agreements or other commercial arrangements involving businesses or other assets owned by SoftBank Group or its affiliates, business or assets in which SoftBank Group or its affiliates have a controlling interest, or businesses with which SoftBank Group or its affiliates have a commercial arrangement or partnership.

Prior SoftBank Group Facility

In March 2022, certain subsidiaries of SoftBank Group entered into a term loan facility (the “Prior SoftBank Group Facility”) with certain lenders, which was amended and upsized in June 2022, pursuant to which a subsidiary of SoftBank Group borrowed \$8.5 billion. A subsidiary of SoftBank Group pledged substantially all of our total issued and outstanding share capital, as security for the Prior SoftBank Group Facility.

In connection with the Prior SoftBank Group Facility, in March 2022, we entered into a Springing Guarantee and Indemnity with J.P. Morgan SE, as facility agent, pursuant to which we agreed to, upon the occurrence of certain triggering events, provide a guarantee to the lenders for amounts borrowed under the Prior SoftBank Group Facility. No triggering events under the Springing Guarantee and Indemnity occurred, and we were not required to provide such guarantee. SoftBank Group repaid the term loan facility prior to the consummation of the IPO and our springing guarantee and indemnity was terminated in connection with such repayment.

SoftBank Group Facility

On August 19, 2023, certain subsidiaries of SoftBank Group entered into the SoftBank Group Facility, pursuant to which a subsidiary of SoftBank Group borrowed \$8.5 billion either following, or substantially concurrently with, the closing of the IPO, at which time the Prior SoftBank Group Facility was repaid in full.

The SoftBank Group Facility is secured by a pledge of 769,029,000 of our ordinary shares representing 73.4% equity interest in us as of May 15, 2024.

In connection with the SoftBank Group Facility, we entered into certain customary undertakings for the benefit of the lenders to facilitate the pledge of the ordinary shares securing the SoftBank Group Facility and we have agreed to facilitate the foreclosure upon the pledge following an event of default thereunder.

See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer—SoftBank Group’s interests may conflict with our own interests and those of holders of our ADSs*” in this Annual Report.

Other Transactions with SoftBank Group

Following a strategic decision in 2021 to place greater focus on our core technology licensing business, we decided to distribute or sell certain components of our IoT business to subsidiaries of SoftBank Group. In June 2021, we distributed all of the equity interests in Treasure Data to our shareholders, and in November 2021, we sold IoTP to SoftBank Group Capital Limited. Treasure Data’s and IoTP’s net assets upon distribution and sale were approximately \$44 million and \$12 million, respectively.

Prior to the distribution of Treasure Data, a member of SoftBank Group made a \$50 million loan to Treasure Data. This loan accrued interest at a rate of 2.0% per annum. The loan balance, including accrued interest, was included in the distribution of Treasure Data to Arm Limited’s shareholders.

In June 2023, we entered into a subscription letter with a subsidiary of SoftBank Vision Fund and Kigen (UK) Limited (“Kigen”), an entity of which SoftBank Vision Fund indirectly owned 85% of the share capital on a fully diluted basis with the remainder comprising management incentives. Pursuant to the subscription letter, we and the subsidiary of SoftBank Vision Fund each invested \$10 million in exchange for preference shares of Kigen. The preference shares are convertible into common shares of Kigen and are entitled to full dividend, distribution and voting rights. The preference shares have 1x non-participating liquidation preference. The preference shares are freely transferable other than to competitors of Kigen. Following the consummation of the subscription, we and the subsidiary of SoftBank Vision Fund owned approximately 12% and 76% of the fully diluted shares outstanding, respectively. Kigen is engaged in the business of physical sim, eSim and iSim authentication. We executed this investment due to the potential of Kigen’s product lines to complement our IoT strategy.

Transactions with Directors

Jeffrey A. Sine

Mr. Sine is a Co-Founder and Partner of The Raine Group LLC. In connection with the IPO, Raine Securities LLC, a subsidiary of The Raine Group LLC, performed certain initial public offering advisory services on our behalf. See *Note 21 - Related Party Transactions* for further details.

Furthermore, Mr. Sine, The Raine Group LLC and its affiliated entities engage in transactions with SoftBank Group, SoftBank Vision Fund, and their respective management and affiliates. Certain of these transactions have involved SoftBank Group’s investment in us. Other such transactions include a broad range of advisory services performed on behalf of SoftBank Group and its affiliates. In addition, SoftBank Group retains an indirect minority ownership stake in The Raine Group LLC and is an investor in certain investment funds managed by Raine Capital LLC, a subsidiary of The Raine Group LLC.

Transactions with Associates

Arm China

On March 28, 2022, we sold our entire equity interest in Arm China to another subsidiary of SoftBank Group, Acetone Limited, for consideration of approximately \$930 million. The consideration was exchanged for a promissory note equal to 90% of the consideration and shares in Acetone Limited equal to the remaining 10% of the consideration. On the same date, the promissory note receivable was distributed to our shareholders. Following the distribution and in satisfaction of the balance of the consideration left outstanding, Acetone Limited issued new shares to Arm Limited such that the obligation of Acetone Limited in respect of the payment of the consideration left outstanding was satisfied fully and extinguished.

As of the date of this Annual Report, approximately 48% of the equity interest in Arm China is owned by Acetone Limited, which is controlled by SoftBank Group and in which we own a 10% non-voting interest, approximately 35% is indirectly owned by HOPU Investment Management Company, and approximately 17% is directly and indirectly owned by other Chinese parties. Our 10% non-voting interest in Acetone Limited represents an approximate 4.8% indirect ownership interest in Arm China.

We are party to the IPLA with Arm China, under which Arm China licenses certain of our IP from us that Arm China in turn sublicenses to its PRC customers. Prior to the entry into this arrangement, Arm China's results were consolidated in our financial statements; however, as a result of the transaction described above, Arm China's results will no longer be consolidated in our financial statements. Under the IPLA with Arm China, Arm China's payments due to us are determined based on the financial information that Arm China provides to us.

For the fiscal years ended March 31, 2024, 2023 and 2022, revenues attributable to our relationship with Arm China were approximately 21%, 24% and 18% of our total revenue, respectively.

In addition, under the IPLA with Arm China, we are contractually obligated to indemnify both Arm China and its PRC customers that sublicense our IP in the event either Arm China or such customers incur damages or costs in lawsuits, administrative proceedings or similar actions based upon a claim that our IP infringes the IP of a third party.

See *"Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We depend on our commercial relationship with Arm China to access the PRC market. If that commercial relationship no longer existed or deteriorates, our ability to compete in the PRC market could be materially and adversely affected"* and *"Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Neither we nor SoftBank Group control the operations of Arm China, which operates independently of us."*

Other Transactions

In the ordinary course, Arm entities enter into transactions with counterparties affiliated with the Company's indirect shareholders on an arms' length basis, including SoftBank Corp. and its affiliates.

Related Party Transaction Policy

Prior to the completion of the IPO in September 2023, we adopted a related party transaction policy. Our related party transaction policy will set forth our procedures for the identification, review, consideration and approval or ratification of related party transactions. For purposes of our policy only, a related party transaction is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) between us or any of our subsidiaries and any related party. Transactions involving compensation for services provided to us as an employee or director are not covered by this policy.

Subject to the provisions of the Shareholder Governance Agreement applicable to transactions with SoftBank Group and its affiliates described below, under the policy, if a transaction has been identified as a related party transaction, including any transaction that was not a related party transaction when originally consummated or any transaction that was not initially identified as a related party transaction prior to consummation, the related party transaction must be approved or ratified by the audit committee of our Board of Directors. In reviewing any such transaction, our audit committee will consider, among other things, the material facts, the interests, direct and indirect, of the related parties, the benefits to us of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case

may be, an unrelated third party or to or from employees generally. With respect to transactions with SoftBank Group and its affiliates, for so long as the corresponding provisions in the Shareholder Governance Agreement remain in effect, the audit committee will not be required to approve (i) transactions or arrangements existing as of the date of the Shareholder Governance Agreement and disclosed in the IPO Prospectus; provided that extensions and material amendments thereof will require review and/or approval or ratification to the same extent as other related party transactions; (ii) transactions that the audit committee determines will be conducted in the ordinary course of our business and upon terms generally available to third parties unless the applicable transaction or series of related transactions has a value over \$20 million, in which case our Board of Directors must review and approve or ratify the transaction; and (iii) transactions that the audit committee determines are at arm's length or upon terms generally available to third parties, in which case our Board of Directors must review and approve or ratify the transaction. Transactions not meeting the criteria of clauses (i), (ii) or (iii) above will require review and/or approval or ratification to the same extent as other related party transactions. Under the policy, if the audit committee is not fully independent, determinations regarding transactions with SoftBank Group and its affiliates will be made by only the independent directors of the audit committee. See “—Transactions with SoftBank Group—Shareholder Governance Agreement—Rights Related to Related Party Transactions.” Under the policy, we will collect information that we deem reasonably necessary from each director, executive officer and, to the extent feasible, significant shareholder to enable us to identify any existing or potential related party transactions and to effectuate the terms of the policy. In addition, under our Code of Conduct, our employees and directors have an affirmative responsibility to disclose any material transaction or relationship that may give rise to a conflict of interest.

C. *Interests of experts and counsel*

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information.

Legal Proceedings

From time to time, we are involved in various legal, administrative, and regulatory proceedings, claims, demands and investigations relating to our business, which may include claims with respect to commercial, product liability, IP, cybersecurity, privacy, data protection, antitrust, breach of contract, labor and employment, whistleblower, mergers and acquisitions and other matters. In addition, under our customer agreements, we agree in some cases to indemnify our customers if a third party files a claim in court or another venue asserting that our products infringe such third party's IP rights. Although we do not agree to indemnify our customers' end customers, such end customers may be subject to infringement claims and may initiate claims against us as a result. We are currently involved in pending litigation, including, but not limited to, litigation proceedings with Qualcomm and Nuvia. See "*Risk Factors—Risks Relating to Our Business and Industry—We are currently involved in pending litigation.*" In addition, our products are involved in pending litigation to which we are not a party. We cannot provide you any assurances regarding how any such litigation will be resolved, what benefits we will obtain or what losses we might incur. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. See "*Risk Factors—Risks Relating to Our Business and Industry—We may be sued by third parties for alleged infringement, misappropriation or other violation of their IP rights or proprietary rights and our defense against these claims can be costly.*"

Dividend Policy

We intend to retain any earnings for use in our business and do not currently intend to pay dividends on our ordinary shares or ADSs. The declaration and payment of any future dividends will be at the discretion of our Board of Directors and will depend upon our results of operations, cash requirements, financial condition, contractual restrictions, any future debt agreements or applicable laws and other factors that our Board of Directors may deem relevant. See "*Item 3. Key Information—D. Risk Factors—Risks Relating to Ownership of Our Securities—Because we do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.*"

Under the laws of England and Wales, among other things, we may only pay dividends if we have sufficient distributable reserves (as determined on a non-consolidated basis), which are our accumulated realized profits that have not been previously distributed or capitalized less our accumulated realized losses, so far as such losses have not been previously written off in a reduction or reorganization of capital. In addition, as a public limited company in England, we will only be able to make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and undistributable reserves and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Audited Consolidated Financial Statements	
Report of Independent Registered Public Accounting Firm (Firm ID: 34)	122
Consolidated Income Statements for the fiscal years ended March 31, 2024, 2023 and 2022	124
Consolidated Statements of Comprehensive Income for the fiscal years ended March 31, 2024, 2023 and 2022	125
Consolidated Balance Sheets as of March 31, 2024 and 2023	126
Consolidated Statements of Shareholders' Equity for the fiscal years ended March 31, 2024, 2023 and 2022	128
Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2024, 2023 and 2022	129
Notes to the Consolidated Financial Statements	131

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Arm Holdings plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Arm Holdings plc and subsidiaries (the “Company”) as of March 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows, for each of the three years in the period ended March 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition for Material Long-Term Revenue Arrangements - Refer to Notes 1 and 4 to the Consolidated Financial Statements

Critical Audit Matter Description

The Company routinely enters into material long-term revenue arrangements that involve multiple performance obligations consisting of products and services such as intellectual property licenses, early access rights, software licenses, support, training, professional and design services, and non-standard performance obligations that may be contract or customer specific. Determining the appropriate revenue recognition for these material long-term revenue arrangements involves significant judgments made by management, including the identification of performance obligations and the portion of the transaction price that should be allocated to those performance obligations, both of which impact the amount and timing of revenue recognition.

Specifically, judgments were required when identifying the performance obligations in a given contract. In material long-term contracts, this is due to the inclusion of complex terms and conditions that may entitle the customer to non-standard products and services, as well as products and services that may be available in future periods or are otherwise implied based on forward looking and historical information. Judgments were likewise required in determining the standalone selling price of certain performance obligations and allocating the transaction price thereto. This is due to a lack of observable standalone selling prices for the Company's products and services as well as the inclusion of non-standard offerings for which the standalone selling price must be estimated. Accordingly, performing audit procedures related to material long-term revenue contracts required a high degree of auditor judgment and an increased extent of effort, including the need to involve professionals in our firm having expertise in revenue recognition.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's evaluation regarding identification of the performance obligation and the allocation of the transaction price included the following, among others:

For those material long-term revenue contracts with customers, we:

- Obtained and read the contract, including master agreements, amendments, purchase and sales order agreements, and related contracts.
- Consulted with revenue recognition specialist on complex technical accounting matters.
- Requested and obtained responses to confirmation requests regarding the completeness of contract terms directly from the Company's customers. If a response was not received, we performed alternative procedures including obtaining sales certifications to ensure no additional agreements existed.
- Evaluated management's identification of performance obligations by performing the following:
 - Comparing the products and services identified in the contract to the performance obligations identified by management.
 - Obtaining an understanding of the Company's products and services, including product roadmaps and other marketing materials.
 - For any purchase options, obtaining and evaluating management's material right analysis.
 - As needed, inquiring of the Company's operational personnel to understand the nature of the contract, its business purpose, and identified performance obligations.
- We assessed the allocation of the transaction price to performance obligations by performing the following:
 - Evaluated the reasonableness of the Company's methodologies and inputs used to establish estimated standalone selling prices by obtaining an understanding of the nature of the products and services and testing the underlying data.
 - Compared the transaction price determined by management to the transaction price in the customer contracts.
 - Reperformed the allocation of the transaction price to each performance obligation to test the accuracy of management's allocation of transaction price to performance obligations by:
 - Tracing and agreeing observable standalone selling prices to the supporting analyses, and
 - Recalculating the allocation using a combination of methods when the residual approach is used.

/s/ Deloitte & Touche LLP
San Jose, California
May 29, 2024

We have served as the Company's auditor since 2022.

Arm Holdings plc
Consolidated Income Statements
(in millions, except share and per share amounts)

	Fiscal Year Ended March 31,		
	2024	2023	2022
Revenue:			
Revenue from external customers	\$ 2,509	\$ 2,025	\$ 2,219
Revenue from related parties	724	654	484
Total revenue	3,233	2,679	2,703
Cost of sales	(154)	(106)	(131)
Gross profit	3,079	2,573	2,572
Operating expenses:			
Research and development	(1,979)	(1,133)	(995)
Selling, general and administrative	(983)	(762)	(897)
Impairment of long-lived assets	—	—	(21)
Disposal, restructuring and other operating expenses, net	(6)	(7)	(26)
Total operating expense	(2,968)	(1,902)	(1,939)
Operating income (loss)	111	671	633
Income (loss) from equity investments, net	(20)	(45)	141
Interest income, net	110	42	2
Other non-operating income (loss), net	11	3	10
Income (loss) before income taxes	212	671	786
Income tax benefit (expense)	94	(147)	(110)
Net income (loss) from continuing operations	306	524	676
Discontinued operations (Note 5):			
Loss from discontinued operations before income taxes	—	—	(99)
Income tax benefit (expense) from discontinued operations	—	—	(28)
Net loss from discontinued operations	—	—	(127)
Net income (loss)	\$ 306	\$ 524	\$ 549
Net income (loss) per share attributable to ordinary shareholders – basic			
Net income from continuing operations	\$ 0.30	\$ 0.51	\$ 0.66
Net loss from discontinued operations	\$ —	\$ —	\$ (0.12)
Net income (loss) per share - basic	\$ 0.30	\$ 0.51	\$ 0.54
Net income (loss) per share attributable to ordinary shareholders – diluted			
Net income from continuing operations	\$ 0.29	\$ 0.51	\$ 0.66
Net loss from discontinued operations	\$ —	\$ —	\$ (0.12)
Net income (loss) per share - diluted	\$ 0.29	\$ 0.51	\$ 0.54
Weighted average ordinary shares outstanding			
Basic	1,027,443,122	1,025,234,000	1,025,234,000
Diluted	1,044,497,032	1,027,505,008	1,025,234,000

See accompanying notes to the consolidated financial statements.

Arm Holdings plc
Consolidated Statements of Comprehensive Income
(in millions)

	Fiscal Year Ended March 31,		
	2024	2023	2022
Net income (loss)	\$ 306	\$ 524	\$ 549
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	3	(31)	(31)
Net change of the effective portion of designated cash flow hedges	(8)	8	—
Total comprehensive income (loss)	<u>\$ 301</u>	<u>\$ 501</u>	<u>\$ 518</u>

See accompanying notes to the consolidated financial statements.

Arm Holdings plc
Consolidated Balance Sheets
(in millions, except par value and share amounts)

	As of March 31,	
	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,923	\$ 1,554
Short-term investments	1,000	661
Accounts receivable, net (including receivables from related parties of \$182 and \$402 as of March 31, 2024 and 2023, respectively)	781	999
Contract assets (including contract assets from related parties of \$22 and \$9 as of March 31, 2024 and 2023, respectively)	336	154
Prepaid expenses and other current assets	157	169
Total current assets	4,197	3,537
Non-current assets:		
Property and equipment, net	215	185
Operating lease right-of-use assets	205	206
Equity investments (including investments held at fair value of \$573 and \$592 as of March 31, 2024 and 2023, respectively)	741	723
Goodwill	1,625	1,620
Intangible assets, net	152	138
Deferred tax assets	282	139
Non-current portion of contract assets	240	116
Other non-current assets	270	202
Total non-current assets	3,730	3,329
Total assets	\$ 7,927	\$ 6,866
Liabilities:		
Current liabilities:		
Accrued compensation and benefits and share-based compensation	\$ 298	\$ 589
Tax liabilities	147	162
Contract liabilities (including contract liabilities from related parties of \$107 and \$135 as of March 31, 2024 and 2023, respectively)	198	293
Operating lease liabilities	27	26
Other current liabilities (including payables to related parties of \$7 and \$17 as of March 31, 2024 and 2023, respectively)	835	293
Total current liabilities	1,505	1,363
Non-current liabilities:		
Non-current portion of accrued compensation and share-based compensation	20	152
Deferred tax liabilities	135	262
Non-current portion of contract liabilities	717	807
Non-current portion of operating lease liabilities	194	193
Other non-current liabilities	61	38
Total non-current liabilities	1,127	1,452
Total liabilities	2,632	2,815
Commitments and contingencies (Note 19)		

Arm Holdings plc
Consolidated Balance Sheets
(in millions, except par value and share amounts)

	As of March 31,	
	2024	2023
Shareholders' equity:		
Ordinary shares, \$0.001 par value; 1,088,334,144 shares authorized and 1,040,330,497 shares issued and outstanding as of March 31, 2024; and 1,025,234,000 shares authorized, issued and outstanding as of March 31, 2023	2	2
Additional paid-in capital	2,171	1,216
Accumulated other comprehensive income	371	376
Retained earnings	2,751	2,457
Total shareholders' equity	<u>5,295</u>	<u>4,051</u>
Total liabilities and shareholders' equity	<u>\$ 7,927</u>	<u>\$ 6,866</u>

See accompanying notes to the consolidated financial statements.

Arm Holdings plc
Consolidated Statements of Shareholders' Equity
(in millions, except share amounts)

	Ordinary Shares		Additional Paid- in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Number of Shares	Amount				
Balance as of March 31, 2021	1,025,234,000	\$ 2	\$ 1,214	\$ 430	\$ 2,404	\$ 4,050
Net income (loss)	—	—	—	—	549	549
Foreign currency translation adjustments, net of tax	—	—	—	(31)	—	(31)
Distribution to ordinary shareholders related to Treasure Data and Arm China	—	—	—	—	(1,020)	(1,020)
Balance as of March 31, 2022	1,025,234,000	2	1,214	399	1,933	3,548
Net income (loss)	—	—	—	—	524	524
Net change in fair value of the effective portion of designated cash flow hedges, net of tax	—	—	—	8	—	8
Foreign currency translation adjustments, net of tax	—	—	—	(31)	—	(31)
Share-based compensation cost	—	—	2	—	—	2
Balance as of March 31, 2023	1,025,234,000	2	1,216	376	2,457	4,051
Net income (loss)	—	—	—	—	306	306
Net change in fair value of the effective portion of designated cash flow hedges, net of tax	—	—	—	(8)	—	(8)
Foreign currency translation adjustments, net of tax	—	—	—	3	—	3
Share-based compensation cost	—	—	825	—	—	825
Issuance of vested shares from share-based payment arrangements	17,861,916	—	—	—	—	—
Tax withholding on vested shares from share-based payment arrangements	(2,765,419)	—	(213)	—	—	(213)
Reclassification of RSU awards previously liability-classified ⁽¹⁾	—	—	343	—	—	343
Distribution to majority ordinary shareholder related to Pelion IOT Limited	—	—	—	—	(12)	(12)
Balance as of March 31, 2024	1,040,330,497	\$ 2	\$ 2,171	\$ 371	\$ 2,751	\$ 5,295

⁽¹⁾ Includes \$212 million of share-based compensation cost recognized in the fiscal year ended March 31, 2024 for RSU awards previously liability-classified.

See accompanying notes to the consolidated financial statements.

Arm Holdings plc
Consolidated Statements of Cash Flows
(in millions)

	Fiscal Year Ended March 31,		
	2024	2023	2022
Cash flows provided by (used for) operating activities:			
Net income (loss)	\$ 306	\$ 524	\$ 549
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	162	170	185
Deferred income taxes	(273)	(34)	(76)
(Income) loss from equity investments, net	20	45	(141)
Impairment losses on long-lived assets and loans receivable	—	—	43
Share-based compensation cost	1,037	79	26
Operating lease expense	35	34	41
Other non-cash operating activities, net	(2)	(6)	19
Changes in assets and liabilities:			
Accounts receivable, net (including receivables from related parties)	218	125	(219)
Contract assets, net (including contract assets from related parties)	(307)	(2)	(158)
Prepaid expenses and other assets	(61)	(1)	(41)
Accrued compensation and benefits and share-based compensation	(292)	(138)	127
Contract liabilities (including contract liabilities from related parties)	(190)	(37)	(51)
Tax liabilities	(30)	35	112
Operating lease liabilities	(28)	(58)	(59)
Other liabilities (including payables to related parties)	495	3	101
Net cash provided by (used for) operating activities	\$ 1,090	\$ 739	\$ 458
Cash flows provided by (used for) investing activities			
Purchase of short-term investments	(765)	(1,111)	(750)
Proceeds from maturity of short-term investments	425	1,081	245
Purchases of equity investments	(32)	(15)	(8)
Purchases of intangible assets	(51)	(29)	(41)
Purchases of property and equipment	(92)	(64)	(34)
Other investing activities, net, including investments in convertible loans	(1)	—	(31)
Net cash provided by (used for) investing activities	\$ (516)	\$ (138)	\$ (619)
Cash flows provided by (used for) financing activities			
Cash transfers associated with distribution and sale of Treasure Data and IoTP, respectively	—	—	(43)
Payment of intangible asset obligations	(40)	(40)	(37)
Proceeds from short-term debt borrowing	—	—	50
Other financing activities, net	(10)	(2)	(2)
Payment of withholding tax on vested shares	(158)	—	—
Net cash provided by (used for) financing activities	\$ (208)	\$ (42)	\$ (32)
Effect of foreign exchange rate changes on cash and cash equivalents	3	(9)	(17)
Net increase (decrease) in cash and cash equivalents	369	550	(210)
Cash and cash equivalents at the beginning of the period	1,554	1,004	1,214
Cash and cash equivalents at the end of the period	\$ 1,923	\$ 1,554	\$ 1,004

Arm Holdings plc
Consolidated Statements of Cash Flows
(in millions)

	Fiscal Year Ended March 31,		
	2024	2023	2022
Supplemental disclosure of cash flow information:			
Cash payments for income taxes	\$ (188)	\$ (159)	\$ (141)
Cash refunds from income taxes	\$ 1	\$ 2	\$ 52
Cash payments for interest	\$ —	\$ —	\$ (1)
Non-cash operating, investing and financing activities:			
Non-cash distributions associated with Arm China and Treasure Data	\$ —	\$ —	\$ (980)
Non-cash additions in property and equipment	\$ 15	\$ 11	\$ —
Non-cash additions in intangible assets	\$ 53	\$ —	\$ —
Non-cash additions in operating lease right-of-use assets	\$ 27	\$ 16	\$ —
Non-cash additions of operating lease liabilities	\$ 27	\$ 16	\$ —
Non-cash additions to equity investments from conversion of certain receivables	\$ 9	\$ 18	\$ —
Non-cash distributions to shareholders	\$ 12	\$ —	\$ —
Non-cash withholding tax on vested shares	\$ 55	\$ —	\$ —
Non-cash reclassification of share-based compensation costs	\$ 343	\$ —	\$ —

See accompanying notes to the consolidated financial statements.

Arm Holdings plc
Notes to Consolidated Financial Statements

1 - Description of Business and Summary of Significant Accounting Policies

Description of Business

Arm Holdings plc and its wholly owned subsidiaries (the “Company” and also referred to as “we,” “our” or “us”) are a global leader in the semiconductor industry. The Company’s principal operations are the licensing, marketing, research and development of microprocessors, systems intellectual property (“IP”), graphics processing units, physical IP and associated systems IP, software, tools and other related services.

Corporate Reorganization

In September 2023, the Company completed a board approved corporate reorganization which involved (1) the shareholders of Arm Limited exchanging each of the ordinary shares held by them in Arm Limited for newly issued ordinary shares of Arm Holdings Limited; and (2) the re-registration of Arm Holdings Limited as a public limited company under the laws of England and Wales at which time its name was changed to Arm Holdings plc. This corporate reorganization was solely for the purpose of reorganizing the Company’s corporate structure, in which Arm Limited became a wholly owned subsidiary of the holding company, Arm Holdings plc. This transfer of equity resulted in the issuance of ordinary shares of Arm Holdings plc to shareholders in the same class and the same number of ordinary shares as their previous shareholding in Arm Limited. As a result of the corporate reorganization between entities under common control, the historical consolidated financial statements of the Company were retrospectively adjusted for the change in reporting entity. Therefore, the historical consolidated financial statements of Arm Limited became the historical consolidated financial statements of Arm Holdings plc as of the date of the corporate reorganization.

Initial Public Offering

The registration statement on Form F-1 relating to the Company’s initial public offering (“IPO”) was declared effective on September 13, 2023 and the Company’s American depository shares (“ADSs”), each representing one ordinary share of the Company, began trading on the Nasdaq Global Select Market under the ticker symbol “ARM” on September 14, 2023. On September 18, 2023, the Company completed the closing of its IPO. The Company’s controlling shareholder sold an aggregate of 102,500,000 ADSs in the IPO at a price of \$51 per ADS, including the underwriters’ full exercise of their option to purchase up to an additional 7,000,000 ADSs to cover over-allotments. The Company did not receive any proceeds from the sale of the ADSs in the IPO.

Upon completion of the IPO, the Company recognized incremental and accelerated share-based compensation expense for which service-based vesting conditions were satisfied or partially satisfied as of September 13, 2023. See *Note 16 - Share-based Compensation* for further details.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the U.S. (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The Company’s fiscal year ends on March 31st.

Principles of Consolidation

The accompanying financial statements include the accounts of the Company, its wholly owned subsidiaries and the Arm Employee Benefit Trust (the “EBT”). All intercompany balances and transactions have been eliminated in consolidation.

The financial statements consolidate all of the Company’s affiliates, and the entities where the Company holds a controlling financial interest, because the Company holds a majority voting interest. The Company reevaluates whether there is a controlling financial interest in all entities when rights and interests change.

Arm Holdings plc
Notes to Consolidated Financial Statements

Foreign Currency

The accompanying consolidated financial statements are presented in U.S. dollar (“USD”), which is the Company’s functional and reporting currency. For most of the Company’s international operations, the local currency has been determined to be the functional currency of the respective entity.

For transactions entered into in a currency other than its functional currency, monetary assets and liabilities are remeasured into the functional currency at end-of-period exchange rates. Non-monetary assets and liabilities, along with equity are remeasured at historical exchange rates. Income and expenses are remeasured at exchange rates in effect during each period, except for those expenses related to non-monetary balance sheet amounts, which are remeasured at historical exchange rates. Gains or losses from foreign currency remeasurement are included in other non-operating income (loss), net in the Consolidated Income Statements.

The Company translates functional currency assets and liabilities to their USD equivalents at exchange rates in effect as of the balance sheet date and income and expense amounts at average exchange rates for the period. The USD effects that arise from changing translation rates are recorded in foreign currency translation adjustments on the Consolidated Statements of Comprehensive Income.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates include, but are not limited to, revenue recognition, allowance for expected credit losses, income taxes, share-based compensation, impairment considerations for long-lived assets, fair value estimates and impairment for investments. The Company evaluates these estimates on an ongoing basis and revises estimates as circumstances change. The Company bases its estimates on historical experience, anticipated results, trends, and other various assumptions that it believes are reasonable. Actual results could differ materially from the Company’s estimates.

Concentrations of Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third-party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, bank deposits, short-term investments, derivative financial instruments and accounts receivable. The Company’s maximum exposure to credit risk is limited to the carrying amount of these assets. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Company further manages its credit risk on liquid funds and derivative financial instruments through diversification of investment type and credit exposures. For accounts receivable, the credit risk is managed through the use of mitigating controls, including the use of credit checks and credit limits on customers. For financial assets (other than accounts receivable), the Company holds positions with an approved list of investment-grade rated counterparties and monitors the exposures and counterparty credit risk on a regular basis. The Company establishes reserves for potential credit losses and such losses have been within Management’s expectations. Credit losses are monitored on a regular basis and have not been material in any year presented.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, short-term deposits and money market funds with original maturities of three months or less that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Cash and cash equivalents are stated at cost, which approximates fair value because the short-term maturity of those instruments.

Short-term Investments

Short-term investments represent term deposits with banks with a maturity between three and 12 months. These investments are classified as held-to-maturity as the Company has the intent and ability to hold the investments to maturity. These investments are recorded at amortized cost, net of expected credit losses. Amortization of premiums or accretion of discounts are included in interest income, net in the Consolidated Income Statements.

Equity Investments

The Company regularly invests in equity securities of public and private companies to promote business and strategic objectives. Equity investments are measured and recorded as follows:

- Non-marketable equity securities are equity securities without readily determinable fair values and for which the Company does not have the ability to exercise significant influence. Non-marketable equity securities are recorded on the income statement either at fair value on a recurring basis with changes in fair value, whether realized or unrealized; or by election, measured and recorded using a measurement alternative that measures the securities at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes.
- Equity method investments are equity securities in investees in which the Company does not control but has the ability to exercise significant influence. Investments in limited partnerships or certain limited liability companies that maintain a specific ownership account for each investor are also accounted for using the equity method when the Company has more than virtually no influence (i.e., at least 3% to 5% ownership). The Company has elected to account for certain equity method investments under the fair value option. These investments are recorded at fair value with changes in fair value recorded on the income statement. Where the Company has not elected the fair value option, equity method investments are recorded at cost minus impairment, if any, plus or minus the Company's share of the equity method investees' income or loss recorded on the income statement.

For certain non-marketable equity securities and equity method investments, the Company has elected to apply the net asset value ("NAV") practical expedient, where NAV is the estimated fair value of the investments. For these securities estimated fair values are determined based on the indicated market values of the underlying assets or investment portfolios. Income statement activity for all equity investments is recorded in income from equity investments, net on the Consolidated Income Statements.

The carrying values of non-marketable equity securities under the measurement alternative are adjusted for qualifying observable price changes resulting from the issuance of similar or identical securities in an orderly transaction by the same issuer. Determining whether an observed transaction is similar to a security within the Company's portfolio requires judgment based on the rights and preferences of the securities. Recording upward and downward adjustments to the carrying values of equity securities as a result of observable price changes requires quantitative assessments of the fair values of the Company's equity securities using various valuation methodologies and involves the use of estimates.

Non-marketable equity securities under the measurement alternative and equity method investments not measured under the fair value option (collectively referred to as "non-marketable equity securities") are also subject to periodic impairment analysis. The quarterly impairment analysis considers both qualitative and quantitative factors that may have a significant impact on the investee's fair value. Qualitative factors considered include the investee's financial condition and business outlook, industry and sector performance, market for technology, operational and financing cash flow activities, and other relevant events and factors affecting the investee. When indicators of impairment exist, the Company prepares quantitative assessments of the fair value of the non-marketable equity securities using both the market and income approaches, which require judgment and the use of estimates, including discount rates, investee revenue and costs, and comparable market data of private and public companies, among others.

Non-marketable equity securities under the measurement alternative are tested for impairment using a qualitative model similar to the model used to test goodwill and other long-lived assets for impairment. Upon determining an impairment may exist, the security's fair value is calculated and compared to its carrying value and an impairment is recognized immediately if the carrying value exceeds fair value.

Arm Holdings plc
Notes to Consolidated Financial Statements

Equity method investments not measured under the fair value option are subject to periodic impairment reviews using the other-than-temporary impairment model, which considers the severity and duration of a decline in fair value below cost and the Company's ability and intent to hold the investment for a sufficient period of time to allow for recovery.

Loans Receivable

Loans receivable consist of term loans to a related party and other entities. The term loans are recorded at amortized cost, net of allowances for loan losses. The Company maintains an allowance for current expected credit losses to reserve for potentially uncollectible loans receivable. The Company measures interest income for all loans receivable using the interest method, which is based on the effective yield of the loans rather than the stated coupon rate. The Company classifies loans receivable in other non-currents assets on the Consolidated Balance Sheets.

Convertible Loans Receivable

Convertible loans receivable consist of convertible loans to certain entities. The Company has elected to apply the fair value option to account for such convertible loans receivable. Under the fair value option, such convertible loans receivable are measured initially and subsequently at fair value with changes in fair value recorded in other non-operating income (loss), net in the Consolidated Income Statements. Convertible loans receivable are included in other non-current assets on the Consolidated Balance Sheets.

Fair Value Measurement

The Company measures certain assets and liabilities at fair value, either upon initial recognition or for subsequent accounting or reporting. Fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). When determining fair value, the Company considers the principal or most advantageous market in which the Company would transact, as well as assumptions that market participants would use when pricing the asset or liability. When estimating fair value, depending on the nature and complexity of the asset or liability, the Company may use one or all of the following techniques:

- Income approach, which is based on the present value of a future stream of net cash flows.
- Market approach, which is based on market prices and other information from market transactions involving identical or comparable assets or liabilities.
- Cost approach, which is based on the cost to acquire or construct comparable assets, less an allowance for functional and/or economic obsolescence.

Fair value disclosures are classified based on the fair value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 - Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

Please refer to *Note 13 - Fair Value*, for further discussion on the Company's fair value measurements.

Arm Holdings plc
Notes to Consolidated Financial Statements

Business Combinations

The Company uses the acquisition method of accounting for business combinations, which requires separate recognition of assets acquired and liabilities assumed from goodwill, based on their estimated fair values at the time of acquisition. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the fair value of any non-controlling interests in the acquiree over the net of the estimated acquisition date fair values of the assets acquired and liabilities assumed. The estimates and assumptions used in valuing intangible assets include, but are not limited to, the amount and timing of projected future cash flows, discount rate used to determine the present value of these cash flows and the useful lives of the assets. Although the Company's fair value estimates are based upon assumptions believed to be reasonable, these estimates and assumptions are inherently uncertain and subject to refinement.

As a result, during the measurement period up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon conclusion of the measurement period or final determination of fair values of the purchase price of an acquisition, whichever comes first, any subsequent adjustments are recorded in earnings in the Consolidated Income Statements. Acquisition-related expenses are recognized separately from the business combination and expensed as incurred.

Goodwill

Goodwill represents the excess of cost over the fair value of net assets acquired in a business combination. Goodwill is tested for impairment annually during the fourth fiscal quarter or during interim periods whenever events and circumstances indicate an impairment may have occurred. The identification and measurement of goodwill impairment involves the estimation of fair value at the Company's reporting unit level, which is the same or one level below the operating segment level. The Company determined it has one reporting unit.

The Company has the option to assess qualitative factors first to determine whether it is necessary to perform the two-step test. If the Company believes, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, the two-step quantitative impairment test is required. Otherwise, no further testing is required. In the qualitative assessment, the Company considers primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations.

The Company completed its annual goodwill impairment test in the fourth fiscal quarter of the fiscal year ended March 31, 2024. It was determined, after performing a qualitative review, it was not more-likely-than-not that the fair value of the Company's single reporting unit was less than its carrying amount. Accordingly, there was no indication of impairment.

Intangible Assets, Net

Intangible assets primarily represent acquired intangible assets including those acquired separately, such as computer software and purchased patents and licenses to use technology, as well as those acquired through business combination such as developed technology and customer relationship assets.

The Company initially records intangible assets acquired in a business combination at their estimated fair value. Intangible assets are reported net of accumulated amortization and any accumulated impairment losses, and are amortized over their estimated useful lives at amortization rates that are proportionate to each asset's estimated economic benefit.

Amortization of intangible assets is recorded in either cost of sales, research & development or selling, general and administrative expenses in the Consolidated Income Statements depending on the nature of the underlying asset and uses by the Company.

Arm Holdings plc
Notes to Consolidated Financial Statements

The cost of intangible assets is amortized and recorded on the income statement on a straight-line basis over the estimated useful lives of the underlying assets. Useful lives are reviewed each year and adjustments are made, where applicable, on a prospective basis. The estimated useful lives of the Company's intangible assets are as follows:

Patents and licenses	3 – 11 years
Computer software	3 – 5 years
Developed technology	1 – 8 years
Customer relationships	1 – 6 years
Trade names	4 years

Software Development Costs and Acquired Intangible Software

The Company has not historically capitalized software development costs for software to be sold, leased or otherwise marketed as the time and cost incurred between technological feasibility and product release has been determined to be immaterial. As such, these development costs are generally recognized as incurred in research and development expenses in the Consolidated Income Statements.

The Company capitalizes certain development costs related to software acquired, developed or modified for internal use, along with certain costs incurred in connection with the implementation of internal use software. Costs related to certain application development activities are subject to capitalization. Costs related to preliminary project and post implementation activities are expensed as incurred. Amortization begins once the software is ready for its intended use, and amortization expense is generally recognized on a straight-line basis over the software's estimated useful life between three and five years.

Capitalized costs related to internal use software, net of accumulated amortization, are included in intangible assets, net on the Consolidated Balance Sheets and amortization expense is recognized in selling, general & administrative expenses in the Consolidated Income Statements.

Property and Equipment, Net

Property and equipment are stated at cost net of accumulated depreciation and impairment losses. Cost comprises expenditures directly attributable to the purchase of the asset. Assets are depreciated to their estimated residual value, on a straight-line basis, over the estimated useful life of the underlying asset. Estimated useful lives and residual values are reviewed at each reporting date. Depreciation on property and equipment is recorded in cost of sales, research and development or selling, general & administrative expenses in the Consolidated Income Statements depending on the nature of the underlying asset and uses by the Company.

Estimated useful lives of the Company's property and equipment are as follows:

	25 years
Buildings	
Leasehold improvements	Shorter of 5 – 10 years or the remaining lease term
Equipment	3 – 6 years
Fixtures and motor vehicles	3 – 5 years

An item of property or equipment is written off either upon disposal or when there is no expected future economic benefit from its continued use. Gain or loss on derecognition of the asset (calculated as the difference between the net disposal

Arm Holdings plc
Notes to Consolidated Financial Statements

proceeds and the carrying value of the asset) is included in the Consolidated Income Statements in the year the asset is derecognized.

Impairment of Long-lived Assets Other than Goodwill

The Company reviews long-lived assets other than goodwill for impairment when facts or circumstances indicate the carrying amount of an asset or asset group may not be recoverable. If impairment indicators are present and the estimated future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value. Fair value is determined based on quoted market values, discounted cash flows, or external appraisals, as applicable. Impairment losses are recorded in impairment of long-lived assets in the Consolidated Income Statements.

Leases

The Company determines if an arrangement is or contains a lease at inception or modification of the arrangement. An arrangement is or contains a lease if there are identified assets and the right to control the use of an identified asset is conveyed for a period in exchange for consideration. Control over the use of the identified assets means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Company recognizes right-of-use assets and operating lease liabilities for lessee operating leases other than those with a term of 12 months or less as the Company has elected to apply the short-term lease recognition exemption. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments over the lease term.

Operating lease right-of-use assets and lease liabilities are measured at the lease commencement date based on the present value of the remaining lease payments over the lease term, discounted using the Company's incremental borrowing rate, which approximates the interest rate at which the Company could borrow on a collateralized basis with similar terms and payments and in similar economic environments. Operating lease right-of-use assets also include initial direct costs incurred and prepaid lease payments, minus any lease incentives. Lease terms include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. All lease and non-lease components, principally common area maintenance costs, are combined in determining operating lease right-of-use assets and lease liabilities. For operating leases, lease expense is recognized on a straight-line basis over the lease term.

Asset Retirement Obligations

An asset retirement obligation ("ARO") is recorded as appropriate on assets for which the Company has a legal obligation to retire. The Company records a liability for an ARO and the associated asset retirement cost at the time the underlying asset is acquired and put into service. Subsequent to the initial measurement of the ARO, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation, if any. Over time, the liability is accreted to its present value and the capitalized cost is depreciated over the estimated useful life of the asset. The Company has recognized AROs for contractually mandated removal of leasehold improvements.

Derivative Financial Instruments and Hedge Activities

The Company uses derivative financial instruments, specifically foreign currency forward contracts, to mitigate exposure from certain foreign currency risk. Certain forecasted transactions, specifically British Pound Sterling ("GBP") denominated cash flows in the form of payroll and selling, general and administrative expenses are exposed to foreign currency risk. The Company monitors foreign currency exposures on a monthly basis to maximize the economic effectiveness of foreign currency hedge positions.

No derivatives were designated hedges prior to July 2022. All derivatives are recorded at fair value as either an asset or liability. For derivatives not designated as hedges, adjustments to reflect changes in the fair value of the derivatives are included in earnings in other non-operating income (loss), net in the Consolidated Income Statements.

In July 2022, all foreign currency forward contracts were designated as cash flow hedges in designated hedging relationships with the forecasted foreign denominated cash flows as the hedged transactions. The maximum length of time

Arm Holdings plc
Notes to Consolidated Financial Statements

over which the Company is hedging its exposure to the variability in future foreign denominated cash flows is one year. For cash flow hedges that qualify and are designated for hedge accounting, the change in fair value of the derivative is recorded in the net change in fair value of the effective portion of designated cash flow hedges on the Consolidated Statements of Comprehensive Income, and subsequently recognized in research and development and selling, general and administrative expenses in the Consolidated Income Statements when the hedged transaction affects earnings.

The Company classifies all derivative assets and liabilities for designated and non-designated derivatives in prepaid expenses and other current assets and other current liabilities on the Consolidated Balance Sheets. The Company classifies cash flows from the settlement of effective cash flow hedges for designated and non-designated derivatives in the same category as the cash flows from the related hedged items in operating activities on the Consolidated Statements of Cash Flows. The foreign currency forward contracts are classified under Level 2 of the fair value hierarchy. See *Note 13 - Fair Value*.

Revenue Recognition

The Company recognizes revenues for the transfer of products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products or services. The principle is achieved through the following five-step approach:

- Identification of the contract with the customer
- Identification of the performance obligations
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Revenue for the Company's major product offerings consists of the following:

License and Other Revenue

- *Intellectual property license* — The Company generally licenses IP under non-exclusive license agreements that provide usage rights for specific applications for a finite or perpetual term. These licenses are made available electronically to address the customer-specific business requirements. These arrangements generally have distinct performance obligations that consist of transferring the licensed IPs, version extensions of architecture IP or releases of IPs, and support services. Support services consist of a stand-ready obligation to provide technical support, patches, and bug fixes over the support term. Revenue allocated to the IP license is recognized at a point in time upon the delivery or beginning of the license term, whichever is later. Revenue allocated to distinct version extensions of architecture IP or releases of IP, excluding when-and-if-available minor updates over the support term, are recognized at a point in time upon the delivery or beginning of license term, whichever is later.

Certain license agreements provide customers with the right to access a library of current and future IPs on an unlimited basis over the contractual period depending on the terms of the applicable contract. These licensing arrangements represent stand-ready obligations in that timing of the delivery of the underlying IPs is within the control of the customer and the extent of use in any given period does not diminish the remaining performance obligation. The contract consideration related to these arrangements is recognized ratably over the term of the contract in line with when the control of the performance obligations is transferred.

- *Software sales, including development systems* — Sales of software, including development systems, which are not specifically designed for a given license (such as off-the-shelf software), are recognized upon delivery when control has been transferred and customer can begin to use and benefit from the license.
- *Professional services* — Services (such as training and professional and design services) that the Company provides, which are not essential to the functionality of the IP, are separately stated and priced in the contract and accounted for separately. Training revenue is recognized as services are performed. Revenue from professional and design services are recognized over time using the input method based on engineering labor hours expended

Arm Holdings plc
Notes to Consolidated Financial Statements

to date relative to the estimated total effort required. For such professional and design services, the Company has an enforceable right to payment for performance completed to date, which includes a reasonable profit margin and the performance of such services do not create an asset with an alternative use.

- *Support and maintenance* — Support and maintenance is a stand-ready obligation to the customer that is both provided and consumed simultaneously. Revenue is recognized on a straight-line basis over the period for which support and maintenance is contractually agreed pursuant to the license.

Royalty Revenue

For certain IP license agreements, royalties are collected on products that incorporate the Company's IP. Royalties are recognized on an accrual basis in the quarter in which the customer ships their products, based on the Company's technology that it contains. This estimation process for the royalty revenue accrual is based on a combination of methodologies, including the use of historical sales trends and macroeconomic factors for predictive analysis, the analysis of customer royalty reports and their sales trends and forecasts, as well as data and forecasts from third-party industry research providers. Data considered includes revenue, unit shipments, average selling price, product mix, market share and market penetration. Adjustments to revenues are required in subsequent periods to reflect changes in estimates as new information becomes available, primarily resulting from actual amounts subsequently reported by the licensees in the period following the accrual.

Significant Judgments

Identification of the Contract with the Customer

The Company accounts for a contract as a revenue contract when all of the following criteria are met:

- The contract has been approved (either in writing, orally or in accordance with other customary business practices) by the parties to the contract, and the parties are committed to perform their respective obligations.
- The Company can identify each party's rights regarding goods or services to be transferred.
- The Company can identify the payment terms for the goods or services to be transferred;
- Contracts have commercial substance; and
- It is probable that the Company will collect the consideration to which it will be entitled to, in exchange for the goods or services to be transferred to the customer.

The Company sometimes enters into multiple contracts with the same customer that are treated, for accounting purposes, as one contract if the contracts are entered into at, or near, the same time and are interrelated. Judgment is required in evaluating whether various contracts are interrelated, which includes considerations as to whether they were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of the other contract, or if some, or all, obligations in the contracts constitute a single performance obligation.

New arrangements with existing customers can be based on either a new contract or the modification of prior contracts. The Company's judgment in making this determination considers whether there is a connection between the new arrangement and the pre-existing contracts, whether the services under the new arrangement are highly interrelated with the products and services provided under prior contracts, and how the products and services under the new arrangement are priced.

The Company sometimes enters into non-cancellable and non-refundable committed funds arrangement from customers, where the parties have ongoing negotiations. Judgment is required in evaluating whether all rights and obligations of the arrangement are determined and enforceable.

Judgment is also required in determining whether collectability of substantially all of the consideration is probable. The Company assesses this through credit checks, past payment history or based on upfront payment prior to performance of the obligation(s).

Arm Holdings plc
Notes to Consolidated Financial Statements

Identification of the Performance Obligations

Customer contracts often include various products and services as outlined in the summary of major product groups above. Typically, these products and services qualify as separate performance obligations, and a portion of the contractual value is allocated to them. Judgment is required, however, in determining whether a good or service is considered a separate performance obligation.

When selling licenses or services, the Company frequently grants customers the choice to acquire additional rights, goods or services (for example, renewals of offerings, version extensions through term renewals, additional future products, or additional volumes of purchased license). The Company also utilizes forward looking information such as product roadmaps and other marketing materials in identifying performance obligations for IPs or version extensions of architecture IP under development or future products, and in determining if implicit promises or material right exist in certain long-term contracts.

In a typical licensing arrangement, the Company either licenses implementation IP or architecture IP. When implementation IP is licensed, the Company promises to provide all developed and undeveloped IP over the license term based on the subscription package selected by the customer. Products are delivered to the customer based on the Company's product roadmap and each IP is generally identified as a separate performance obligation. The undeveloped IP in the contract also includes an implied promise to deliver implementation IP that will be developed and become available during the contract term but is not on the product roadmap at contract inception.

When architecture IP is licensed, the Company promises to provide the available architecture IPs as well as all future version extensions of the architecture IP over the contract term which could range from 3 to 20 years. These version extensions may take one of two forms:

- Specified version extensions that are expected to be released over the next 2-3 years and are identified in the Company's product roadmap, or;
- Implicit version extensions that the Company believes, based on historical data, will be developed in the period beyond the years covered by the product roadmap and will be delivered to the customer as and when released.

These version extensions represent promises to deliver distinct products and have a discernable release pattern, based on the Company's established practice every year over the license term. When version extensions of architecture IP are promised along with a license to available architecture IP, a portion of the overall transaction price is allocated to the available architecture license while the remaining portion relating to future extensions is deferred until those extensions are delivered and become available for use.

Amounts allocated to the IP license including version extensions of an architecture license or releases of an implementation license are each recognized at a point in time upon the delivery or beginning of license term, whichever is later.

Determination of Transaction Price

The Company applies judgment when determining the amount of consideration it expects to be entitled to in exchange for transferring promised goods or services to a customer. This includes estimates as to whether, and to what extent, subsequent concessions or payments may be granted to customers, which release customers from their obligations to pay contractual fees. In this judgment, historical trends are considered with respect to both the specific customer and broader Company trends. The Company estimates the transaction price based on the amount expected to be received for transferring the promised goods or services in the contract. Consideration payable to a customer is accounted for as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company. The transaction price also excludes amounts collected on behalf of third parties such as sales taxes. The Company's revenue arrangements may include variable consideration,

Arm Holdings plc
Notes to Consolidated Financial Statements

including royalties. Where minimum royalties are agreed with customers and there is no uncertainty of their receipt, the amount is allocated to performance obligations as a part of the transaction price.

The Company considers relevant facts and circumstances in assessing whether a contract contains a significant financing component. The Company has not identified significant financing components in its material revenue arrangements executed during the financial year.

Allocation of Transaction Price

Judgment is required when estimating standalone selling prices (“SSPs”). There is also judgment involved in determining whether the pricing of certain performance obligations is highly variable or uncertain.

Other than support and maintenance, SSPs are usually not directly observable for the Company’s products and services, because the Company generally does not sell its products or services on a standalone basis. When separately stated, contractual pricing is highly variable. The Company estimates the SSPs so that the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer. The Company allocates royalties entirely to the licenses that give rise to them. When estimating a SSP, the Company considers available information and maximizes the use of observable inputs such as renewal pricing history for the Company’s standardized support and professional service offerings.

For offerings that have highly variable or uncertain pricing and lack substantial direct costs to estimate based on a cost-plus margin approach, the transaction price is allocated by applying a residual approach. This is on the basis that the Company has identified SSP for other performance obligations in the same arrangement. If two or more goods or services in a contract have highly variable or uncertain pricing, then the Company applies a combination of methods to allocate transaction price, including utilizing list prices, contract prices, and engineering effort estimates to develop future IP, for initial allocation of residual amount of transaction price within such products.

For Arm Total Access arrangements, the Company establishes a separate performance obligation for implicit rights of future products upon contract execution and allocates the total transaction price to each performance obligation based on the price roadmap.

For customer agreements related to long-term licensing of architecture IP, the Company allocates the contract value to each of the performance obligations based on an estimate of the engineering efforts required to deliver the initial version of the IP as well as related future versions, including enhancements and upgrades.

The SSPs of material rights depends on the probability of option exercise. In estimating these probabilities, judgment is utilized when considering historical exercise patterns. The SSPs are reviewed annually or whenever facts and circumstances significantly change. These changes are applied prospectively.

Revenue from Arm China

Arm Technology (China) Co. Limited (“Arm China”) acts as the Company’s exclusive IP distributor in the People’s Republic of China, which, for the purposes of these financial statements, includes the Hong Kong Special Administrative Region and the Macau Special Administrative Region, but excludes Taiwan (collectively referred to as the “PRC”), under the intellectual property licensing arrangement (“IPLA”) and subsequent amendments. Arm China directly contracts with end customers with discretion in establishing pricing to sublicense specified IP and Arm Total Access Packages. The Company’s responsibility under the IPLA is to facilitate delivery of a good or service to the end customer in accordance with detailed instructions and other specifications from Arm China. In these cases, Arm China is the customer for the Company. As such, revenue presented by the Company is the net amount calculated as a percentage of license and royalty fees earned by Arm China from sub-license arrangements entered into with end customers. The Company applies the royalty exception, under which revenue is recognized when the subsequent sale or usage occurs, assuming control of the license to which the royalty relates has transferred to the end customer. Where the revenue is derived as a percentage of the

Arm Holdings plc
Notes to Consolidated Financial Statements

license fee of Arm China, the Company categorizes that portion as license revenue while the other portion, which represents the Company's share of Arm China's royalties, is categorized as royalties.

Contract Balances and Receivables

The Company recognizes accounts receivable in full when it has the contractual right to invoice the customer and begins satisfying the performance obligation over the term of the contract. Judgment is required to determine whether a right to consideration is unconditional and thus qualifies as a receivable. Contract assets are recognized as the performance obligations are satisfied and the Company does not have the contractual right to invoice. Typically, the Company invoices a portion of the fees for IP licenses up front on the effective date of the contract and satisfies a considerable portion of performance obligations. Accrued royalties are included in accounts receivable, net on the Consolidated Balance Sheets. Contract liabilities primarily reflect invoices due, or payments received, in advance of revenue recognition. Periodic fixed fees for software support services, and other multi-period agreements are typically invoiced in advance.

Customer deposits primarily relate to payments received from customers which could be refundable pursuant to the terms of the contract and are in other current liabilities on the Consolidated Balance Sheets.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined that its contracts generally do not include a significant financing component. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing products and services, such as invoicing at the beginning of a license term with revenue recognized over the contract period, and not to receive financing from customers. All potential financing fees were considered insignificant in the context of the Company's contracts.

Allowance for Current Expected Credit Losses

Trade receivables are stated at their net realizable value. The allowance for credit losses reflects the Company's best estimate of expected credit losses of the receivable portfolio determined on the basis of historical experience, current information, and forecasts of future economic conditions. In developing the estimate for expected credit losses, accounts receivable is segmented into pools of assets depending on market (China versus international) and delinquency status, and fixed reserve percentages are established for each pool of accounts receivables. To determine the reserve percentages for each pool of accounts receivables, the Company considers its historical experience with certain customers and customer types, regulatory and legal environments, country and political risk, and other relevant current and future forecasted macroeconomic factors. These credit risk indicators are monitored on a quarterly basis to determine whether there are any changes in the economic environment that would indicate the established reserve percentages should be adjusted and are considered on a regional basis to reflect more geographic-specific metrics. Please refer to *Note 4 - Revenue*, for the summary of the movement in the allowance for current expected credit losses.

Additionally, write-offs and recoveries of customer receivables are tracked against collections on a quarterly basis to determine whether the reserve percentages remain appropriate. When management becomes aware of certain customer-specific factors that impact credit risk, specific allowances for these known troubled accounts are recorded. Accounts receivables are written off after all reasonable means to collect the full amount (including litigation, where appropriate) are exhausted. For the fiscal years ended March 31, 2024, 2023, and 2022, write-offs and recoveries of customer receivables were immaterial to the consolidated financial statements.

The Company recognizes an allowance for losses on contract assets based on a similar approach used for receivables under the current expected credit loss model. As of March 31, 2024 and 2023, the loss allowance for contract assets was immaterial.

Share-based Compensation

Restricted share units ("RSU") were granted to employees, certain of our executive officers, and non-executive directors of the Company and require continuous service through the vesting date. Phantom shares ("Phantom Shares") were only

Arm Holdings plc
Notes to Consolidated Financial Statements

granted to certain of our executive officers. In connection with the IPO on September 14, 2023, all RSUs previously issued under the Arm Limited All Employee Plan 2019 (“2019 AEP”), except for those 2019 AEP awards granted to employees of Arm Technology Israel Ltd., the Company’s Israeli subsidiary (“Arm Israel”), Executive IPO Plan (“2019 EIP”), and Executive Awards previously issued under the 2022 Arm Limited RSU Award Plan (“2022 RSU Plan”) were no longer expected to be settled in cash but rather expected to be settled in ordinary shares. This resulted in a change in classification of the RSUs from liability to equity which was accounted for as a modification. The number of RSUs that vest is determined by the achievement of market, performance and service conditions.

The Company expenses share-based compensation over the requisite service period of the awards, which is generally equivalent to the vesting term. Compensation cost is recorded only for those awards expected to vest.

The fair value of RSUs is determined on the date of grant for equity-classified awards, and at the end of each reporting period for liability-classified awards, using Monte Carlo simulations or the discounted cash flow approach. The fair value of Phantom Shares, which are subject to continuous service and vest upon meeting certain strategic performance conditions of the Company and are liability-classified, is determined on the date of grant and at the end of each reporting period based on the share price of the Company’s ultimate parent, SoftBank Group.

The Company classifies those awards in which the Company has the option, pursuant to the plan terms, and intends to settle in cash or equity, as liability-classified or equity-classified awards, respectively. Phantom Shares and certain RSUs are liability-classified and are remeasured at the end of each reporting period through the date of settlement so that the expense recognized for each award is equivalent to the amount to be paid in cash. Changes in the fair value of liability-classified RSUs are recorded in the Consolidated Income Statements over the vesting period of the award. Expense associated with equity-classified RSUs are recognized using the straight-line method over the service period adjusted for estimated forfeitures.

Prior to IPO, an initial public offering was not considered probable until it has occurred. Accordingly, as of March 31, 2023, those RSUs that were subject to vesting on the earliest of (1) change of control, (2) initial public offering, or (3) passage of time, were expected to vest and be settled in cash upon the passage of time. For liability-classified awards, the weighted average fair value of the RSUs was measured at each reporting date using the Monte Carlo simulation model or a discounted cash flow approach. Similarly, the fair value for equity-classified awards was measured at the grant date using the discounted cash flow approach.

For the fiscal years ended March 31, 2023 and 2022, the Company used the Monte Carlo simulation model, the income approach and/or market-calibration approach based on comparable publicly traded companies in similar lines of businesses to measure the RSUs. The Monte Carlo simulation model simulates the Company’s equity value at an assumed listing exit event in order to determine the RSU vesting percentage. The model simulates the RSU vesting percentage over numerous iterations, and the average of all iterations is determined to be the fair value of an RSU. The model then discounts the future value of the RSU at the assumed listing exit event date back to the valuation date based on the relevant risk-free interest rate. The Monte Carlo simulation model incorporates various assumptions such as expected stock price volatility until a liquidity event, expected dividend yield, risk-free interest rate, and expected time to complete an initial public offering.

Prior to IPO, at the grant date of the RSUs, the Company was private and its ordinary shares were not listed on a public stock exchange. Therefore, the Company’s Board of Directors exercised its reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of fair value of the Company’s ordinary shares underlying share-based compensation awards, including:

- contemporaneous independent third-party valuations of ordinary shares;
- financial condition, results of operations, and capital resources;
- the likelihood and timing of achieving a liquidity event, such as an initial public offering or sale of the company, given prevailing market conditions;
- the lack of marketability of ordinary shares;

Arm Holdings plc
Notes to Consolidated Financial Statements

- estimates of future financial performance;
- market performance and valuations of comparable companies;
- the hiring or loss of key personnel;
- the status of the Company's development, product introduction, and sales efforts;
- industry outlook and other information, such as market growth and volume and macro-economic events; and
- additional objective and subjective factors relating to the Company's business.

To determine the fair value of ordinary shares, the Company first estimated the enterprise value and then allocated that enterprise value to ordinary shares and ordinary share equivalents. The Company's enterprise value was estimated using the income and market-calibration approaches.

The income approach estimates enterprise value based on the estimated present value of future cash flows the business is expected to generate over its remaining life. The estimated present value is calculated using a discount rate reflective of the risks associated with an investment in a similar company in a similar industry or having a similar history of revenue growth. For each valuation, the Company prepared a financial forecast to be used in the computation of the value of invested capital for both the income approach and market-calibration approach. The financial forecast considered the Company's past results and expected future financial performance. The risk associated with achieving this forecast was assessed in selecting the appropriate discount rate. There is inherent uncertainty in these estimates as the assumptions used are highly subjective and subject to changes as a result of new operating data and economic and other conditions that impact the business.

The market-calibration approach analyzes the percent change in the enterprise values of peer companies between the prior valuation date and the current valuation date. Based on the observed market movement in the enterprise values of peer companies, a market movement factor is selected to represent the potential shift in enterprise value between the prior valuation date and the current valuation date. The selected market movement factor is applied to the indicated value as of the prior valuation date.

Monte Carlo simulations incorporate highly subjective assumptions, such as stock price volatility and expected volatility until a liquidity event. Changes in highly subjective assumptions could significantly impact share-based compensation cost. Since the Company's ordinary shares were not publicly traded, the computation of expected volatility was based on the average of historical and implied volatilities over the expected term of the awards of a representative peer group of publicly traded entities. Other assumptions included expected term, risk-free interest rate and dividend yield. The risk-free interest rate was based on zero-coupon U.S. Treasury bond rates corresponding to the expected term of the awards. Dividend assumptions were based on historical experience.

The Company estimates forfeitures based on employee level, economic conditions, time remaining to vest and historical forfeiture experience.

Cost of Sales

Cost of sales expenses consist primarily of employee-related expenses and project costs associated with professional services and the provision of support and maintenance to customers, along with expenses related to license development services revenue, amortization of developed technology, and allocated overhead. Employee-related expenses include salaries, bonuses, share-based compensation, associated benefits, and employer taxes.

Research and Development

Research and development expenses consist primarily of employee-related expenses, including salaries, bonuses, share-based compensation, associated benefits, and employer taxes associated with employees in research and development functions, along with project materials costs, third-party fees paid to consultants, depreciation and amortization, allocated overhead, and other development expenses.

Arm Holdings plc
Notes to Consolidated Financial Statements

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of employee-related expenses, including salaries, bonuses, share-based compensation, associated benefits, and employer taxes associated with employees in sales and marketing, along with corporate and administrative functions, including accounting and legal professional services fees, depreciation and amortization, advertising expenses, allocated overhead, and other corporate-related expenses.

Disposal, Restructuring and Other Operating Expenses, Net

Disposal expenses consist primarily of transaction costs, such as legal and professional fees, relating to various disposal activities.

Restructuring and other operating expenses consist primarily of employee termination benefits. Recognition of costs for employee termination benefits depends on whether employees are required to render service beyond a minimum retention period in order to receive the termination benefits. If employees are required to render service beyond a minimum retention period in order to receive the termination benefits, costs are recognized ratably over the applicable future service period. Otherwise, costs are recognized when the Company has committed to a restructuring plan and has communicated those actions to employees. Employee termination benefits covered by existing benefit arrangements are recognized when the Company has committed to a restructuring plan and the termination benefits are probable and estimable.

Government Grants

The Company receives government grants to compensate for its research activities. GAAP does not contain authoritative guidance for incentives and grants provided by governmental entities to a for-profit entity. Absent authoritative guidance, interpretative guidance issued and commonly applied by financial statement preparers allows for the selection of accounting policies amongst acceptable alternatives. Based on facts and circumstances, the Company determined it most appropriate to account for the government grants received by analogy to International Accounting Standards 20, *Accounting for Government Grants and Disclosure of Government Assistance* ("IAS 20").

Under the provisions of IAS 20, a government grant is recognized when there is reasonable assurance the Company will meet the terms for receiving and realizing the benefit of the grant. IAS 20 does not define "reasonable assurance," however, based on certain interpretations, it is analogous to "probable" as defined under GAAP, which is the definition the Company has applied to its government grants received. Under IAS 20, government grants are recognized in earnings on a systematic basis over the periods in which the Company recognizes costs for which the grant is intended to compensate (i.e. qualified expenses). Further, IAS 20 permits for the recognition in earnings either separately under a general heading such as other income, or as a reduction of the related expenses. The Company has elected to recognize the benefit as a reduction of the related expenses included in either research and development expenses or income tax expense in the Consolidated Income Statements. For the fiscal years ended March 31, 2024, 2023 and 2022, the government grant benefit recognized was \$138.2 million, \$83.0 million, and \$84.3 million, respectively.

The government grant benefit received includes a grant from Innovate U.K. for work connected to the creation of a new centrally secured technology platform prototype. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recorded a reduction to research and development expenses from this grant of \$0.0 million, \$2.6 million, and \$15.3 million, respectively. The maximum total value of the Innovate U.K. contract is \$41.0 million. As of March 31, 2024, the grant term has expired and is no longer available.

The Company benefits in the U.K. from His Majesty's Revenue & Customs ("HMRC") research and development expenditure credit ("RDEC"), which provides relief against U.K. corporation tax. Based on criteria established by HMRC a portion of the Company's expenditures incurred on research and development activities are eligible for RDEC relief. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recorded a relief of \$121.2 million, \$64.0 million, and \$54.4 million, respectively.

Arm Holdings plc
Notes to Consolidated Financial Statements

Income Taxes

The Company computes the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled.

If the Company determines it is more likely than not that it will not generate sufficient taxable income to realize the value of some or all deferred tax assets (net of deferred tax liabilities), the Company will establish a valuation allowance offsetting the amount it does not expect to realize. The Company performs this analysis each reporting period and reduces the measurement of deferred taxes if the likelihood the Company will realize them becomes uncertain.

Deferred tax assets the Company records each period depend primarily on the ability to generate future taxable income. Each period, the Company evaluates the need for a valuation allowance against the deferred tax assets and, if necessary, adjusts the valuation allowance so that net deferred tax assets are recorded only to the extent the Company concludes it is more likely than not that these deferred tax assets will be realized. If the outlook for future taxable income changes significantly, the Company's assessment of the need for, and the amount of, a valuation allowance may also change.

The Company is also required to evaluate and quantify other sources of taxable income, such as the possible reversal of future deferred tax liabilities and the implementation of tax planning strategies. Evaluating and quantifying these amounts is difficult and involves significant judgment, based on all of the available evidence and assumptions about future activities.

Tax benefits from uncertain tax positions are recognized only if (based on the technical merits of the position) it is more likely than not that the tax positions will be sustained on examination by the tax authority. The tax benefits recognized in the financial statements from such positions are measured based on the largest amount that is more than 50% likely to be realized upon ultimate settlement. Interest and penalties related to unrecognized tax benefits are recognized within income tax (expense) benefit in the Consolidated Income Statements.

Net Income (Loss) Per Share Attributable to Ordinary Shareholders

Basic income (loss) per ordinary share is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by dividing net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares and potentially dilutive ordinary shares outstanding during the period. Potentially dilutive ordinary shares whose effect would have been antidilutive are excluded from the computation of diluted earnings per ordinary share.

Discontinued Operations

A disposal is categorized as a discontinued operation if the disposal group is a component of an entity or group of components that meets the held for sale criteria, is disposed of by sale or other than by sale, and represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The results of disposals that qualify as a discontinued operation are presented as such for all reporting periods presented. Results of discontinued operations include all revenues and expenses directly derived from such disposal group; general corporate overhead is not allocated to a discontinued operation. For disposals other than by sale such as a distribution to shareholders of the Company, results of operations of a business would not be recorded as a discontinued operation until the period in which the business is actually disposed of other than by sale.

Following a strategic decision to place greater focus on the Company's core technology licensing business, a decision was made to distribute or sell certain components of the Company's Internet of Things business. As a result, in June 2021, the Company completed a pro rata distribution of its controlling stake in Treasure Data, Inc. and its subsidiaries ("Treasure Data") to the immediate shareholders of the Company. In November 2021, the Company sold 100% of its ownership in

Arm Holdings plc
Notes to Consolidated Financial Statements

Pelion IOT Limited and its subsidiaries (“IoTP”) to SoftBank Group Capital Limited in exchange for \$12.0 million in cash consideration. The distribution of Treasure Data and sale of IoTP were accounted for as discontinued operations.

Revenue from IoTP and Treasure Data reported in loss on discontinued operations before income taxes in the Consolidated Income Statements relates to certain IP available through cloud-based infrastructure where the customer does not have the right to terminate the hosting contract. Under such arrangements, customers do not have the right to take possession of the software to run on their own IT infrastructure, nor do they have the right to engage a third-party provider to host and manage the software. Revenue for these arrangements is recognized over time as the services are performed.

Unless specified otherwise, the accompanying notes to the consolidated financial statements exclude financial results of discontinued operations.

2 - Recent Accounting and Disclosure Pronouncements

Recently issued accounting pronouncements not yet adopted

Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures: In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07 which requires incremental reportable segment disclosures. The new standard requires that a public entity disclose significant segment expenses, the title and position of the CODM, and how the CODM uses the reported measures in assessing performance and deciding how to allocate resources. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. This ASU will result in additional required disclosures being included in our consolidated financial statements when adopted. The Company will adopt this standard for the fiscal year beginning April 1, 2024.

Income Taxes (Topic 740), Improvements to Income Tax Disclosures: In December 2023, the FASB issued ASU 2023-09, which requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU will likely result in additional required disclosures being included in our consolidated financial statements when adopted. The Company is currently evaluating the provisions of this ASU.

Recently issued Securities and Exchange Commission (“SEC”) final rules not yet adopted

In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires registrants to disclose climate-related risks that are reasonably likely to have a material impact on a its business strategy, results of operations and financial condition. The rules include disclosures relating to climate-related risks and risk managements, registrant's governance of such risks, financial impact on the audited financial statements, and greenhouse gas emissions. The disclosures will be required prospectively, with information for prior periods required only to the extent it was previously disclosed in an SEC filing. The earliest adoption date starts from the registrant's fiscal year beginning calendar 2025, which is the Company's fiscal year ending March 31, 2026. On April 4, 2024, the SEC determined to voluntarily stay the final rules pending certain legal challenges. The Company is currently evaluating the impact of adoption of these final rules on its consolidated financial statements and disclosures.

Arm Holdings plc
Notes to Consolidated Financial Statements

3 - Balance Sheet Components

Certain balance sheet components are as follows:

Accrued compensation and benefits and share-based compensation consist of:

(in millions)	As of March 31,	
	2024	2023
Accrued bonus, commissions, and cash awards	\$ 190	\$ 257
Accrued vacation and sabbatical	83	66
Accrued salaries and fringe benefits	25	11
Share-based payment liabilities ⁽¹⁾	—	255
Total accrued compensation and benefits and share-based compensation	\$ 298	\$ 589

⁽¹⁾ As of March 31, 2024, all liability-classified share-based awards had been vested and settled. See *Note 16 - Share-based Compensation* in the Notes to the Consolidated Financial Statements.

Other current liabilities consist of:

(in millions)	As of March 31,	
	2024	2023
Employee related payroll taxes and payables ⁽¹⁾	\$ 674	\$ 48
Accrued expenses and fees	83	119
Electronic design automation liabilities	40	35
Trade payables including payables to related parties of \$7 and \$17 as of March 31, 2024 and 2023, respectively	26	82
Customer deposits	7	7
Finance lease liabilities	5	2
Total other current liabilities	\$ 835	\$ 293

⁽¹⁾ As of March 31, 2024, employee related payroll taxes and payables primarily relate to vested RSU to be paid in the subsequent quarter.

Arm Holdings plc
Notes to Consolidated Financial Statements

4 - Revenue

Disaggregation of Revenue

A summary of the Company's disaggregated revenue is as follows:

(in millions)	Fiscal Year Ended March 31,								
	External Customers			Related Parties			Total		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
License and Other Revenue ⁽¹⁾	\$ 1,051	\$ 569	\$ 902	\$ 380	\$ 435	\$ 239	\$ 1,431	\$ 1,004	\$ 1,141
Royalty Revenue	1,458	1,456	1,317	344	219	245	1,802	1,675	1,562
	\$ 2,509	\$ 2,025	\$ 2,219	\$ 724	\$ 654	\$ 484	\$ 3,233	\$ 2,679	\$ 2,703

⁽¹⁾ Includes over-time revenue of \$121 million, \$100 million, and \$102 million and point-in-time revenue of \$1,310 million, \$904 million, and \$1,039 million for the fiscal years ended March 31, 2024, 2023, and 2022, respectively.

Revenue by geographic region is allocated to individual countries based on the principal headquarters of the customers. The geographical locations are not necessarily indicative of the country in which the customer sells products containing the Company's technology IP. The following table summarizes information pertaining to revenue from customers based on the principal headquarters address by geographic regions:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
United States	\$ 1,413	\$ 1,088	\$ 1,243
PRC ⁽¹⁾	697	657	476
Taiwan	522	359	431
Republic of Korea	308	241	226
Other countries	293	334	327
Total	\$ 3,233	\$ 2,679	\$ 2,703

⁽¹⁾ "PRC" means the People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region, but excluding Taiwan.

For the fiscal year ended March 31, 2024, the Company had three customers that collectively represented 42% of total revenue, with the single largest customer accounting for 21% of total revenue, the second largest customer accounting for 11% of total revenue and the third largest customer accounting for 10% of total revenue. For the fiscal year ended March 31, 2023, the Company had three customers that collectively represented 44% of total revenue, with the single largest customer accounting for 24% of total revenue, the second largest customer accounting for 11% of total revenue and the third largest customer accounting for 9% of total revenue. For the fiscal year ended March 31, 2022, the Company had three customers that collectively represented 42% of total revenue, with the single largest customer accounting for 18% of total revenue, the second largest customer accounting for 12% of total revenue and the third largest customer accounting for 12% of total revenue. No other customer represented 10% or more of total revenue for the fiscal years ended March 31, 2024, 2023, and 2022.

Arm Holdings plc
Notes to Consolidated Financial Statements

Receivables

A summary of the components of accounts receivable, net is as follows:

(in millions)	As of March 31,	
	2024	2023
Trade receivables	\$ 405	\$ 625
Royalty receivables	379	377
Total gross receivables	784	1,002
Allowance for current expected credit losses	(3)	(3)
Total accounts receivables, net	\$ 781	\$ 999

As of March 31, 2024, the customer with the largest total receivables balance represented 23% of total receivables, the customer with the second largest total receivables balance represented 13% of total receivables, the customer with the third largest total receivables balance represented 11% of total receivables, and the customer with the fourth largest total receivables balance represented 10% of total receivables. As of March 31, 2023, the customer with the largest total receivables balance represented 40% of total receivables. No other customer represented 10% or more of receivables as of March 31, 2024 or March 31, 2023.

A summary of the movement in the allowance for current expected credit losses is as follows:

(in millions)	Total
Balance as of April 1, 2021	\$ 12
Additional provision	28
Balance as of March 31, 2022	\$ 40
Reversal of provision	(34)
Amounts written off during the year as uncollectible	(3)
Balance as of March 31, 2023	\$ 3
Additional provision	—
Balance as of March 31, 2024	\$ 3

Contract Assets

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets are created when invoicing occurs subsequent to revenue recognition. Contract assets are transferred to accounts receivable when the right to invoice becomes unconditional. Contract assets increased by \$663.9 million and \$254.1 million due to the timing of billings to customers, which fell into subsequent periods, as of March 31, 2024 and 2023, respectively, offset by \$357.4 million and \$250.7 million of contract assets transferred to accounts receivable, as of March 31, 2024 and 2023, respectively. The balance and activity for loss allowances related to contract assets was immaterial for all periods presented.

Arm Holdings plc
Notes to Consolidated Financial Statements

Contract Liabilities

A reconciliation of the movement in contract liabilities is as follows:

(in millions)	Total
Balance as of March 31, 2022	\$ 1,126
Customer prepayment and billing in advance of performance	209
Revenue recognized in the period that was included in the contract liability balance at the beginning of the period	(128)
Revenue recognized in the period that was included in the contract liability balance during the period	(105)
Effect of disposal (<i>Note 21 - Related Party Transactions</i>)	(2)
Balance as of March 31, 2023	\$ 1,100
Customer prepayment and billing in advance of performance	198
Revenue recognized in the period that was included in the contract liability balance at the beginning of the period	(226)
Revenue recognized in the period that was included in the contract liability balance during the period	(157)
Balance as of March 31, 2024	\$ 915

Satisfied Performance Obligations

For the fiscal years ended March 31, 2024, 2023, and 2022, revenue recognized from previously satisfied performance obligations in prior reporting periods was \$1,866.6 million, \$1,705.0 million, and \$1,562.0 million, respectively. These amounts primarily represent royalties earned during the period.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to performance obligations that are unsatisfied, or partially unsatisfied, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods.

The Company has elected to exclude potential future royalty receipts from the disclosure of remaining performance obligations. In certain arrangements, the Company's right to consideration may not correspond directly with the performance of obligations. Revenue recognition occurs upon delivery or beginning of license term, whichever is later. Accordingly, the analysis between time bands below has been estimated, but the final timing may differ from these estimates. In the absence of sufficient information, where the timing of satisfaction of the remaining performance obligations is dependent on a customer's action, the transaction price allocated to such performance obligation is included in the outer-year time band unless contract or option expiration aligns with an earlier period or category.

As of March 31, 2024, the aggregate transaction price allocated to remaining performance obligations was \$2,484.4 million, which includes \$0.8 million of non-cancellable and non-refundable committed funds received from certain customers, where the parties are in negotiations regarding the enforceable rights and obligations of the arrangement.

The Company expects to recognize approximately 28% of remaining performance obligations as revenue over the next 12 months, 14% over the subsequent 13-to 24-month period, and the remainder thereafter.

5 - Discontinued Operations

During the fiscal year ended March 31, 2022, the Company decided to distribute Treasure Data to the immediate shareholders of the Company and sell IoTP to SoftBank Group Capital Limited. The distribution and sale of Treasure Data and IoTP, respectively represented a strategic shift that has or will have a major effect on the Company's operations and

Arm Holdings plc
Notes to Consolidated Financial Statements

financial results. In the course of the Company's evaluation, it considered examples provided in ASC 205-20 of what may constitute a strategic shift that will have a major effect on operations and financial results. The following metrics were analyzed among others: total revenues of Treasure Data and IoTP when compared to those of the Company, total assets, losses and profits before and after taxes, respectively. As a result of this analysis, the Company determined the distribution and sale of the businesses qualified for classification as discontinued operations because Treasure Data was distributed to the immediate shareholders of the Company and IoTP was sold to SoftBank Group Capital Limited, the results of operations were not recorded as discontinued operations until the period in which the businesses were actually disposed of other than by sale.

Treasure Data

In June 2021, the Company completed a pro rata distribution of its controlling stake in Treasure Data to SoftBank Group Capital Limited. The distribution was recorded as a reduction to retained earnings at the carrying amount of Treasure Data's net assets of \$44.2 million and did not result in the recognition of gain or losses.

Upon the distribution, the Company and Treasure Data entered into a transition services agreement pursuant to which the Company provided enabling functions support services to the owners of Treasure Data on an interim transitional basis for up to three months after disposition. The revenue and cash flows associated with this transition services agreement were not significant to the operations of the Company. The Company completed its transition services for Treasure Data during the fiscal year ended March 31, 2022. The Company provided no transition services in the fiscal years ended March 31, 2024 and 2023.

IoTP

In November 2021, the Company sold 100% of its ownership in IoTP. The IoTP business was sold to the Company's immediate shareholders for \$12.0 million in cash consideration. In the fiscal year ended March 31, 2024, the Company distributed its receivable related to the Company's sale of IoTP to the majority shareholder of the Company, which represented a non-cash distribution of \$12.0 million. Consideration with respect to the sale was unpaid as of March 31, 2023 and recorded as an other receivable in prepaid expenses and other current assets on the Consolidated Balance Sheets. Upon the sale, the carrying value of the net assets of IoTP equaled total consideration and no gain or loss was recognized. The Company provided no transition services to IoTP post-distribution in the fiscal years ended March 31, 2024, 2023 and 2022.

Summarized Financial Information

Operating results of Treasure Data and IoTP are reflected in discontinued operations in the consolidated financial statements for all periods presented through the dates of distribution and sale, respectively.

A summary of the major components of revenues and expenses from discontinued operations is as follows:

(in millions)	Fiscal Year Ended March 31, 2022
Revenue from external customers	\$ 41
Cost of sales	(20)
Research and development	(44)
Selling, general and administrative	(53)
Restructuring and related costs	—
Impairment of long-lived assets	(23)
Loss from discontinued operations before income taxes	(99)
Income tax (expense) benefit	(28)
Net loss from discontinued operations	\$ (127)

Arm Holdings plc
Notes to Consolidated Financial Statements

Prior to the sale of IoTP, in November 2021, an impairment loss of \$23.5 million was recognized on long-lived intangible and property and equipment assets of IoTP. The impairment was primarily a result of lower than anticipated operating results and a deterioration in projected results. For purposes of determining the impairment, the Company relied on the income approach utilizing discounted cash flows to arrive at fair value.

A summary of significant non-cash items and capital expenditures from discontinued operations is as follows:

(in millions)	Fiscal Year Ended March 31,	
	2022	
Amortization and depreciation expense	\$	8
Other non-cash items	\$	3

Other non-cash items include operating lease expense, share-based compensation cost and purchase of property and equipment for the fiscal years presented.

6 - Goodwill

As of March 31, 2024 and 2023, the Company had a goodwill balance of \$1,625 million and \$1,620 million, respectively. The period-over-period change in goodwill for the fiscal year ended March 31, 2024 was due to foreign currency translation adjustments. The Company did not record any goodwill impairment for the fiscal years ended March 31, 2024, 2023, and 2022.

7 - Intangible Assets, Net

Information related to intangible assets is as follows:

(in millions except for years)	As of March 31,							
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Value		Weighted Average Remaining Life	
	2024	2023	2024	2023	2024	2023	2024	2023
Patents & licenses	\$ 179	\$ 178	\$ 144	\$ 169	\$ 35	\$ 9	5.6	1.5
Developed technology	157	155	156	151	1	4	0.1	1.1
Customer relationships	2	2	2	2	—	—	—	—
Computer software	329	293	214	168	115	125	2.8	2.7
Intangible assets subject to amortization	667	628	516	490	151	138		
Intangible assets under development	1	—	—	—	1	—	—	—
Total intangible assets	\$ 668	\$ 628	\$ 516	\$ 490	\$ 152	\$ 138		

Information regarding amortization expense for intangible assets is as follows:

(in millions)	Fiscal Years Ended March 31,		
	2024	2023	2022
Cost of sales	\$ 6	\$ 4	\$ 5
Research and development	57	53	50
Selling, general and administrative	23	36	39
Total amortization expense	\$ 86	\$ 93	\$ 94

Arm Holdings plc
Notes to Consolidated Financial Statements

The Company capitalized \$0.0 million, \$35.1 million and \$11.0 million, and amortized \$14.5 million, \$22.5 million, and \$26.5 million in development costs associated with internal use software in the fiscal years ended March 31, 2024, 2023, and 2022, respectively. There was no impairment of intangible assets for the fiscal years ended March 31, 2024 and 2023. Impairment of intangible assets for the fiscal year ended March 31, 2022 was \$5.0 million. The balance of capitalized costs related to internal use software, net of accumulated amortization was \$32.3 million and \$46.8 million, as of March 31, 2024 and 2023, respectively.

Estimated future amortization of intangible assets subject to amortization is as follows:

(in millions)	As of March 31, 2024	
2025	\$	64
2026		36
2027		26
2028		13
2029		5
2030 and thereafter		7
Total future amortization expense	\$	151

8 - Property and Equipment, Net

Information regarding property and equipment, net is as follows:

(in millions)	As of March 31,	
	2024	2023
Buildings	\$ —	\$ 75
Leasehold improvements	159	162
Equipment	388	368
Fixtures and motor vehicles	43	53
Construction in progress	16	—
Total property and equipment, gross	606	658
Less: Accumulated depreciation	(391)	(473)
Total property and equipment, net	\$ 215	\$ 185

Depreciation expense for the fiscal years ended March 31, 2024, 2023, and 2022, was \$76.0 million, \$77.2 million, and \$82.5 million, respectively. There was no impairment of property and equipment for the fiscal years ended March 31, 2024 and 2023. Impairment of property and equipment for the fiscal year ended March 31, 2022 was \$13.6 million.

As of March 31, 2024 and 2023, the Company had ARO liabilities of \$10.3 million and \$10.0 million related to leasehold improvements, recorded in other current and other non-current liabilities on the Consolidated Balance Sheets. There was immaterial change in ARO liabilities in the fiscal years ended March 31, 2024 and 2023.

As of March 31, 2024 and 2023, the Company had \$5.2 million and \$5.4 million, respectively, of retirement assets recorded in property and equipment, net on the Consolidated Balance Sheets.

Arm Holdings plc
Notes to Consolidated Financial Statements

9 - Leases

The Company's lease obligations primarily consist of operating leases for property, IT and automobiles with lease terms expiring between calendar years 2024 and 2044. The Company's lease agreements do not contain residual value guarantees, material variable payment provisions or material restrictive covenants.

The Company did not have material finance or short-term leases and did not incur any material variable lease expenses for all periods presented. For the fiscal years ended March 31, 2024, 2023, and 2022, operating lease expense was \$33.7 million, \$34.3 million, and \$40.0 million, respectively. For the fiscal year ended March 31, 2023, the Company recognized a loss on early termination of certain operating leases of \$4.4 million. No material gains or losses were recognized on lease terminations in other periods presented.

Supplemental disclosures of cash flow information related to operating leases are as follows:

(in millions)	As of March 31,		
	2024	2023	2022
Cash flows used for operating leases	\$ (35)	\$ (47)	\$ (42)
Operating lease right-of-use assets obtained in exchange for lease obligations	\$ 28	\$ 16	\$ 3

The Company's weighted average remaining lease term and discount rate for operating leases are as follows:

	As of March 31,		
	2024	2023	2022
Weighted average discount rate	2.85 %	2.58 %	2.42 %
Weighted average remaining lease term (in years)	14.24	15.21	15.20

Maturity of total operating lease liabilities as of March 31, 2024 is as follows (in millions):

Fiscal Year	Total
2025	\$ 33
2026	29
2027	23
2028	20
2029	15
Thereafter	141
Total minimum lease payments	261
Less imputed interest	(40)
Total operating lease liabilities	221
Less: current portion of operating lease liabilities	27
Non-current portion of operating lease liabilities	\$ 194

As of March 31, 2024, the Company had one lease signed but not yet commenced, with a lease value of approximately \$15 million and a lease term expiring in 2036. Subsequent to March 31, 2024, the Company renewed two of the leases for its global headquarters with an approximate value of \$19 million.

Arm Holdings plc
Notes to Consolidated Financial Statements

10 - Equity Investments

A summary of the components of equity investments is as follows:

(in millions)	As of March 31,	
	2024	2023
Equity method investments under fair value option	\$ 573	\$ 592
Equity method investments under equity method	11	9
Non-marketable equity securities	157	122
Total equity investments	\$ 741	\$ 723

Income (loss) from equity investments, net is as follows:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Equity method investments ⁽¹⁾	\$ (17)	\$ (41)	\$ 112
Non-marketable equity securities (includes NAV)	(3)	(4)	29
Total loss from equity investments, net	\$ (20)	\$ (45)	\$ 141

⁽¹⁾ Includes equity method investments where the Company elected the fair value option, including those under the net asset value (“NAV”) practical expedient, along with investments accounted for under the equity method.

Equity Method Investments

Details of the Company’s equity method investments as of March 31, 2024 are as follows:

Investments under equity method of accounting:

Name	Ownership Interest %
Arm IOT Fund LP (Taiwan)	25.8%
Accelerator Advisory Limited	32.1%
HOPU-ARM Holding Company Limited	10.0%
DeepTech Labs Fund 1 LP	42.9%

⁽¹⁾ The Company’s investment in HOPU-ARM Holding Company Limited entitles the Company to a 10% equity interest in HOPU-ARM Holding Company Limited and representation on the board of directors by virtue of the right to appoint one of three members of the board of directors. Accordingly, the Company has the ability to exercise significant influence over the operating and financial policies of HOPU-ARM Holding Company Limited.

Investments where fair value option elected (including those under the NAV practical expedient):

Name	Ownership Interest %
Acetone Limited	10.0%
Ampere Computing Holdings LLC (“Ampere”)	6.7%
China Walden Ventures Investments II, L.P. —NAV	7.5%
China Walden Ventures Investments III, L.P. —NAV	8.1%
HOPU-ARM Innovation Fund, L.P. —NAV	5.1%
Catapult Ventures I, L.P. —NAV	18.1%

Arm Holdings plc
Notes to Consolidated Financial Statements

Investments in a limited liability company that maintains a specific ownership or limited partnerships which the Company has more than virtually no influence (i.e., at least 3% to 5% ownership) over the investee are accounted for using the equity method.

The Company elected the fair value option to account for certain equity method investments in Acetone Limited and Ampere. See discussion below, along with *Note 13 - Fair Value*, for further information.

For the fiscal years ended March 31, 2024, 2023, and 2022, income (loss) from equity method investments not accounted under the fair value option or the NAV practical expedient was immaterial.

The Company holds equity method investments in funds accounted for under the fair value option that apply the NAV practical expedient. The estimated fair values of the Company's equity securities at fair value that qualify for the NAV practical expedient were provided by the funds based on the indicated market values of the underlying assets or investment portfolios. As of March 31, 2024 and 2023, the carrying value of equity method investments under the fair value option measured at NAV was \$106.2 million and \$109.4 million, respectively.

For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized losses from changes in fair value of \$2.8 million, \$1.7 million, and \$40.0 million, respectively, for equity method investments accounted for under the NAV practical expedient. Changes in fair value are recorded through income (loss) from equity investments, net in the Consolidated Income Statements.

Acetone Limited

As of March 31, 2024 and 2023, the carrying value of the Company's equity method investment in Acetone Limited was \$76.5 million and \$92.4 million, respectively. For the fiscal years ended March 31, 2024 and 2023, the Company recognized fair value losses of \$15.9 million and \$16.0 million, respectively, in income (loss) from equity investments, net in the Consolidated Income Statements. Fair value gains and losses for its retained interest in Acetone Limited were immaterial for the fiscal year ended March 31, 2022.

Ampere

As of March 31, 2024 and 2023, the carrying value of the Company's equity method investment in Ampere was \$389.8 million. For the fiscal year ended March 31, 2024, the Company did not recognize any changes in fair value in Ampere. For the fiscal year ended March 31, 2023, the Company recognized fair value losses of \$26.3 million in income (loss) from equity investments, net in the Consolidated Income Statements. Fair value gains and losses for this investment were immaterial for the fiscal year ended March 31, 2022.

As of March 31, 2024 and 2023, the outstanding balance of the convertible promissory note with Ampere was \$32.4 million and \$30.9 million, respectively, in other non-current assets on the Consolidated Balance Sheets. The Company's maximum exposure to loss is the amounts invested in, and advanced to, Ampere as of March 31, 2024.

Non-marketable Equity Securities

Non-marketable securities are those for which the Company does not have significant influence or control. These represent either direct or indirect, through a capital fund, investments in unlisted early-stage development enterprises which are generating value for shareholders through research and development activities. The Company holds equity interests in certain funds which are accounted for under the NAV practical expedient. As of March 31, 2024 and 2023, the carrying value of assets measured at NAV was \$17.8 million and \$18.0 million, respectively. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recognized gains of \$0.5 million, losses of \$10.5 million, and gains of \$7.9 million, respectively, from changes in fair value for non-marketable securities accounted for under the NAV practical expedient.

Arm Holdings plc
Notes to Consolidated Financial Statements

Historically, the Company had an unrecognized trade receivable with a customer given the collectability of substantially all of the consideration was not probable. In the fiscal years ended March 31, 2024 and 2023, the Company invested in non-marketable preferred stock from the customer in exchange for the conversion of the trade receivables for \$4.6 million and \$12.7 million, respectively. In the fiscal year ended March 31, 2023, the Company also acquired additional non-marketable preferred stock in exchange for a cash payment of \$10.7 million. Currently, the Company does not recognize any revenue and receivables due to not meeting the collectability criterion under ASC 606, Revenue from Contracts with Customers. The Company does not have significant influence or control over the customer and elected to apply the measurement alternative for this investment.

In June 2023, the Company entered into a subscription letter with a subsidiary of SoftBank Vision Fund L.P (“SoftBank Vision Fund”) and Kigen (UK) Limited (“Kigen”), an entity of which SoftBank Vision Fund indirectly owned 85% of the share capital on a fully diluted basis with the remainder comprising management incentives. Pursuant to the subscription letter, the Company and this subsidiary of SoftBank Vision Fund each invested \$10.0 million paid in cash in exchange for preference shares of Kigen. The preference shares are convertible into common shares of Kigen and are entitled to full dividends, distribution and voting rights. The Company does not have significant influence or control over Kigen and elected to apply the measurement alternative for this investment.

The Company elected to apply the measurement alternative to all other non-marketable equity securities. Under the measurement alternative, these equity securities are recorded at cost minus impairment, if any, plus or minus changes resulting from qualifying observable price changes in orderly transactions.

The components of gains and (losses) which primarily include unrealized gains and losses on non-marketable securities inclusive of those measured under the NAV practical expedient are as follows:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Observable price adjustments on non-marketable equity securities (includes NAV)	\$ —	\$ 4	\$ 31
Impairment of non-marketable equity securities	(3)	(8)	(3)
Sale of non-marketable equity securities	—	—	1
Total income (loss) from equity investments in non-marketable securities, net	\$ (3)	\$ (4)	\$ 29

All equity method investments held by the Company are considered long-term to enable ecosystem growth and are non-current assets. For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recognized \$5.2 million, \$1.0 million, and \$2.4 million, respectively, in dividends from equity investments measured using the NAV practical expedient. The total amount of financial commitments to existing investees of the Company not provided for in the consolidated financial statements was \$19.9 million and \$22.1 million as of March 31, 2024 and 2023, respectively.

Arm Holdings plc
Notes to Consolidated Financial Statements

11 - Financial Instruments***Loans and Other Receivables***

Loans and other receivables carried at amortized cost is as follows:

(in millions)	As of March 31,	
	2024	2023
Loans and other receivables carried at amortized cost		
Loans receivable	\$ 26	\$ 25
Other receivables	12	18
Allowance for current expected credit losses	(19)	(22)
Loans and other receivables carried at amortized cost, net	\$ 19	\$ 21

The allowance for current expected credit losses reflects the Company's best estimate of expected credit losses of the receivables portfolio determined on the basis of historical experience, current information, and forecasts of future economic conditions.

Loans receivable

As of March 31, 2024 and 2023, the Company had a loan receivable of \$16.2 million and \$19.2 million, respectively, with Arduino SA ("Arduino"), a related party, which was subject to impairment considerations and was fully impaired in prior periods. For the fiscal years ended March 31, 2024 and 2023, the Company reduced the allowance for expected credit losses given the change in collectability with a corresponding reversal of expense for the portion of the loan receivable that was repaid in exchange for Series B preferred stock in Arduino. As of March 31, 2024, the loan receivable from Arduino remained fully impaired.

As of March 31, 2024 and 2023, the Company had a four-year loan of \$3.1 million and \$3.0 million, respectively, issued to Cerfe Labs, Inc, a related party, that remained fully impaired for the periods presented.

The remaining balance of loans receivables as of March 31, 2024 comprised two five-year loans totaling \$6.9 million and as of March 31, 2023 comprised a five-year loan of \$3.1 million issued to Allia Limited.

Other receivables

As of March 31, 2023, balances included in other receivables comprised mainly of the \$12.0 million receivable from the Company's majority shareholder recorded in prepaid and other current assets on the Consolidated Balance Sheets related to the Company's November 2021 sale of IoTP. In August 2023, the Company distributed its receivable related to the Company's sale of IoTP to the majority shareholder of the Company, which represented a non-cash distribution of \$12.0 million. See *Note 5 - Discontinued Operations*, for further details. The remaining balance as of March 31, 2024 and 2023, pertains to lease deposits and other receivables.

Convertible Loans Receivable

In December 2021, the Company acquired a \$29.0 million principal balance convertible loan in Ampere. The Company elected the fair value option to measure this convertible loan receivable for which changes in fair value are recorded in other non-operating income (loss), net in the Consolidated Income Statements. For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized gains on this convertible loan receivable of \$1.0 million, \$2.0 million, and \$0.0 million, respectively.

Arm Holdings plc
Notes to Consolidated Financial Statements

12 - Derivatives

As of March 31, 2024, the notional value of outstanding foreign currency forward contracts was £728.0 million and the fair value was \$0.1 million. As of March 31, 2023, the notional value of outstanding foreign currency forward contracts was £340.0 million and the fair value was \$9.3 million.

The following table presents the notional amounts of the Company's outstanding derivative instruments:

(in millions)	As of March 31,	
	2024	2023
Designated as cash flow hedges		
Foreign currency forward contracts	\$ 919	\$ 411

The following table presents the fair value of the Company's outstanding derivative instruments:

(in millions)	Derivative Assets As of March 31,		Derivative Liabilities As of March 31,	
	2024	2023	2024	2023
Designated as cash flow hedges				
Foreign currency forward contracts	\$ 4	\$ 10	\$ 4	\$ 1

Cash Flow Hedge Gains (Losses)

The following table presents net gains (losses) on foreign currency forward contracts designated as cash flow hedges:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Consolidated Statements of Comprehensive Income:			
Gains (losses) reclassified in Accumulated other comprehensive income on cash flow hedge derivatives	\$ 8	\$ 5	\$ —
(Gains) losses reclassified from Accumulated other comprehensive income into income	(18)	5	—
Income tax benefit (expense) on cash flow hedges	2	(2)	—
Net change in fair value of the effective portion of designated cash flow hedges, net of tax ⁽¹⁾	\$ (8)	\$ 8	\$ —
Consolidated Income Statements, before tax:			
Research and development	\$ 10	\$ (3)	\$ —
Selling, general and administrative expenses	\$ 8	\$ (2)	\$ —

⁽¹⁾ All amounts reported in accumulated other comprehensive income at the reporting date are expected to be reclassified into earnings within the next 12 months.

For the fiscal years ended March 31, 2024 and 2023, the Company's cash flow hedges were highly effective with immaterial amounts of ineffectiveness recorded in the Consolidated Income Statements for these designated cash flow hedges and all components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

Arm Holdings plc
Notes to Consolidated Financial Statements

Non-designated Hedging Instrument Gains (Losses)

The following table presents net gains (losses) on derivatives not designated as hedging instruments recorded in other non-operating income (loss), net in the Consolidated Income Statements:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Foreign currency forward contracts	\$ (1)	\$ (30)	\$ (17)

The Company classifies foreign currency forward contracts as Level 2 fair value measurements pursuant to the fair value hierarchy. See *Note 13 - Fair Value*, for further details.

13 - Fair Value

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its fair value financial instruments into the three levels prescribed under GAAP. An explanation of each level follows the tables and qualitative disclosures below. There were no transfers between fair value measurement levels for any periods presented.

The following table presents the Company's fair value hierarchy for the liability measured and recognized at fair value on a recurring basis:

(in millions)	As of March 31, 2024				As of March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Foreign currency forward contracts	\$ —	\$ 4	\$ —	\$ 4	\$ —	\$ 1	\$ —	\$ 1
Total financial liabilities	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 1</u>

The following table presents the Company's fair value hierarchy for assets measured and recognized at fair value, excluding investments where the NAV practical expedient has been elected on a recurring basis:

(in millions)	As of March 31, 2024				As of March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Money market funds	\$ 1,744	\$ —	\$ —	\$ 1,744	\$ 1,383	\$ —	\$ —	\$ 1,383
Short-term investments ⁽¹⁾	1,000	—	—	1,000	661	—	—	661
Equity method investments ⁽²⁾	—	—	466	466	—	—	482	482
Convertible loans receivable	—	—	32	32	—	—	31	31
Foreign currency forward contracts	—	4	—	4	—	10	—	10
Total financial assets	<u>\$ 2,744</u>	<u>\$ 4</u>	<u>\$ 498</u>	<u>\$ 3,246</u>	<u>\$ 2,044</u>	<u>\$ 10</u>	<u>\$ 513</u>	<u>\$ 2,567</u>

⁽¹⁾ Short-term investments represent term deposits with banks with a maturity between 3 and 12 months.

⁽²⁾ In accordance with Accounting Standards Codification ("ASC") Subtopic 820-10, *Fair Value Measurements*, investments that are measured at fair value using the NAV practical expedient are not classified in the fair value hierarchy.

Arm Holdings plc
Notes to Consolidated Financial Statements

The following tables summarize changes in the fair value, along with other activity associated with the Company's Level 3 financial assets and liabilities:

Equity Method Investments

(in millions)	As of March 31,	
	2024	2023
Fair value of financial assets at the beginning of the period	\$ 482	\$ 524
Additions, net of contributions from shareholders of the Company	—	—
Fair value losses recognized in the Consolidated Income Statements	(16)	(42)
Distributions to shareholders of the Company	—	—
Fair value at the end of the period	\$ 466	\$ 482

Convertible Loans Receivable

(in millions)	As of March 31,	
	2024	2023
Fair value of financial assets at the beginning of the period	\$ 31	\$ 29
Additions	—	—
Converted into equity	—	—
Fair value gains recognized in the income statement	1	2
Fair value at the end of the period	\$ 32	\$ 31

See below for a description of the valuation techniques and inputs used in the fair value measurement of Level 3 investments including equity method investments, convertible loans receivable, and currency exchange contracts.

Equity Method Investments

The Company elected the fair value option in accordance with the guidance in ASC 825, *Financial Instruments* ("ASC 825") for its investments in Acetone Limited and Ampere. The Company initially computed the fair value for its investments consistent with the methodology and assumptions that market participants would use in their estimates of fair value with the assistance of a third-party valuation specialist or based on inputs from the investee. The fair value computation is updated on a quarterly basis. The investments are classified within Level 3 in the fair value hierarchy because the Company estimates the fair value of the investments using the (i) the market-calibration approach based on the guideline public company method, (ii) subject to availability of sufficient information, the income approach based on the discounted cash flow method, or (iii) the probability-weighted, expected return ("PWER") approach.

The market-calibration approach considers valuation multiples that are calibrated to the valuation as of the prior valuation date (i.e., quarterly) based on: (a) changes in the broader market or industry; (b) changes in the guideline public companies; and (c) changes in the company's operating and financial performance. The fair value computation under this approach includes a key assumption for the range of valuation multiples (i.e., enterprise value or revenue), which requires significant professional judgment by the valuation specialist and is based on observable inputs (e.g., market data) and unobservable inputs (e.g., market participant assumptions).

The PWER approach is based on discrete future exit scenarios to determine the value of various equity securities. Under the PWER approach, the share value today is based on the probability-weighted, present value of expected future distributions, taking into account the rights and preferences of each debt and equity class. The Company considers an initial public offering scenario, a sale scenario, and a scenario assuming continued operation as a private entity for future exit scenarios. The fair value computation under this approach includes key assumptions for time to liquidity outcomes, discounted rate, and present value factors.

Arm Holdings plc
Notes to Consolidated Financial Statements

The following tables provide quantitative information related to certain key assumptions utilized in the valuation of equity method investments accounted for under the fair value option:

As of March 31, 2024

(in millions)	Fair value	Valuation Technique	Unobservable Inputs	Range of Estimates
Equity Method Investments	\$466	Acetone – Market-Calibration or discounted cash flow	LTM Revenue Multiple	1.3x - 1.5x
		Ampere – PWER	Probability of initial public offering, time to future exit scenario, discount rate	Probability weighted – 100%, Time to future exit scenario - 1.5 years, Discount rate – 17.64%

As of March 31, 2023

(in millions)	Fair value	Valuation Technique	Unobservable Inputs	Range of Estimates
Equity Method Investments	\$482	Acetone – Market-Calibration or discounted cash flow	LTM Revenue Multiple	2.1x - 2.3x
		Ampere – PWER	Probability of initial public offering, time to future exit scenario, discount rate	Probability weighted – 100%, Time to future exit scenario - 1.3 years, Discount rate – 18.61%

Convertible Loans Receivable—Ampere

In December 2021, the Company acquired a \$29.0 million convertible promissory note in Ampere, which is included in other non-current assets on the Consolidated Balance Sheets. As of March 31, 2024 and 2023, the Company's maximum exposure to loss is the amounts invested in, and advanced to, Ampere. As of March 31, 2024 and 2023, the Company has not converted any of its convertible promissory note into equity.

The fair value of the Ampere convertible loan is based upon significant unobservable inputs, including the use of a probability weighted discounted cash flows model, requiring the Company to develop its own assumptions. Therefore, the Company has categorized this asset as a Level 3 financial asset.

Some of the more significant unobservable inputs used in the fair value measurement of the convertible loan include applicable discount rates, the likelihood and projected timing of repayment or conversion, and projected cash flows in support of the estimated enterprise value of Ampere. Changes in these assumptions, while holding other inputs constant, could result in a significant change in the fair value of the convertible loan.

If the amortized cost of the convertible loan exceeds its estimated fair value, the security is deemed to be impaired, and must be evaluated for the recognition of credit losses. Impairment resulting from credit losses is recognized within earnings, while impairment resulting from other factors is recognized in other comprehensive income (loss). As of March 31, 2024 and 2023, the Company has not recognized any credit losses related to this convertible loan.

The fair value calculated using significant unobservable inputs did not differ materially from the amortized cost basis as of March 31, 2024 and 2023.

Currency Exchange Contracts

For currency exchange contracts, these contracts are valued at the present value of future cash flows based on forward exchange rates at the balance sheet date.

14 - Shareholders' Equity

Employee Benefit Trust

In September 2023, the Company established the EBT, constituted by a trust deed entered into by the Company and a professional trustee, with the principal purpose to facilitate the efficient and flexible settlement of share-based compensation arrangements with employees. The Company has the power to appoint and remove the trustee and therefore, consolidates the trust. The EBT may acquire newly issued ordinary shares or ADSs at a nominal value or the trustee of the EBT has the power to acquire ordinary shares or ADSs of the Company in the open market, which purchases may be funded by one or more loans from the Company to the EBT or non-repayable gifts made by the Company to the EBT. As of March 31, 2024, the EBT held 603,450 of ADSs purchased from the Company at par value. The market value of ADSs held by EBT on March 31, 2024 is \$75.4 million. These ADSs were expected to be transferred out of the EBT, in order to settle future vesting of share-based compensation for employees. As the EBT is consolidated by the Company, ordinary shares or ADSs held by the EBT are considered authorized and issued but not outstanding for the computation of earnings per share.

Other Shareholder Distributions

In June 2021, the Company distributed its ownership in Treasure Data to the immediate shareholders of the Company at a value of \$44.2 million. See *Note 5 - Discontinued Operations* for further details.

In March 2022, the Company distributed its ownership in Arm China to the immediate shareholders of the Company, which represented a non-cash distribution of \$975.7 million.

In the fiscal year ended March 31, 2024, the Company distributed its receivable related to the Company's sale of IoTP to the majority shareholder of the Company, which represented a non-cash distribution of \$12.0 million. See *Note 5 - Discontinued Operations* for further details.

15 - Restructuring and Other

Restructuring

In March 2022, the Company announced a restructuring plan to align its workforce with strategic business activities and to improve efficiencies in its operations. For the fiscal years ended March 31, 2023 and 2022, the Company recognized restructuring expenses of \$1.5 million and \$25.8 million in restructuring and related costs in the Consolidated Income Statements in connection with these activities. Restructuring activities were completed and the restructuring liability was settled in the fiscal year ended March 31, 2023.

16 - Share-based Compensation

The Company had the following share-based payment arrangements during the periods presented:

Restricted Share Units—The Arm Limited All Employee Plan 2019 ("2019 AEP")

In December 2019, an RSU plan was established for all employees of the Company. Vesting of these RSUs under the 2019 AEP requires the continuous service of the employees through the vesting date, is subject to the achievement of a market condition target, and vesting occurs on the earliest of the following: (1) the occurrence of one of various events comprising a change in control of the Company, (2) an initial public offering, or (3) the passage of time with the date being March 9, 2026. The Company also maintains a subplan for employees of its subsidiary, Arm Israel, in which RSUs will be settled in cash at the vesting. Employees may elect not to participate in the 2019 AEP. For all periods presented prior to IPO, a change in control or an initial public offering is generally not considered probable until it has occurred. These awards were expected to be cash settled and therefore were liability-classified. Post-IPO, the 2019 AEP vested on the occurrence of an "exit event" to the extent that the relevant vesting hurdle was met or exceeded. As of October 25, 2023, the Company had determined that the market condition for the 2019 AEP had been met and, therefore, all awards under the 2019 AEP Plan

Arm Holdings plc
Notes to Consolidated Financial Statements

vested at 100% in March 2024. The equity-classified awards were settled in ordinary shares of the Company at the vesting date and neither carry rights to dividends nor voting rights. The liability-classified awards for Arm Israel were settled in cash. The awards were forfeited if an employee left the Company before the RSUs vested. For all periods presented, the aggregate nominal amount of shares over which the Company's Remuneration Committee may grant awards under the 2019 AEP was limited so that it does not exceed at any time an amount equal to 2.2 percent of the aggregate nominal amount of the Company's fully diluted equity share capital. We did not grant further awards under this plan after IPO. As of March 31, 2024, all RSUs under this plan vested and were settled. As of March 31, 2023 and 2022, 11,601,185 and 13,507,360 RSUs were outstanding, respectively.

For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recognized \$515.7 million, \$56.0 million and \$30.8 million of share-based compensation cost, respectively, and \$114.1 million, \$11.6 million and \$5.4 million of tax benefit associated with these awards, respectively. As of March 31, 2023, \$114.2 million was recognized as a liability for the liability-classified RSUs under the 2019 AEP in the non-current portion of accrued compensation and share-based compensation on the Consolidated Balance Sheets related to awards that were liability-classified pre-IPO.

For the fiscal year ended March 31, 2024, the Company had \$18.2 million payments arising from normal course vesting events for liability-classified share-based awards, representing the fair value of the vested RSUs. For the fiscal year ended March 31, 2023, liability-classified share-based awards paid were \$15.9 million related to the RSUs that had vesting conditions accelerated pursuant to restructuring activities, of which \$11.8 million of share-based compensation cost was recognized in the fiscal year ended March 31, 2023. The Company did not have any payments arising from normal course vesting events for liability-classified share-based awards for the fiscal years ended March 31, 2023 and 2022. The fair value of RSUs vested for the fiscal year ended March 31, 2023 was \$16.2 million.

In connection with the IPO, all RSUs previously issued under the 2019 AEP were modified to be settled in ordinary shares of the Company except for those awards granted to employees of Arm Israel. For those RSUs to be settled in ordinary shares, the Company accounted for this change as a modification in accordance with ASC 718, *Compensation—Stock Compensation* ("ASC 718") and changed the classification of the awards from liability-classified to equity-classified. During the fiscal year ended March 31, 2024, as a result of the modification, the Company reclassified \$306.6 million from the non-current portion of accrued compensation and share-based compensation to additional paid-in capital on the Consolidated Balance Sheets. The modification resulted in the incremental and accelerated share-based compensation cost of \$217.2 million at the modification date which affected 5,251 employees. For the remaining RSUs granted to employees of Arm Israel, these awards remain liability-classified and the Company remeasured the RSUs at fair value at each reporting period through the date of settlement.

During the period starting from May 2022 through June 2022, the Company's remuneration committee modified the terms of the 2019 AEP to accelerate the vesting for approximately 435 employees affected by restructuring activities initiated in the fiscal year ended March 31, 2022. The affected participants of the plan were provided the option to i) settle all unvested RSUs for a cash payment equivalent to the product of (a) a fixed amount as determined by the Company's Remuneration Committee (b) 50% of the number of RSUs held by the participant, or ii) retain the RSUs until they become vested pursuant to the original vesting terms. The Company accounted for this acceleration as a modification of vesting in connection with a settlement which resulted in the recognition of incremental share-based compensation cost. For the fiscal year ended March 31, 2023, the Company recognized incremental share-based compensation cost of \$11.8 million related to the cash receipt option and \$2.2 million related to the RSUs retention option.

Arm Holdings plc
Notes to Consolidated Financial Statements

The table below identifies the award activity under the 2019 AEP:

	Awards	Weighted Average Fair Value Per Award ⁽¹⁾
Outstanding as of March 31, 2023	11,601,185	\$ 54.47
Granted	2,603	\$ 54.51
Vested	(11,358,553)	\$ 55.43
Cancelled and forfeited	(245,235)	\$ 54.51
Outstanding and expected to vest as of March 31, 2024	—	\$ —

(1) As of March 31, 2023, 2019 AEP outstanding awards were liability-classified with a weighted average fair value per RSU of \$23.33, representing total fair value of \$270.7 million. For periods presented prior to the IPO, the average grant date fair value per award represents the modification fair value at IPO.

For the periods prior to IPO, the weighted average fair value of the RSUs was measured using the Monte Carlo simulation model. The Monte Carlo methodology incorporates into the valuation all possible outcomes that could result in the vesting of the awards. Where relevant, the expected term used in the model has been adjusted based on the Company's best estimate for the effects of non-transferability and exercise restrictions (including the probability of meeting market conditions attached to the RSUs).

The following table presents the assumptions used for the RSUs under the 2019 AEP for the relevant periods:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Weighted average share price	\$ 56.10	\$ 41.51	\$ 39.27
Expected volatility until liquidity event	40 %	40 %	35 %
Time to liquidity event	0.5	0.5	1.0
Dividend yield	0.00 %	0.00 %	0.00 %
Risk free interest rate	5.52 %	4.94 %	1.60 %

Restricted Share Units—Executive IPO Plan (“2019 EIP”)

In April 2020, a RSU plan was put in place for certain of our executive officers. The vesting of these RSUs under the 2019 EIP requires the continuous service of the employees through the vesting date, was originally subjected to the achievement of a market-condition target, and vesting occurs on the earliest of the following: (1) the occurrence of one of various events comprising a change in control of the Company, (2) an initial public offering, or (3) the passage of time with the date being March 9, 2026. At inception of the plan, the market condition target was tied to the valuation of the Company upon vesting. In September 2022, the Company modified the 2019 EIP to remove the market conditions. Employees may elect not to participate in the 2019 EIP. For all periods presented prior to IPO, a change in control or an initial public offering is generally not considered probable until it has occurred. These awards were expected to be cash settled and therefore were liability-classified. In connection with the IPO, the 2019 EIP awards vested and were settled in ordinary shares of the Company and neither carry rights to dividends nor voting rights. The awards were forfeited if an employee left the Company before the RSUs vested. For all periods presented, the aggregate nominal amount of shares over which the Company's Remuneration Committee may grant awards under the 2019 EIP was limited so that it does not exceed at any time an amount equal to 0.3 percent of the aggregate nominal amount of the Company's fully diluted equity share capital. We did not grant further awards under this plan after IPO. As of March 31, 2024, all RSUs under this plan vested and were settled. As of March 31, 2023 and 2022, 192,999 and 903,925 RSUs were outstanding, respectively.

For the fiscal years ended March 31, 2024, 2023 and 2022, the Company recognized \$6.2 million, \$0.1 million and \$(0.5) million, respectively, of share-based compensation cost (credit) associated with these awards. The share-based

Arm Holdings plc
Notes to Consolidated Financial Statements

compensation cost decrease in the fiscal year ended March 31, 2023 was attributable to the replacement awards issued in December 2022 and executive departures. The share-based compensation credit for the fiscal year ended March 31, 2022 was attributable to executive departures. For the fiscal year ended March 31, 2024, the income tax benefit recorded in connection with awards under the 2019 EIP Plan was \$1.6 million. For the fiscal year ended March 31, 2023, the income tax expense recorded in connection with awards under the 2019 EIP Plan was \$0.4 million. For the fiscal year ended March 31, 2022, the Company did not record any income tax benefit or expense in connection with awards under the 2019 EIP. As of March 31, 2023, \$3.6 million was recognized as a liability for the liability-classified RSUs under the 2019 EIP in the non-current portion of accrued compensation and share-based compensation on the Consolidated Balance Sheets related to awards that were liability-classified pre-IPO. The Company did not have any payments for liability-classified share-based awards under the 2019 EIP Plan for the fiscal years ended March 31, 2024, 2023 and 2022.

In September 2022, the Company modified the 2019 EIP to remove the market conditions which were tied to the valuation of the Company upon the vesting of the RSUs. All other terms under the 2019 EIP remained unchanged as a result of this modification and the RSUs remained as liability-classified awards. The incremental share-based compensation cost was measured as the excess of the fair value of the modified RSUs over the fair value of the original RSUs immediately before their terms were modified at modification. As of the modification date, incremental share-based compensation cost recognized was \$4.5 million.

In December 2022, the Company's Remuneration Committee approved the cancellation of 355,463 outstanding RSUs issued to an executive participant under the 2019 EIP in exchange for a fixed monetary \$20.0 million special RSU award ("Special RSU Award") issued under the 2022 Arm Limited RSU Award Plan. The incremental compensation cost of both the 2019 EIP and the Special RSU Award combined was measured by comparing the fair value of the award immediately before and after the modification. The Company accounted for this acceleration for the modification as a cumulative adjustment to the liability. As of the modification date, the net incremental compensation cost for the modified award was \$4.1 million.

In connection with the IPO, all RSUs previously issued under the 2019 EIP were modified to be settled in ordinary shares of the Company. The Company accounted for this change as a modification in accordance with ASC 718 and changed the classification of the awards from liability-classified to equity-classified. During the fiscal year ended March 31, 2024, as a result of the modification, the Company reclassified \$5.7 million from non-current portion of accrued compensation and share-based compensation to additional paid-in capital on the Consolidated Balance Sheets. Upon the IPO, the awards under the 2019 EIP vested and the Company recognized accelerated share-based compensation cost of \$4.1 million for awards outstanding prior to the IPO.

The table below identifies the award activity under the 2019 EIP:

	Awards	Weighted Average Fair Value Per Award ⁽¹⁾
Outstanding as of March 31, 2023	192,999	\$ 51.00
Vested	(192,999)	\$ 51.00
Outstanding and expected to vest as of March 31, 2024	<u>—</u>	<u>\$ —</u>

(1) As of March 31, 2023, 2019 EIP outstanding awards were liability-classified with a weighted average fair value per RSU of \$37.43, representing total fair value of \$7.2 million. For periods presented prior to the IPO, the average grant date fair value per award represents the modification fair value at IPO.

For the fiscal year ended March 31, 2022, the weighted average fair value of the RSUs was measured using the Monte Carlo simulation model. The Monte Carlo methodology incorporates into the valuation all possible outcomes that could result in the vesting of the awards. Where relevant, the expected term used in the model has been adjusted based on Company's best estimate for the effects of non-transferability and exercise restrictions (including the probability of meeting market conditions attached to the RSUs).

Arm Holdings plc
Notes to Consolidated Financial Statements

The following table presents the assumptions used for the RSUs under the 2019 EIP for the fiscal year ended March 31, 2022:

Weighted average share price	\$	39.27
Expected volatility until liquidity event		35%
Time to liquidity event		1.0
Dividend yield		0.00%
Risk free interest rate		1.60%

The inputs used for both the discounted cash flow approach and the Monte Carlo simulation model are the same as those used for the 2019 AEP for the fiscal year ended March 31, 2022. The fair value of the RSUs is adjusted for the different market conditions for each share-based plan for the fiscal year ended March 31, 2022.

For the fiscal year ended March 31, 2023 and prior to the IPO in fiscal year ended March 31, 2024, the Company used the income approach and market-calibration approach based on comparable publicly traded companies in similar lines of businesses. Cash flow assumptions used in income approach considers historical and forecasted revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) and other relevant factors.

The following table presents the assumptions used for the RSUs under the 2019 EIP for the fiscal year ended March 31, 2023:

Average share price	\$	41.51
Transaction costs		2.50 %
Time to liquidity event (in years)		0.5
Discount for lack of marketability		7.50 %

Phantom Share Scheme (Cash-Settled)

In April 2017, a cash-settled share-based payment plan was put in place for certain of our executive officers. Under this plan, the employees are granted a cash award annually on April 1, which vests over a three-year service period subject to continuous service and satisfaction of certain Company performance conditions. The cash amount which the employee is entitled to receive if employed at the end of the three-year period is directly linked to the share price of the Company's ultimate parent, SoftBank Group. The number of Phantom Shares that vest is also linked to certain Company strategic performance conditions. The strategic performance conditions are non-market based vesting conditions and, as a result, the conditions do not affect the fair value of Phantom Shares at each reporting date.

The strategic performance conditions are operational in nature and measure performance in areas such as product development, customer design wins and market share across different technologies and markets. The conditions are linked directly to the Company's strategic objectives, rather than any financial or other measures.

As of March 31, 2024 and 2023, there were no Phantom Shares outstanding. As of March 31, 2022, 64,862 Phantom Shares were outstanding. The Company recognized share-based compensation credit of \$0.5 million and \$3.1 million in connection with Phantom Shares for the fiscal years ended March 31, 2023 and 2022, respectively. The share-based compensation credit for the fiscal years ended March 31, 2023 and 2022 was attributable to executive departures. There was no tax expense or benefit recorded for the fiscal year ended March 31, 2023. The tax expense recorded for the Phantom Shares was \$0.5 million for the fiscal year ended March 31, 2022.

The Phantom Shares are required to be settled in cash and therefore are recorded on the Consolidated Balance Sheets as a liability until settled. For the fiscal years ended March 31, 2023 and 2022, liability-classified share-based awards paid totaled \$1.5 million and \$7.1 million, respectively. For the fiscal years ended March 31, 2023 and 2022, the total number of Phantom Shares vested were 27,503 and 32,198, respectively. The fair value of Phantom Shares measured at each reporting date was \$38.84 and \$39.83 for the fiscal years ended March 31, 2023 and 2022, respectively. The fair value of the

Arm Holdings plc
Notes to Consolidated Financial Statements

Phantom Shares vested were \$1.1 million and \$1.5 million for the fiscal years ended March 31, 2023 and 2022, respectively. As of March 31, 2023, \$1.1 million was recognized as a liability for the Phantom Shares in accrued compensation and benefits and share-based compensation on the Consolidated Balance Sheets. For the fiscal year ended March 31, 2024, the Company paid \$0.9 million for vested Phantom Shares. The variance between the amount paid and accrued as of March 31, 2023 was driven by foreign exchange differences as participants were paid in foreign denominated currencies. As of March 31, 2024, the Company did not have any unpaid amounts in relation to vested Phantom Share awards.

Restricted Share Units – 2022 Arm Limited RSU Award Plan (“2022 RSU Plan”)

In June 2022, the 2022 RSU Plan was established to grant RSUs to all employees of the Company (“All Employee Awards”) and to grant two types of executive awards to certain of the Company’s executive officers (such awards, the “Annual Awards” and “Launch Awards” and collectively, the “Executive Awards”). The All Employee Awards and Executive Awards were historically disclosed separately due to pre-IPO presentation differences related to classification, but are now disclosed together as post-IPO all are equity-classified, as discussed in more detail below. The All Employee Awards vest in tranches, require continuous service through the vesting date, and are subject to graded vesting over time. At the time of issuance, the Company intended to settle the All Employee Awards in ordinary shares at the vesting date, and such RSU awards were accounted for as equity-classified awards. Launch Awards vest in tranches and require continuous service through the vesting dates and are subject to graded vesting over a period of three years. Annual Awards include a portion that vests over a three-year continuous service period and another portion that is subject to continuous service and satisfaction of certain Company performance conditions. The time-based portion of the Annual Awards vest over a three-year period. The Annual Awards that are subject to continuous service and satisfaction of certain Company performance conditions vest upon the satisfaction of performance metrics as established for each one-year performance period and have the potential to vest between 0% and 200% of the original fixed monetary amount of the award depending on the achievement of annual performance metrics. The 2022 RSU Plan allows for either cash or share settlement of the RSU awards by tranche at the discretion of the remuneration committee of the Company’s Board of Directors (the “Remuneration Committee”). For all periods presented, the aggregate nominal amount of shares over which the Company’s Remuneration Committee may grant awards under the 2022 RSU Plan will be limited so that it does not exceed at any time an amount equal to 4.0 percent of the aggregate nominal amount of the Company’s fully diluted equity share capital. We did not grant further awards under this plan after IPO.

In November 2022, the Company issued Executive Awards under the 2022 RSU Plan. These entitled participants to a fixed amount of cash or, upon the occurrence of a change in control or an initial public offering, a variable number of ordinary shares of the Company equal to a fixed amount of cash, at the discretion of the Remuneration Committee. Executive Awards granted were originally accounted for as liability-classified awards and upon the IPO, each Executive Award was converted into a variable number of shares based on the closing ADS price of the Company at the IPO date. The table below shows the Company’s commitment for potential payments and the liability recognized as of March 31, 2023:

Type of Executive Award (in millions)	Fiscal year ended	
	March 31, 2023	
	Potential Fixed Monetary Amount	Accrued Liability ⁽¹⁾
Launch Awards	\$ 80	\$ 23
Annual Awards	15	9
Total	<u>\$ 95</u>	<u>\$ 32</u>

⁽¹⁾ Includes the amount recorded for performance-based awards that were probable of achievement.

In November 2022, the Company determined that it would settle the first tranche of the All Employee Awards outstanding that vested in March and May 2023 by paying cash instead of issuing shares. Other than the change in intent regarding form of settlement, no other terms or conditions regarding the RSUs were changed. The Company accounted for this change as a modification in accordance with ASC 718 and reclassified the affected portion of the award from equity to liability and remeasured the award at fair value at each reporting period through the date of settlement with consideration

Arm Holdings plc
Notes to Consolidated Financial Statements

that total compensation cost cannot be less than the grant-date fair-value-based measure of the original award. As a result of the modification, the Company recognized \$2.1 million of incremental share-based compensation cost at the time of the modification and recorded \$31.7 million as a reclassification from equity to liability upon modification. 5,539 of employees were affected by this modification.

The 2022 RSU Plan provides vesting schedules applicable prior to and after an IPO. Upon the IPO, the All Employee Awards under the 2022 RSU Plan were accounted for using the vesting schedules applicable after an IPO which resulted in an acceleration of compensation cost. The Company accounted for the changes as a modification in accordance with ASC 718 and recorded \$17.7 million of accelerated share-based compensation cost at the modification date which affected 5,041 employees.

In connection with the IPO, all Executive Awards previously issued under the 2022 RSU Plan were modified to be settled in ordinary shares of the Company. Given the awards were no longer expected to be settled in cash but rather expected to be settled in ordinary shares based on the IPO price of \$51.00 per ADS, the modification resulted in a change to the classification of the Executive Awards from liability-classified to equity-classified. The Company accounted for this change as a modification in accordance with ASC 718. As a result of the modification, the Company reclassified \$9.1 million and \$20.2 million in current portion of accrued compensation and benefits and share-based compensation and non-current portion of accrued compensation and share-based compensation, respectively, to additional paid-in capital on the Consolidated Balance Sheets. The modification resulted in an issuance of 1,875,202 RSUs equal to the fixed monetary amount of all Executive Awards outstanding under the 2022 RSU Plan. Upon the occurrence of the IPO, the Company recognized accelerated share-based compensation cost of \$9.8 million, for which the service-based vesting condition was satisfied or partially satisfied, at the modification date which affected 14 employees. As of March 31, 2024, all the 2022 RSU Plan awards were expected to be settled in ordinary shares at the vesting date.

The table below identifies the award activity under the 2022 RSU Plan:

	Awards ⁽¹⁾	Weighted Average Grant Date Fair Value Per Award ⁽¹⁾
Outstanding as of March 31, 2023	11,129,734	\$ 35.87
Executive Awards converted from liability awards	1,875,202	\$ 51.00
Granted	17,134,484	\$ 43.68
Vested ⁽²⁾	(6,751,502)	\$ 37.47
Cancelled and forfeited	(631,500)	\$ 40.27
Outstanding and expected to vest as of March 31, 2024	<u>22,756,418</u>	<u>\$ 42.30</u>

⁽¹⁾ Awards and weighted average grant date per share exclude shares related to Annual Awards that currently have no grant date as the future performance objectives have not yet been defined and/or communicated to participants of the plan. For periods presented prior to the IPO, the average grant date fair value per award represents the modification fair value at IPO.

⁽²⁾ Includes 351,022 liability-classified awards vested and settled in cash in the fiscal year ended March 31, 2024.

As of March 31, 2023, the total liability-classified RSUs that are expected to vest were 284,036 with a weighted average fair value per RSU of \$40.47. For the fiscal year ended March 31, 2024, the Company paid \$269.0 million arising from the normal vesting of liability-classified share-based awards under the 2022 RSU Plan. All liability-classified awards under the 2022 RSU Plan were vested as of August 15, 2023 and were paid as of September 30, 2023. For the fiscal years ended March 31, 2024 and 2023, share-based compensation cost of \$521.6 million and \$267.0 million, respectively, was recognized in connection with all awards issued under the 2022 RSU Plan. Tax benefits recorded in connection with the 2022 RSU Plan for the fiscal years ended March 31, 2024 and 2023 were \$89.2 million and \$36.6 million, respectively. As of March 31, 2023, the Company recognized \$1.9 million, \$253.1 million, and \$13.8 million in additional paid-in capital, accrued compensation and benefits and share-based compensation and non-current portion of accrued compensation and share-based compensation, respectively, on the Consolidated Balance Sheets. As of March 31, 2024, there was

Arm Holdings plc
Notes to Consolidated Financial Statements

\$693.9 million total unrecognized compensation expense related to all awards issued under the 2022 RSU Plan expected to be recognized over a weighted-average period of 0.8 years and there were no liability-classified RSUs under the 2022 RSU Plan.

For the fiscal year ended March 31, 2023 and prior to the IPO in fiscal year ended March 31, 2024, the Company used the income approach and market-calibration approach based on comparable publicly traded companies in similar lines of businesses. Cash flow assumptions used in the income approach considers historical and forecasted revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) and other relevant factors.

The following table presents the assumptions used for the RSUs under the 2022 RSU Plan for the relevant periods:

	Fiscal Year Ended March 31,	
	2024	2023
Average share price	\$44.52 - \$48.18	\$35.16 - \$39.67
Transaction costs	2.5 %	2.5 %
Present value per RSU	\$43.40 - \$46.98	\$33.13 - \$39.67
Time to liquidity event (in years)	0.5 - 1.0	0.5 - 0.9
Discount for lack of marketability	0.00% - 7.50%	0.00% - 7.50%

The Arm Non-Executive Directors RSU Award Plan (“NED Plan”)

In September 2022, the Company established the NED Plan for non-executive directors. The RSU awards issued under the NED Plan (the “NED Awards”) are subject to time-based vesting and continued service of the non-executive directors. The NED Plan allows for either cash or share settlement of the awards at the discretion of the Company’s Remuneration Committee. As of March 31, 2024, the Company accounted for the NED Awards as equity-classified awards. As of March 31, 2023, the Company accounted for the NED awards as liability-classified awards.

The number of RSUs granted and outstanding for the fiscal years ended March 31, 2024 and 2023 was 31,806 and 13,340. For the fiscal year ended March 31, 2023, the share-based compensation cost and liability recognized was immaterial to the Consolidated Income Statements and Consolidated Balance Sheets, respectively. For the fiscal year ended March 31, 2024, the share-based compensation cost was immaterial to the Consolidated Income Statements and no liability was recognized on the Consolidated Balance Sheets as the awards are now equity-classified.

Omnibus Incentive Plan

In August 2023, the Company’s board of directors adopted the Omnibus Incentive Plan (the “Omnibus Incentive Plan”) which became effective in September 2023. The Omnibus Incentive Plan allows for the grant of incentive awards to employees, executive directors, and non-employees, including non-employee directors and consultants of the Company and its subsidiaries. Participants may elect not to participate in the plan. The types of incentive awards granted under the Omnibus Incentive Plan is determined by the Company’s board of directors and the Remuneration Committee, and the Omnibus Incentive Plan allows for the grant of stock options, share appreciation rights (“SARs”), restricted shares, RSUs, performance stock units (“PSUs”), other awards of cash, shares or other property (which may include a specified cash amount that is payable in cash or shares, or awards tied to the appreciation in the value of shares), dividends and dividend equivalents. Vesting conditions applicable to awards may be based on continued service, achievement of company, business unit or other performance objectives, or such other criteria as the Remuneration Committee may establish. The maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan as approved at the time of adoption of the Omnibus Incentive Plan was equal to the sum of (i) 20,500,000 ordinary shares and (ii) an annual increase on April 1 of each year beginning on April 1, 2024 and ending on April 1, 2028, equal to the lesser of (A) 2% of the aggregate number of ordinary shares outstanding on March 31 of the immediately preceding fiscal year and (B) such smaller number of ordinary shares as determined by our Board of Directors or our Remuneration Committee. No more than 20,500,000 ordinary shares may be issued under the Omnibus Incentive Plan upon the exercise of incentive stock options.

Arm Holdings plc
Notes to Consolidated Financial Statements

In October 2023, the Company started to grant RSUs and PSUs under the Omnibus Incentive Plan to employees, including executives of the Company. The RSUs and PSUs granted neither carry rights to dividends nor voting rights until the shares are issued or transferred to the recipient. The Omnibus Incentive Plan allows for either cash or share settlement of the awards by tranche, if applicable, at the discretion of the Remuneration Committee. At the time of issuance, the Company intended to settle the RSUs and PSUs in shares at the vesting date and such awards are accounted for as equity-classified awards. The RSUs were granted to existing employees and new hires of the Company and its subsidiaries, Arm Israel and Arm France SAS and vest in tranches, require continuous service through the vesting date and are subject to graded vesting over a period of three years. RSUs granted to employees and new hires of subsidiaries in Israel and France substantially share the same terms as the existing RSUs under the 2022 RSU Plan with differences limited to the vesting schedules. PSUs were awarded to executives of the Company and include a portion that vests over a three-year continuous service period and another portion that is subject to continuous service and satisfaction of certain Company performance conditions. The time-based portion of the PSUs vest over a three-year period. The PSUs that are subject to continuous service and satisfaction of certain Company performance conditions vest upon the satisfaction of performance metrics as established for each one-year performance period and have the potential to vest between 0% and 200% of the original award amount depending on the achievement of annual performance metrics.

Except for performance awards with specific performance criteria, the Company recognizes share based compensation cost using the straight-line method over the requisite service period of the award, net of estimated forfeitures. Awards are forfeited if an employee leaves the Company before the awards vest. For all periods presented, the maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan is equal to the sum of (i) 20,500,000 ordinary shares and (ii) an annual increase on April 1 of each year beginning on April 1, 2024 and ending on April 1, 2028, equal to the lesser of (A) 2% of the aggregate number of ordinary shares outstanding on March 31 of the immediately preceding fiscal year and (B) such smaller number of ordinary shares as determined by the Company's board of directors or the Remuneration Committee. No more than 20,500,000 ordinary shares may be issued under the Omnibus Incentive Plan upon the exercise of incentive stock options.

The table below identifies all award activity under the Omnibus Incentive Plan:

	Awards⁽¹⁾	Weighted Average Grant Date Fair Value Per Award⁽¹⁾
Outstanding as of March 31, 2023	—	\$ —
Granted	1,941,165	\$ 68.14
Vested	(50,784)	\$ 71.03
Cancelled and forfeited	(11,105)	\$ 57.01
Outstanding and expected to vest as of March 31, 2024	<u>1,879,276</u>	<u>\$ 68.13</u>

⁽¹⁾ Awards and weighted average grant date per share exclude shares related to PSUs that currently have no grant date as the future performance objectives have not yet been defined and/or communicated to participants of the plan.

The Company uses the closing ADS price of the Company on the date of grant as the fair value of awards. For the fiscal year ended March 31, 2024, \$25.2 million of share-based compensation cost and \$4.7 million of tax benefit was recognized in connection with the equity-classified awards issued under the Omnibus Incentive Plan. As of March 31, 2024, there was \$106.7 million of total unrecognized compensation cost expected to be recognized over a weighted-average period of 1.1 years.

Arm Holdings plc
Notes to Consolidated Financial Statements

Share-based Compensation Cost

A summary of share-based compensation cost recognized in the Consolidated Income Statements is as follows:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Cost of sales	\$ 41	\$ 12	\$ 1
Research and development	728	212	18
Selling, general and administrative	301	102	7
Total	\$ 1,070	\$ 326	\$ 26

No share-based compensation cost was capitalized for the fiscal years ended March 31, 2024, 2023 and 2022.

17 - Income Taxes

The components of income before provision for income taxes are as follows:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
United Kingdom	\$ 139	\$ 427	\$ 608
Foreign	73	244	178
Income from continuing operations before income taxes	\$ 212	\$ 671	\$ 786

The (expense) benefit for income taxes consists of the following:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Current:			
United Kingdom	\$ 2	\$ (87)	\$ (44)
Foreign	(178)	(94)	(146)
Total current tax (expense) benefit	\$ (176)	\$ (181)	\$ (190)
Deferred:			
United Kingdom	\$ 114	\$ 25	\$ (53)
Foreign	156	9	133
Total deferred tax (expense) benefit	\$ 270	\$ 34	\$ 80
Total income tax (expense) benefit	\$ 94	\$ (147)	\$ (110)

Arm Holdings plc
Notes to Consolidated Financial Statements

A reconciliation of the tax (expense) benefit at the United Kingdom statutory income tax rate to the actual tax (expense) benefit is as follows:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Income tax (expense) benefit at statutory rate	\$ (53)	\$ (127)	\$ (149)
Foreign tax rate differential	(14)	(2)	8
Research and development tax credits	94	37	25
Change in valuation allowance	(4)	(5)	22
Non-deductible/non-taxable items	(3)	(3)	3
Patent box benefit	(4)	25	69
Impact of U.K. rate change	(3)	(2)	(64)
Withholding tax	(122)	(72)	(32)
Gains exempt from U.K. tax	(3)	2	8
Windfall tax benefit associated with share-based compensation	206	—	—
Income tax (expense) benefit	\$ 94	\$ (147)	\$ (110)
Income tax (expense) benefit reported in the Consolidated Income Statements	94	(147)	(110)
Income tax (expense) benefit attributable to discontinued operations	—	—	(28)

For the fiscal years ended March 31, 2024, 2023, and 2022, income tax (expense) benefit was \$93.8 million, \$(146.8) million, and \$(109.7) million, respectively. For the fiscal years ended March 31, 2024, 2023, and 2022, the income tax (expense) benefit as a percentage of income before taxes was 44%, (22)%, and (14)%, respectively.

The effective rate decreased compared to the same period last year primarily due to windfall tax benefits associated with share-based compensation arising in the last quarter of the fiscal year ended March 31, 2024.

The significant components of deferred tax assets and liabilities is as follows:

(in millions)	As of March 31,	
	2024	2023
Lease liability	\$ 19	\$ 13
Fixed assets	27	23
Tax losses and R&D tax credits	408	147
Equity investments	9	7
Share-based compensation	28	30
Reserves and other liabilities	23	27
Total gross deferred tax assets	514	247
Less: Valuation allowance	(25)	(21)
Total deferred tax assets, net of valuation allowance	489	226
Right of use assets	(18)	(12)
Acquired intangibles	(5)	(6)
Outside basis differences	(106)	(110)
Hedging reserve	—	(3)
Contract liabilities	(213)	(218)
Total deferred tax liabilities	(342)	(349)
Net deferred tax assets (liabilities)	\$ 147	\$ (123)

Arm Holdings plc
Notes to Consolidated Financial Statements

As of March 31, 2024, the Company had a United Kingdom corporate tax loss carryforward of \$376.6 million (\$94.2 million tax effected) and U.K. R&D Expenditure Credits of \$70.6 million. These tax losses have no expiration date. The Company has U.S. federal net operating loss carryforwards of approximately \$348.7 million (\$73.2 million tax effected) of which \$340.1 million has no expiration date and \$8.7 million (\$1.8 million tax effected) will expire between fiscal years 2033 and 2038 if not utilized. The Company also has a tax asset in respect of state net operating losses of \$195.4 million (\$12.5 million tax effected, net of federal benefit) which will expire by fiscal year 2044 if not utilized. The Company has U.S. Federal tax credit carryforwards of \$120.5 million which will expire between 2033 and 2044. In addition, the Company has state tax credits of \$59.9 million (\$47.8 million net of federal benefit) of which \$26.9 million has no expiration date and \$33.0 million will expire between 2033 and 2044.

As of March 31, 2024, the Company has provided a valuation allowance on certain U.K. tax losses and U.S. State research and development tax credits. This is based on an analysis of historical taxable income, the projected reversal of deferred tax liabilities, projected taxable income and tax planning strategies. The Company believes, more likely than not, that it will have sufficient taxable income to utilize its remaining deferred tax assets.

Utilization of the U.S. federal net operating loss and tax credit carryforwards may be subject to annual limitations due to the ownership change limitations provided by the U.S. Internal Revenue Code of 1986, as amended, and similar state provisions. Such annual limitations could result in the expiration of the net operating loss and tax credit carryforwards before their utilization. The events that may cause ownership changes include, but are not limited to, a cumulative stock ownership change of greater than 50% over a three-year period.

The following table reflects changes in gross unrecognized tax benefits:

(in millions)	Fiscal Year Ended March 31,		
	2024	2023	2022
Gross unrecognized tax benefits—April 1	\$ 62	\$ 54	\$ 75
Gross increases—tax positions in prior period	5	6	2
Gross decreases—tax positions in prior period	(1)	—	—
Gross increases—tax positions in current period	19	7	6
Settlements	—	(1)	(28)
Lapse of statute of limitations	(1)	(1)	—
Foreign exchange	(1)	(3)	(1)
Gross unrecognized tax benefits— March 31	\$ 83	\$ 62	\$ 54

Included in the balance of unrecognized tax benefits as of March 31, 2024, 2023 and 2022, are \$71.9 million, \$56.3 million, and \$43.6 million, respectively, of tax benefits that, if recognized, would affect the effective tax rate.

The Company recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company recognized expense of \$1.8 million, \$0.8 million, and \$0.7 million for interest and penalties associated to income tax liabilities as of March 31, 2024, 2023 and 2022, respectively. As of March 31, 2024, 2023 and 2022, the Company had total accrued interest and penalties of \$15.5 million, \$14.2 million, and \$15.8 million, respectively, which is included in other non-current liabilities on the Consolidated Balance Sheets.

While the Company believes it has adequately provided for all tax positions, amounts asserted by tax authorities could be greater or less than the position. Accordingly, provisions on federal, state and foreign tax-related matters to be recorded in the future may change as revised estimates are made or the underlying matters are settled or otherwise resolved. As of March 31, 2024, the Company has not identified any positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months.

The Company is subject to taxation in the United Kingdom and various states and foreign jurisdictions. As of March 31, 2024, the Company is no longer subject to examination by the United Kingdom tax authorities for the fiscal years ended March 31, 2018 or earlier. U.S. Federal returns for the calendar year ended December 31, 2003 and later periods are subject

Arm Holdings plc
Notes to Consolidated Financial Statements

to audit with the exception of the calendar years ended December 31, 2010 to December 31, 2012, December 31, 2015 and December 31, 2016.

18 - Net Income (Loss) Per Share

The following table presents a reconciliation of basic and diluted earnings per share computations:

(in millions, except shares and per share amounts)	Fiscal Years Ended March 31,		
	2024	2023	2022
Income (loss) attributable to ordinary shareholders — basic and diluted			
Net income from continuing operations	\$ 306	\$ 524	\$ 676
Net loss from discontinued operations	—	—	(127)
Net income (loss)	<u>\$ 306</u>	<u>\$ 524</u>	<u>\$ 549</u>
Weighted average ordinary shares used to calculate income (loss) per share — basic			
	1,027,443,122	1,025,234,000	1,025,234,000
Equity-classified shared-based awards	17,053,910	2,271,008	—
Weighted average ordinary shares used to calculate income (loss) per share — diluted	<u>1,044,497,032</u>	<u>1,027,505,008</u>	<u>1,025,234,000</u>
Income (loss) per share attributable to ordinary shareholders — basic			
Net income from continuing operations	\$ 0.30	\$ 0.51	\$ 0.66
Net loss from discontinued operations	—	—	(0.12)
Net income (loss) per share - basic	<u>\$ 0.30</u>	<u>\$ 0.51</u>	<u>\$ 0.54</u>
Income (loss) per share attributable to ordinary shareholders — diluted			
Net income from continuing operations	\$ 0.29	\$ 0.51	\$ 0.66
Net loss from discontinued operations	—	—	(0.12)
Net income (loss) per share - diluted	<u>\$ 0.29</u>	<u>\$ 0.51</u>	<u>\$ 0.54</u>

⁽¹⁾ For the fiscal year ended March 31, 2024, includes weighted average ordinary shares for vested securities without restrictions that were not issued and outstanding as of the end of the reporting period.

The following table presents securities that were excluded from the computation of diluted net income (loss) per ordinary share because the effect of including the securities would have been anti-dilutive:

	Fiscal Year Ended March 31,		
	2024	2023	2022
Restricted stock units ⁽¹⁾	254,189	16,870,903	14,230,025
Executive awards ⁽²⁾	—	546,262	—
Total	<u>254,189</u>	<u>17,417,165</u>	<u>14,230,025</u>

⁽¹⁾ RSUs exclude certain awards which require cash settlement and do not allow for share settlement; however, for reporting periods prior to the IPO, RSUs include securities where change in control or the IPO was not probable to occur, and settlement was expected in cash upon the passage of time.

⁽²⁾ Executive awards include amounts associated with the Annual Awards and Launch Awards. Prior to the IPO, these awards entitled participants to fixed monetary amounts where the quantity of securities was calculated based on the total fixed monetary amount divided by the closing average market price of ordinary shares. Upon the IPO, these awards entitle participants to a fixed number of ordinary shares calculated based on the total fixed monetary amount divided by the IPO price.

19 - Commitments and Contingencies

Litigation

From time to time, the Company is party to litigation and other legal proceedings in the ordinary course of business. Because the results of any litigation or other legal proceedings are uncertain, our financial position, results of operations or cash flows could be materially affected by an unfavorable resolution of one or more of these proceedings, claims, or demands. However, management does not currently believe the ultimate resolution of any pending legal matters is reasonably possible to have a material adverse effect on the Company's financial position, results of operations or cash flows. The Company accrues for loss contingencies when it is both probable that it will incur the loss and when the Company can reasonably estimate the amount of the loss or range of loss. In the fiscal year ended March 31, 2023, the Company recorded a loss contingency related to an offer made by the Company to pay \$40.0 million in respect of ongoing contractual disputes between the Company and a non-top five customer. That particular customer's claims arose from a contract dating to a very early period in the Company's history and that contract is both non-standard and significantly dissimilar from other customers' contracts. On September 15, 2023, the Company reached an agreement, in which both parties resolved all contractual disputes and reached a mutual understanding of the contractual rights and obligations under the licensing arrangement. As a result, no amount of cash was paid by the Company to the customer with such agreement. The settlement agreement provided alignment of the rights and obligations which were previously agreed with the non-top five customer. In September 2023, the liability for litigation was reversed resulting in a reduction of selling, general and administrative by \$40.0 million.

No other material amounts related to litigation settlements were recognized in the fiscal years ended March 31, 2024, 2023 and 2022.

Purchase Obligations

In the normal course of business, we contract with various third-party service providers for systems and services to perform certain day-to-day business activities. During the fiscal year ended March 31, 2024 the Company entered into a non-cancelable purchase commitment with our cloud computing web services provider with a total purchase commitment of \$340.0 million for the period from July 2023 through June 2029. As of March 31, 2024, the total remaining contractual obligations are approximately \$298.0 million, of which \$37.0 million is for the next 12 months.

Kronos Guarantee from the Prior SoftBank Group Facility

In March 2022, a wholly owned United Kingdom subsidiary of SoftBank Group Corp. ("SoftBank Group"), Kronos I (UK) Limited ("Kronos"), was created for the purpose of SoftBank Group arranging a non-recourse facility agreement (the "Facility Agreement") with J.P. Morgan SE as Facility Agent to be secured by its equity interest in the Company. SoftBank Group pledged its ownership interest in the Company by transferring such interest to an entity that sits between Kronos and the Company, and SoftBank Group has no further obligation under the Facility Agreement. In September 2023, prior to the closing of the IPO, SoftBank Group paid the Facility Agreement and the Company's associated terms, restrictions and guarantee were terminated.

Arduino Guarantee

The Company is guarantor for a \$5.4 million credit facility available to Arduino. As of March 31, 2024 and 2023, no claims have been made against the guaranty. The guaranty expired in January 2024 and was extended by 12 months, expiring in January 2025.

20 - Retirement Benefits Plans

The Company contributes to defined contribution plans substantially covering all employees in Europe and the United States, and to government pension plans for employees in Japan, South Korea, Taiwan, Peoples Republic of China, Israel and India. The Company contributes to these plans based upon various fixed percentages of employee compensation, and such contributions are expensed as incurred.

Arm Holdings plc
Notes to Consolidated Financial Statements

For the fiscal years ended March 31, 2024, 2023, and 2022, \$96.7 million, \$78.4 million, and \$77.0 million, respectively, was recorded in the Consolidated Income Statements related to contributions payable to these plans by the Company at rates specified in the rules of the plans. As of March 31, 2024 and 2023, \$11.8 million and \$9.6 million of contributions due had not been paid over to the plans and was recorded in accrued compensation and benefits and share-based compensation on the Consolidated Balance Sheets.

21 - Related Party Transactions

Arm China and Acetone Limited

Following the restructuring of its direct investment in Arm China in the fiscal year ended March 31, 2022, the Company has a 10% non-voting ownership interest in Acetone Limited, whose primary asset is a 48.18% interest in Arm China. The Company has no direct material transactions with Acetone Limited.

For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized revenue of \$670.8 million, \$649.0 million, and \$474.2 million, respectively, under the terms of the IPLA, and recognized expenses of \$74.1 million, \$64.1 million, and \$63.5 million, respectively, under a service share arrangement with Arm China. In the fiscal year ended March 31, 2024, the Company recognized \$5.5 million of contract termination costs in disposal, restructuring and other operating expenses, net in the Consolidated Income Statements due to a terminated agreement with Arm China for certain software engineering-related services, which was brought in-house.

The Company leases certain assets to Arm China. For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized rental income of \$1.7 million, \$2.0 million, and \$1.6 million, respectively, from this lease arrangement. This income is included within the recognized revenue noted in the preceding paragraph.

As of March 31, 2024, the Company had a net receivable of \$175.8 million (\$181.1 million receivable less \$5.3 million payable) from Arm China. As of March 31, 2024, the Company had contract liabilities of \$105.7 million relating to Arm China. As of March 31, 2023, the Company had a net receivable of \$386.9 million (\$400.7 million receivable less \$13.9 million payable) from Arm China. As of March 31, 2023, the Company had contract liabilities of \$103.4 million relating to Arm China.

See *Note 10 - Equity Investments*, for further details of the impact of Acetone Limited on the Company's results.

Other Entities Related by Virtue of Common Control by SoftBank Group

The Company had revenue transactions, along with accounts receivable and contract liabilities balances, with other entities by virtue of common control by SoftBank Group. For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized revenue of \$4.4 million, \$1.3 million, and \$1.5 million, respectively, from other entities controlled by SoftBank Group. As of March 31, 2024, the Company had accounts receivable of \$0.8 million, contract assets of \$3.1 million, and contract liabilities of \$1.6 million. In the fiscal year ended March 31, 2024, the Company distributed its receivable related to the Company's sale of IoTP to the majority shareholder of the Company, which represented a non-cash distribution of \$12.0 million. As of March 31, 2023, the Company had accounts receivable, other receivables and contract liabilities of \$0.5 million, \$12.0 million, and \$1.6 million, respectively, from other entities controlled by SoftBank Group. The Company also had an immaterial lease with a related party by virtue of common control by SoftBank Group which ended December 31, 2023.

For the fiscal year ended March 31, 2022, from discontinued operations, the Company recognized revenue of \$3.6 million and expenses of \$0.2 million.

Prior to the distribution of Treasure Data in June 2021, a loan of \$50.0 million was issued by SoftBank Vision Fund II, a member of SoftBank Group to Treasure Data. Interest on this loan balance was charged at 2.0% per annum. The loan balance, including accrued interest, was included in the distribution to shareholders of the Company.

Arm Holdings plc
Notes to Consolidated Financial Statements

Refer to *Note 5 - Discontinued Operations*, for discussion regarding the distribution of Treasure Data and the sale of IoTP by the Company to SoftBank Group Capital Limited in the fiscal year ended March 31, 2022.

Kronos Guarantee from the Prior SoftBank Group Facility

In March 2022, Kronos, an entity under common control of SoftBank, entered into the Facility Agreement which is secured by its interest in the Company. The Company also entered into the Undertaking to confirm and agree to comply with the terms of the Facility Agreement and a Guarantee of the obligations under the Facility Agreement owed by Kronos. Under the terms of the Guarantee, upon an Arm Guarantee Trigger Event, the Guarantee springs into effect, such that any future payment default by Kronos following such date may require performance by the Company if not settled by use of the share collateral or otherwise restructured. In September 2023, Softbank settled the Facility Agreement and the Company's Undertaking and Guarantee were terminated. See *Note 19 - Commitments and Contingencies*, for further details on this Guarantee.

Other Equity Investments

The Company has revenue transactions, along with receivable, contract asset and contract liability balances for certain other equity investees, for which the Company has significant influence or, for investments in limited partnerships or certain limited liability companies that maintain a specific ownership account for each investor, for which the Company has more than virtually no influence (i.e., at least 3% to 5% ownership) (such investees, "Significant Influence Investees"). For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized revenue of \$49.3 million, \$3.5 million, and \$8.5 million, respectively, from Significant Influence Investees. The increased revenue during fiscal year ended March 31, 2024 is due to recognition of amounts associated with a large licensing contract that were previously required to be deferred.

As of March 31, 2024, the Company had accounts receivable and contract assets of \$0.2 million and \$18.7 million, respectively, related to contracts with Significant Influence Investees. As of March 31, 2024, the Company did not have contract liabilities related to contracts with Significant Influence Investees. As of March 31, 2023, the Company had accounts receivable, contract assets and contract liabilities related to contracts with Significant Influence Investees of \$0.5 million, \$8.7 million and \$30.2 million, respectively.

For the fiscal years ended March 31, 2024, 2023, and 2022, the Company recognized aggregate distributions, dividends and returns of capital from certain equity investments of \$6.9 million, \$0.0 million, and \$1.9 million, respectively.

Linaro Limited

Linaro Limited ("Linaro") is a not-for-profit entity for which the Company is a member and exhibits significant influence. For the fiscal years ended March 31, 2024, 2023, and 2022, the Company incurred subscription and other costs of \$10.6 million, \$8.9 million, and \$7.9 million, respectively, from Linaro. As of March 31, 2024 and 2023, \$1.3 million and \$0.3 million, respectively, was recorded in other current liabilities on the Consolidated Balance Sheets.

In February 2023, the Company entered into an agreement with Linaro to sell certain net assets of the Company that meets the definition of a business in exchange for cash consideration of \$4.0 million to be paid in equal annual installments over five years. As of March 31, 2024 and 2023, \$3.2 million and \$4.0 million total purchase consideration, respectively, remained unpaid and was recorded in prepaid expenses and other current assets and other non-current assets on the Consolidated Balance Sheets. As a result of the transaction, in the year ended March 31, 2023, the Company derecognized associated net assets and recognized a gain of \$3.7 million in other non-operating income (loss), net in the Consolidated Income Statements.

Arm Holdings plc
Notes to Consolidated Financial Statements

Loans to Related Parties

As of March 31, 2024 and 2023, the Company had a loan receivable of \$16.2 million and \$19.2 million, respectively, with Arduino, a related party and a loan receivable of \$3.1 million and \$3.0 million, respectively, with Cerfe Labs, Inc, a related party, both of which remain fully impaired. See *Note 11 - Financial Instruments*, for further details regarding this loan.

As of March 31, 2024 and 2023, the outstanding balance of the convertible promissory note with Ampere, a related party, was \$32.4 million and \$30.9 million, respectively. The Company's maximum exposure to loss are the amounts invested in, and advanced to, Ampere as of March 31, 2024. See *Note 10 - Equity Investments*, for further details on Ampere.

Other relationships

The Company engaged Raine Securities LLC, a related party, for certain advisory services in connection with the IPO. For the fiscal year ended March 31, 2024, the Company incurred \$10.7 million in expenses, of which \$5.2 million was reimbursed by the underwriters for the IPO. For the fiscal year ended March 31, 2023, under a separate agreement with Raine Securities LLC, the Company incurred \$2.5 million in expenses. As of March 31, 2023, the Company had recorded other current liabilities of \$2.5 million. As of March 31, 2024 the Company has settled all liabilities with this related party.

22 - Segment and Geographic Information

The Company has determined its Chief Executive Officer is its chief operating decision maker. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis for purposes of assessing performance and making resource allocation decisions. Accordingly, the Company has determined that it operates as a single operating and reportable segment.

Refer to *Note 4 - Revenue* for revenue by geographic region.

Long-lived assets by geographic area are as follows:

(in millions)	As of March 31,	
	2024	2023
United Kingdom	\$ 287	\$ 281
United States	90	78
Other countries	43	32
Total	\$ 420	\$ 391

23 - Subsequent Events

On May 21 2024, Arm Technology Investments 2 Limited, an indirect wholly owned subsidiary of Arm, entered into a cornerstone investment agreement with Raspberry Pi Holdings plc ("Raspberry Pi"), which announced on May 15, 2024 its intention to conduct an initial public offering of its ordinary shares ("Raspberry Pi IPO"). Arm has agreed to purchase \$35.0 million of Raspberry Pi's ordinary shares in the Raspberry Pi IPO, subject to customary conditions.

B. Significant Changes

Not applicable.

Item 9. The Offer and Listing

A. Offer and listing details

Our ADSs have been traded on the Nasdaq Global Select Market under the ticker symbol “ARM” since September 14, 2023. Our ordinary shares are not listed on any exchange.

B. Plan of distribution

Not applicable.

C. Markets

See “Item 9. The Offer and Listing—A. Offer and Listing Details”, above.

D. Selling shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the issue

Not applicable.

Item 10. Additional Information

A. Share capital

Not applicable.

B. Memorandum and articles of association

A copy of our Articles of Association, as amended (the “Articles”) is attached to this Annual Report as Exhibit 1.1. The information required by Item 10.B of Form 20-F is set forth in Exhibit 2.3 to this Annual Report and is incorporated herein by reference.

C. Material Contracts

Since May 29, 2022, the Company has not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 7. Major Shareholders and Related Party Transactions” or elsewhere in this Annual Report.

D. Exchange controls

There are no governmental laws, decrees, regulations or other legislation in the U.K. that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of our ordinary shares or ADSs, other than withholding tax requirements. There is no limitation imposed by the laws of England and Wales or in the Articles on the right of non-residents to hold or vote shares.

E. Taxation

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of owning and disposing of our ordinary shares or ADSs. This discussion is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire, hold, or dispose of our ordinary shares or ADSs. The discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations and the income tax treaty between the U.K. and the U.S. (the "Treaty"), all as of the date hereof, changes to any of which may affect the tax consequences described herein—possibly with retroactive effect. The following discussion is not binding on the IRS or any court. Thus, we cannot provide any assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS.

This discussion applies only to a U.S. Holder that will hold our ordinary shares or ADSs as a capital asset for tax purposes (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including state, local and non-U.S. tax consequences, estate and gift tax consequences, alternative minimum tax consequences, special accounting rules under Section 451(b) of the Code, the potential application of the Medicare contribution tax, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies and certain other financial institutions;
- pension plans;
- U.S. expatriates and certain former citizens or long-term residents of the U.S.;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding ordinary shares or ADSs as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to ordinary shares or ADSs;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities (including private foundations) or government organizations;
- S corporations, partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes (and investors therein);
- regulated investment companies or real estate investment trusts;
- persons who acquired our ordinary shares or ADSs pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons that own or are deemed to own 10% or more of our shares (by vote or value); and
- persons holding our ordinary shares or ADSs in connection with a trade or business, permanent establishment or fixed base outside the U.S.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds ordinary shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares or ADSs and partners in such partnerships are encouraged to consult their tax advisors as to the particular U.S. federal income tax consequences of holding and disposing of ordinary shares or ADSs.

A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of ordinary shares or ADSs who is:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state therein or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

You should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the ownership and disposition of our ADSs or ordinary shares in light of your own particular circumstances, as well as the consequences to you arising under other U.S. federal, state and local tax laws and the laws of any other taxing jurisdiction.

ADSs

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a holder of an ADS is treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADS. Accordingly, no gain or loss will generally be recognized upon an exchange of ADSs for ordinary shares.

Taxation of Distributions

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” non-liquidating distributions paid to U.S. Holders on ordinary shares or ADSs, other than certain distributions of ordinary shares or ADSs, will generally be treated as foreign-source dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we may not calculate our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, including conditions relating to holding period and the absence of certain risk reduction transactions, dividends paid to certain non-corporate U.S. Holders may be taxable at preferential rates applicable to “qualified dividend income” received from a “qualified foreign corporation.” A non-U.S. corporation will generally be considered a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the U.S. which the Secretary of Treasury of the United States determines is satisfactory for purposes of these rules and which includes an exchange of information provision (which includes the Treaty) or (ii) with respect to any dividend it pays on ordinary shares or ADSs which are readily tradable on an established securities market in the U.S. Our ADSs (but not ordinary shares) are listed on Nasdaq, which is a qualified exchange for these purposes. Consequently, if our ADSs continue to be listed on Nasdaq and are regularly traded, we expect to be a qualified foreign corporation for purposes of dividends paid by us with respect to our ADSs constituting qualified dividend income. However, the qualified dividend income treatment will not apply if we are treated as a PFIC with respect to the U.S. Holder for our taxable year of the distribution or the preceding taxable year. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends received deduction generally available to U.S. corporations under the Code. Dividends will generally be included in a U.S. Holder’s income on the date of the U.S. Holder’s actual or constructive receipt of the dividend. The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into USD. If the dividend is converted into USD on the date of receipt, a U.S. Holder would generally not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into USD after the date of receipt. Such gain or loss would generally be treated as U.S.-source ordinary income or loss. The amount of any distribution of property other than cash (and other than certain pro rata distributions of ordinary shares or ADSs or rights to acquire ordinary shares or ADSs) will be the fair market value of such property on the date of distribution. For foreign tax credit purposes, our dividends will generally be treated as passive category income.

Sale or Other Taxable Disposition of Ordinary Shares and ADSs

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” gain or loss realized on the sale or other taxable disposition of our ordinary shares or ADSs will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ordinary shares or ADSs for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder’s tax basis in the ordinary shares or ADSs disposed of and the amount

realized on the disposition, in each case as determined in USD. Such gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

If the consideration received by a U.S. Holder is not paid in USD, the amount realized will be the U.S. dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ordinary shares or ADSs are treated as traded on an “established securities market” and the U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), the U.S. Holder will determine the U.S. dollar value of the amount realized in a non-U.S. dollar currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If the U.S. Holder is an accrual basis taxpayer that is not eligible to or does not elect to determine the amount realized using the spot rate on the settlement date, the U.S. Holder will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition and the U.S. dollar value of the currency received at the spot rate on the settlement date. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of our ordinary shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes.

Passive Foreign Investment Company Rules

We will be a PFIC for any taxable year in which (1) 75% or more of our gross income consists of passive income or (2) 50% or more of the value of our assets (generally determined on the basis of a weighted quarterly average) consists of assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income generally includes dividends, interest, certain gains from the sale or exchange of investment property and certain rents and royalties, and cash and cash-equivalents. In addition, for purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as holding and receiving directly its proportionate share of assets and income, respectively, of such other corporation. If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares or ADSs, the U.S. Holder may be subject to adverse tax consequences regardless of whether we continue to qualify as a PFIC, including ineligibility for any preferential tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred and additional reporting requirements.

Based upon the value of our assets and the nature and composition of our income and assets, we do not believe that we were a PFIC for the taxable year ended March 31, 2024, and we do not expect to become a PFIC in the foreseeable future. However, the determination of whether we are a PFIC is a fact-intensive determination made on an annual basis by applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. For instance, for our current and future taxable years, the total value of our assets for PFIC testing purposes (including goodwill) may be determined in part by reference to the market price of our ordinary shares or ADSs from time to time, which may fluctuate considerably. If our market capitalization declines while we hold a substantial amount of cash and cash-equivalents for any taxable year, we may be a PFIC for that taxable year. Furthermore, under the income test, our status as a PFIC depends on the composition of our income for the relevant taxable year, which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by how we spend the cash we raise in any offering. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the IRS will agree with our conclusion and that the IRS would not successfully challenge our position. Accordingly, we cannot provide any assurances that we will not be a PFIC for the current or any future taxable year, and our U.S. counsel expresses no opinion with respect to our PFIC status.

If we are classified as a PFIC in any taxable year with respect to which a U.S. Holder owns our ordinary shares or ADSs, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding taxable years during which such U.S. Holder owns our ordinary shares or ADSs, regardless of whether we continue to meet the tests described above, unless we cease to be a PFIC and such U.S. Holder has made a “deemed sale” election under the PFIC rules. If such an election is made, a U.S. Holder will be deemed to have sold the ordinary shares or ADSs the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder’s ordinary shares or ADSs with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any “excess distribution” the U.S. Holder receives from us or any gain from an actual sale or other disposition of our ordinary shares or ADSs. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we are a PFIC and cease to be a PFIC and such election becomes available.

For each taxable year that we are treated as a PFIC with respect to a U.S. Holder, such U.S. Holder will be subject to special tax rules with respect to any “excess distribution” such U.S. Holder receives from us and any gain such U.S. Holder recognizes from a sale or other disposition (including a pledge) of our ordinary shares or ADSs, unless (i) such U.S. Holder makes a “qualified electing fund” election (a “QEF Election”), as discussed below, with respect to all taxable years during such U.S. Holder’s holding period in which we are a PFIC or (ii) our ordinary shares or ADSs constitute “marketable stock” and such U.S. Holder makes a mark-to-market election (as discussed below). Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder’s holding period for the ordinary shares or ADSs will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder’s holding period for the ordinary shares or ADSs;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other taxable year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the taxable year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ordinary shares or ADSs cannot be treated as capital gains, even if a U.S. Holder holds the ordinary shares or ADSs as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the stock of, any of our direct or indirect subsidiaries or any other entities in which we hold equity interests that also are PFICs (“lower-tier PFICs”) as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to lower-tier PFICs.

We do not currently expect to provide information that would allow a U.S. Holder to make a QEF Election in the event that we or any of our subsidiaries are classified as a PFIC and, therefore, U.S. Holders should assume such election will not be available if we or any of our subsidiaries are a PFIC.

U.S. Holders can avoid the interest charge on excess distributions or gain relating to the ordinary shares or ADSs by making a mark-to-market election with respect to the ordinary shares or ADSs, provided that the ordinary shares or ADSs are “marketable stock.” Ordinary shares or ADSs will be marketable stock if they are “regularly traded” on certain U.S. stock exchanges or on a non-U.S. stock exchange that meets certain conditions. For these purposes, the ordinary shares or ADSs will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as one of their principal purposes meeting this requirement will be disregarded. Our ADSs (but not ordinary shares) are listed on Nasdaq, which is a qualified exchange for these purposes. Consequently, if our ADSs continue to be listed on Nasdaq and are regularly traded, we expect the mark-to-market election would be available to U.S. Holders of our ADSs if we are a PFIC. However, a mark-to-market election may not be made with respect to our ordinary shares as they are not marketable stock.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the ADSs at the close of the taxable year over the U.S. Holder’s adjusted tax basis in the ADSs. An electing U.S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder’s adjusted basis in the ADSs over the fair market value of the ADSs at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the ADSs in any year in which we are a PFIC will be treated as ordinary income, and any losses incurred on a sale or other disposition of the ADSs will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the ordinary shares or ADSs cease to be marketable stock. Each U.S. Holder should consult its tax advisor as to whether a mark-to-market election is available or advisable with respect to our ADSs.

Because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the general PFIC rules described above with respect to such U.S. Holder’s

indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder's failure to file the annual report may result in substantial penalties and extend the statute of limitations with respect to the U.S. Holder's U.S. federal income tax return. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the U.S. or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under U.S. Treasury Regulations, certain entities) may be required to report information relating to our ordinary shares or ADSs, subject to certain exceptions (including an exception for ordinary shares or ADSs held in accounts maintained by certain U.S. financial institutions), by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of our ordinary shares or ADSs and with respect to their possible obligation to file IRS Forms 926 and/or 8938.

U.K. Taxation

The following section contains a description of certain U.K. tax consequences of the acquisition, ownership and disposal of ADSs (and/or ADRs) and ordinary shares. It is intended only as a general guide to current U.K. tax law and the published practice of HMRC (which is not a statement of law and which may not be binding on HMRC), applying as at the date of this Annual Report (both of which are subject to change at any time, possibly with retrospective effect). It does not constitute legal or tax advice and does not purport to be a complete analysis of all U.K. tax considerations relating to the acquisition, ownership or disposal of ADSs (and/or ADRs) and ordinary shares, or all of the circumstances in which holders of ADSs (and/or ADRs) and ordinary shares may benefit from an exemption or relief from U.K. taxation. It is written on the basis that the Company does not (and will not) directly or indirectly derive 75% or more of its qualifying asset value from U.K. land, and that the Company is and remains solely resident in the U.K. for tax purposes and will therefore be subject to the U.K. tax regime and not the U.S. tax regime except as set out above under "Material U.S. Federal Income Tax Considerations for U.S. Holders."

This section does not cover:

- your chargeable gains position if you are resident in the U.K. for U.K. tax purposes, you are an individual and hold the ADSs and/or ADRs for the purposes of a trade, profession or vocation that you carry on in the U.K. through a branch or agency, or you are a corporation and hold the ADSs and/or ADRs for the purposes of a trade carried on in the U.K. through a permanent establishment in the U.K.; and
- your inheritance tax position if you are domiciled in the U.K. for inheritance tax purposes.

The section below may not relate to certain classes of persons, such as (but not limited to):

- persons who are connected with the Company;

- financial institutions;
- insurance companies;
- charities or tax-exempt organizations;
- collective investment schemes;
- pension schemes;
- market makers, intermediaries, brokers or dealers in securities or persons who hold ADSs and/or ADRs otherwise than as an investment;
- persons who have (or are deemed to have) acquired their ADSs and/or ADRs by virtue of an office or employment or who are or have been officers or employees of the Company or any of its affiliates; and
- individuals who are subject to U.K. taxation on a remittance basis.

Based on published HMRC guidance, we would expect that HMRC will regard a holder of ADSs as holding the beneficial interest in the underlying shares and therefore these paragraphs assume that a holder of ADSs and/or ADRs is the beneficial owner of the underlying ordinary shares and any dividends paid in respect of the underlying ordinary shares (where the dividends are regarded for U.K. purposes as that person's own income) for U.K. direct tax purposes.

THESE PARAGRAPHS ARE A SUMMARY OF CERTAIN U.K. TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF ADSs AND/OR ADRs OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ADSs AND/OR ADRs IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS. IN PARTICULAR, NON-U.K. RESIDENT OR DOMICILED PERSONS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF ANY RELEVANT DOUBLE TAXATION AGREEMENTS.

Taxation of Dividends

Dividends paid by the Company in respect of our ordinary shares will not be subject to any withholding or deduction at source for or on account of U.K. tax.

Taxation of Chargeable Gains

A holder of ADSs and/or ADRs which is not resident for tax purposes in the U.K. should not normally be liable to U.K. capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of ADSs and/or ADRs unless the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the U.K. through a branch or agency (or, in the case of a corporate holder of ADSs and/or ADRs, through a permanent establishment) to which the ADSs and/or ADRs are attributable. However, an individual holder of ADSs and/or ADRs who has ceased to be resident for tax purposes in the U.K. for a period of less than five years and who disposes of ADSs and/or ADRs during that period may be liable on his or her return to the U.K. to U.K. tax on any capital gain realized (subject to any available exemption or relief).

Inheritance Tax

Subject to certain provisions relating to trusts or settlements, an ADS and/or ADR held by an individual shareholder who is domiciled in the U.S. for the purposes of the convention between the U.S. and the U.K. relating to estate and gift taxes (the "Convention") and who is neither domiciled in the U.K. nor (where certain conditions are met) a U.K. national (as defined in the Convention), will generally not be subject to U.K. inheritance tax on the individual's death (whether held on the date of death or gifted during the individual's lifetime) except where the ADS and/or ADR is part of the business property of a U.K. permanent establishment of the individual or pertains to a U.K. fixed base of an individual who performs independent personal services. In a case where an ADS and/or ADR is subject both to U.K. inheritance tax and to U.S. federal gift or estate tax, the Convention generally provides for inheritance tax paid in the U.K. to be credited against federal gift or estate tax payable in the U.S., or for federal gift or estate tax paid in the U.S. to be credited against any inheritance tax payable in the U.K., based on priority rules set forth in the Convention.

Stamp Duty and Stamp Duty Reserve Tax

The discussion below is intended as a general and non-exhaustive guide to the current U.K. stamp duty and SDRT position and applies to the holders and acquirers of ADSs and/or ADRs (representing our ordinary shares) wherever resident; however, it should be noted that special rules may apply to certain persons such as market makers, brokers, dealers or intermediaries, and persons connected with clearance services and depositary receipt systems. Such persons may not be liable to U.K. stamp duty or SDRT or may be so liable at a higher rate. Furthermore, such persons may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

Acquisitions and Subsequent Transfers of ADSs and/or ADRs

Based on HMRC's published practice, no U.K. stamp duty will be payable on the acquisition or transfer of ADSs and/or ADRs. Furthermore, an agreement to transfer ADSs and/or ADRs will not give rise to a liability to SDRT.

Withdrawals and Subsequent Transfers of ordinary shares

A transfer of ordinary shares (as opposed to ADSs and/or ADRs) will generally be subject to U.K. stamp duty (if the ordinary shares are held in certificated form) or SDRT (if the ordinary shares are held in uncertificated form), in either case at the rate of 0.5% (or potentially 1.5% in certain circumstances) of the amount or value of the consideration paid for the ordinary shares (for example in respect of transfer of ordinary shares or a redeposit of ordinary shares into the ADR program).

Further, SDRT will generally be payable on an unconditional agreement to transfer ordinary shares in certificated form at 0.5% (or potentially 1.5% in certain circumstances) of the amount or value of the consideration for the transfer, but is repayable if, within six years of the date of the agreement, an instrument transferring the ordinary shares is executed.

Therefore, you are strongly encouraged to hold your ADSs (representing ordinary shares) in book-entry form through the facilities of the Depositary Trust Company.

F. *Dividends and paying agents*

Not applicable.

G. *Statement by experts*

Not applicable.

H. *Documents on display*

The SEC maintains a website at www.sec.gov that contains information regarding issuers that file electronically with the SEC, including the Company. We also maintain a corporate website at www.arm.com and make available our annual reports on Form 20-F and current reports on Form 6-K, and any amendments to those reports, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Information contained on, or that can be accessed through, our website is not incorporated by reference in this Annual Report. We have included our website address in this Annual Report solely as an inactive textual reference.

I. *Subsidiary Information*

Not applicable.

J. *Annual Report to Security Holders*

We will file an annual report to security holders under U.K. law and promptly thereafter will furnish such report on Form 6-K via EDGAR.

Item 11. Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in foreign currency exchange rates. See “*Item 8. Financial Information—Note 1 - Description of Business and Summary of Significant Accounting Policies*” and “*Item 8. Financial Information—Note 12 - Derivatives*” in the Notes to the Consolidated Financial Statements included in this Annual Report.

Interest Rate Risk

We are exposed to interest rate risk arising on interest-bearing assets that we hold, including cash and cash equivalents, short-term investments, and loans receivable. As of March 31, 2024, a hypothetical 1% increase or decrease in interest rates would have an approximate \$20 million (positive or negative, as applicable) impact on our operating results in the consolidated financial statements for the fiscal year ended March 31, 2024.

Foreign Currency Exchange Risk

We are exposed to foreign exchange risk in respect of our revenue and expenses where our revenue and expenses are denominated in a currency other than the functional currency of the transacting entity. We mitigate a proportion of this risk through the use of currency forward contracts.

Translational exposure arises on the revaluation of net investments in the consolidated financial statements, where these are not denominated in USD and on loans to subsidiaries in currencies other than our functional currency. As of March 31, 2024, a hypothetical 10% increase or decrease in the relative value of USD to British pound sterling would have an approximate \$54 million (positive or negative, as applicable) effect on our operating results in the consolidated financial statements for the fiscal year ended March 31, 2024.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Information regarding the fees and charges that a holder of our American Depositary Receipts may have to pay, either directly or indirectly, and the fees and other direct and indirect payments made by the depositary to the Company, is set forth below.

Fees and Charges

As an ADS holder, you will be required to pay the following fees (some of which may be cumulative) under the terms of the deposit agreement:

<u>Service</u>	<u>Fee</u>
Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares or upon a change in the ADS(s)-to-ordinary shares ratio or for any other reason), excluding ADS issuances as a result of distributions of ordinary shares	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) issued.
Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property or upon a change in the ADS(s)-to-ordinary shares ratio, or for any other reason)	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) cancelled.
Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.
Distribution of ADSs pursuant to (i) share dividends or other free share distributions, or (ii) an exercise of rights to purchase additional ADSs	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.
Distribution of financial instruments, including, without limitation, securities, other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares and contingent value rights)	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.
ADS Services	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the depositary.
Registration of ADS Transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) transferred.

Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the deposit agreement) into freely transferable ADSs, and vice versa) or conversion of ADSs for unsponsored American Depositary Shares (e.g., upon termination of the deposit agreement)

Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) converted.

As an ADS holder, you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the register of members and applicable to transfers of ordinary shares to or from the name of the custodian, the depository or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depository and/or service providers (which may be a division, branch or affiliate of the depository) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depository in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depository, the custodian or any nominee in connection with the servicing of the ADR program.

ADS fees and charges for (i) the issuance of ADSs and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depository into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depository fees, the depository may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depository fees from any distribution to be made to the ADS holder. Certain of the depository fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depository. You will receive prior notice of such changes. The depository may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depository agree from time to time.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

On September 18, 2023, we consummated an initial public offering of 102,500,000 American depositary shares, which we refer to herein as ADSs, including the underwriters' full exercise of their option to purchase up to an additional 7,000,000 ADSs to cover over-allotments, which we refer to herein as the IPO. Each ADS represents one ordinary share, nominal value £0.001 per share. The offering price for the IPO was \$51.00 per ADS, resulting in aggregate gross proceeds of \$5,227,500,000. The ADSs sold in the IPO were sold by a wholly owned subsidiary of SoftBank Group, our controlling shareholder. Accordingly, we did not receive any proceeds from the sale of the ADSs in the IPO. We incurred an aggregate of approximately \$84 million of expenses in connection with the IPO.

The IPO commenced on September 13, 2023 and did not terminate before all of the securities registered for offer and sale in the registration statement were sold. The effective date of the registration statement (File No. 333-274120) for the IPO was September 13, 2023.

Barclays Capital Inc, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Mizuho Securities USA LLC acted as joint book-running managers for the IPO.

Masayoshi Son, who is a Director and the Chairman of our Board of Directors, is Representative Director, Corporate Officer, Chairman and CEO of SoftBank Group. Accordingly, Mr. Son could be considered to have indirectly received the proceeds of the IPO. Other than SoftBank Group and Mr. Son, none of the net proceeds of the IPO were paid directly or indirectly paid to any director, officer, general partner of ours or to their associates, persons owning ten percent or more of any class of our equity securities, or to any of our affiliates.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

Our management, with the participation of our CEO and chief financial officer ("CFO"), evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2024 and concluded that, as of such date, our disclosure controls and procedures were effective as of March 31, 2024. The purpose of these controls and procedures is to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, and that such information is accumulated and communicated to our management, including our CEO and our CFO, to allow timely decisions regarding required disclosures.

Previously Identified Material Weaknesses in Internal Control Over Financial Reporting

In connection with the audit of our financial statements for the fiscal years ended March 31, 2022 and 2021, we identified a material weakness in our internal control over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A "significant deficiency" is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

The material weakness identified for the fiscal years ended March 31, 2022 and 2021 and disclosed in the IPO Prospectus, relates to information technology general controls over information systems that are necessary for preparation of our financial statements, specifically (i) insufficient controls over user access rights and segregation of duties within our information systems, (ii) insufficient controls over change management of our information systems and (iii) insufficient controls over monitoring of batch processes. To address the material weakness, in the fiscal year ended March 31, 2023 we implemented a remediation plan which we are continuing to implement in the fiscal year ended March 31, 2024. The remediation plan includes the following activities: (i) improving controls over access rights management, including reviews of current access rights, user roles and access management procedures, (ii) the removal of excessive access rights to ensure

that we adequately restrict user access to our financial applications to appropriate company personnel, (iii) expanding change management control procedures for our information systems, and (iv) engaging external experts to support the evaluation, testing and enhancement of our internal controls relating to our information technology systems. The actions that we are taking are subject to ongoing review by our executive management and are subject to the oversight of our Audit Committee. Although we have made considerable progress and intend to complete these remediation activities, we will not be able to fully remediate this material weakness until these steps have been completed, the enhanced processes have been operating effectively for a sufficient period of time and appropriate testing has been performed. We provide no assurances with respect to the timeline for implementing effective remedial measures, and our initiatives may not prove to be successful in remediating the material weakness or preventing additional material weaknesses or significant deficiencies in our internal control over financial reporting in the future.

B. Management’s Annual Report on Internal Control over Financial Reporting

This Annual Report does not include a report of management’s assessment regarding internal control over financial reporting due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

C. Attestation Report of Independent Registered Public Accounting Firm

This Annual Report does not include an attestation report of the Company’s registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

D. Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the fiscal year ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit committee financial expert

Our Board of Directors has determined that Karen E. Dykstra, the chair of our Audit Committee, qualifies as an “Audit Committee financial expert” within the meaning of SEC regulations, and that Ms. Dykstra is “independent” as that term is defined by the listing standards of Nasdaq and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 of the Exchange Act.

Item 16B. Code of Ethics

We maintain a Code of Conduct applicable to our and our subsidiaries’ employees, independent contractors, senior management and directors, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Board of Directors monitors compliance with our Code of Conduct, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance. Our Code of Conduct is intended to meet the definition of “code of ethics” under Item 16B of Form 20-F under the Exchange Act. We will disclose on our website any amendment to, or waiver from, a provision of our Code of Conduct that applies to our Board of Directors or Senior Management to the extent required under the rules of the SEC or Nasdaq. A current copy of the Code of Conduct is posted on the Investor Relations section of our website at <https://www.arm.com/company/code-of-conduct>. The information contained on our website is not incorporated by reference in this Annual Report.

Item 16C. Principal Accountant Fees and Services

Deloitte & Touche LLP has served as our principal independent registered public accounting firm for the fiscal years ended March 31, 2024 and 2023.

(in millions)	Fiscal Year Ended March 31,	
	2024	2023
Audit fees ⁽¹⁾	\$ 11	\$ 12
Audit-related fees ⁽²⁾	—	1
Tax fees ⁽³⁾	—	—
All other fees	1	—
Total	\$ 12	\$ 13

⁽¹⁾ Audit fees are the aggregate fees billed or expected to be billed for the audit for the fiscal years ended March 31, 2024 and 2023. This category also includes services that are normally provided by an auditor for statutory or regulatory filings, such as consents and review of documents filed with the SEC.

⁽²⁾ Audit-related fees are the aggregate fees billed or expected to be billed for assurance and related services rendered for the fiscal years ended March 31, 2024 and 2023, that are reasonably related to the performance of the audit or review and are not reported under audit fees.

⁽³⁾ Tax fees are the aggregate fees billed or expected to be billed for professional services rendered for the fiscal years ended March 31, 2024 and 2023, for tax compliance, tax advice, and tax planning.

Pre-Approval Policies and Procedures

Our Audit Committee is responsible for, among other things, approving (or, as permitted, pre-approving) all audit and all permissible non-audit services to be performed by the independent registered public accounting firm and U.K. statutory auditors.

Rule 2-01(c)(7)(i) of Regulation S-X permits the Audit Committee pre-approval requirement to be waived with respect to engagements for non-audit services aggregating to no more than five percent of the total amount of fees paid by the Company to its principal accountants, if such engagements were not recognized by the Company at the time of engagement and were promptly brought to the attention of the Audit Committee or a designated member thereof and approved prior to the completion of the audit. In the fiscal years ended March 31, 2024 and 2023, the percentage of the total amount of fees paid by the Company to its principal accountant for non-audit services in each category that was subject to such a waiver was less than five per cent for each year.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Our Board of Directors has affirmatively determined that Mses. Dykstra and Schooler meet the requirements for independence under the listing standards of Nasdaq and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 of the Exchange Act. Mr. Fisher will be permitted to serve on the Audit Committee until September 13, 2024, one year from the date of effectiveness of the registration statement (File No. 333-274120) filed under Rule 10A-3(b)(iv)(A) of the Exchange Act, and pursuant to the phase-in provisions in the listing standards of Nasdaq applicable to new public companies.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the year ended March 31, 2024, we withheld ordinary shares issuable upon the vesting of RSUs held by certain employees to satisfy their minimum tax and remittance payments associated with the vesting of RSUs. The following table summarizes all of these repurchases during the fiscal year ended March 31, 2024.

Issuer Purchases of Equity Securities

Period	(a) Total number of shares purchased ⁽¹⁾	(b) Average price paid per share ⁽¹⁾	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number of shares that may yet be purchased under the plans or programs
April 1, 2023 to April 30, 2023	—	\$ —	—	—
May 1, 2023 to May 31, 2023	—	\$ —	—	—
June 1, 2023 to June 30, 2023	—	\$ —	—	—
July 1, 2023 to July 31, 2023	—	\$ —	—	—
August 1, 2023 to August 31, 2023	—	\$ —	—	—
September 1, 2023 to September 30, 2023	—	\$ —	—	—
October 1, 2023 to October 31, 2023	388,530	\$ 53.45	—	—
November 1, 2023 to November 30, 2023	1,581,222	\$ 55.43	—	—
December 1, 2023 to December 31, 2023	—	\$ —	—	—
January 1, 2024 to January 31, 2024	—	\$ —	—	—
February 1, 2024 to February 29, 2024	724,954	\$ 131.54	—	—
March 1, 2024 to March 31, 2024	70,713	\$ 139.47	—	—
Total	2,765,419	\$ 77.25	—	—

(1) The number of shares purchased reflects the ordinary shares withheld by the Company in connection with the vesting of RSUs for the payment of tax and remittance payments due as a result of the vesting of RSUs. With respect to these shares, the price paid per share is based on the fair value at the time the Company withheld the shares.

Item 16F. Change in Registrant’s Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Foreign Private Issuer Exemption

We are a “foreign private issuer,” as defined by the SEC. As a result, in accordance with SEC and Nasdaq rules, we rely on and comply with certain home country governance requirements and exemptions thereunder rather than complying with Nasdaq corporate governance standards. While we voluntarily follow most Nasdaq corporate governance rules, we take advantage of certain exemptions, including, but not limited to, exemptions from:

- the Nasdaq rules applicable to domestic issuers requiring disclosure within four business days of any determination to grant a waiver of a Code of Conduct to directors and officers;
- the requirement to obtain shareholder approval for certain issuances of securities, including shareholder approval of share option plans;
- the requirement that the audit committee have review and oversight responsibilities over all “related party transactions”;
- the requirement that there be regularly scheduled meetings of only the independent directors at least twice a year; and
- the requirement to solicit proxies and provide proxy statements for all meetings of shareholders.

We follow the practices of England and Wales, our country of incorporation, in lieu of the foregoing requirements. Although we may rely on home country corporate governance practices in lieu of certain of the rules in the Nasdaq Rule 5600 Series and Rule 5250(d), we must comply with Nasdaq’s Notification of Noncompliance requirement (Rule 5625),

the Voting Rights requirement (Rule 5640), the Diverse Board Representation Rule (Rule 5605(f)), the Board Diversity Disclosure Rule (Rule 5606) and that we have an audit committee that satisfies Rule 5605(c)(3), consisting of committee members that meet the independence requirements of Rule 5605(c)(2)(A)(ii).

Accordingly, our shareholders do not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq. We may utilize these exemptions for as long as we continue to qualify as a foreign private issuer.

Controlled Company Status

SoftBank Group beneficially own approximately 88.1% of our outstanding ordinary shares as of May 15, 2024. As a result of SoftBank Group's ownership, we are a "controlled company" within the meaning of the corporate governance rules of Nasdaq. Under these rules, a listed company of which a majority of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements. As a controlled company, certain exemptions under the rules will mean that we are not required to comply with certain corporate governance requirements, including that (1) a majority of our Board of Directors consists of independent directors, as defined under Nasdaq listing rules, (2) a majority of the independent directors select or recommend its director nominees, (3) the Remuneration Committee be responsible for determining or recommending the compensation of executive officers other than our CEO, and (4) we have a Remuneration Committee that consists entirely of independent directors. We take advantage of the foregoing exemptions. Accordingly, shareholders do not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a "controlled company" and our ADSs continue to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Status as a Controlled Company and Foreign Private Issuer—We will be a "controlled company" within the meaning of the Nasdaq corporate governance rules and, as a result, be eligible to rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are not controlled companies."

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

We have adopted an Insider Trading Policy that governs purchases and sales of and other transactions in our securities and securities of our partners and customers by our and our subsidiaries' officers, members of our Board of Directors and all of our and our subsidiaries' employees, contractors and consultants. We believe the Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our Insider Trading Policy is filed as Exhibit 11.1 to this Annual Report.

Item 16K. Cybersecurity

Cybersecurity represents a critical component of the Company's overall approach to risk management. The Company's cybersecurity policies, standards and practices are fully integrated into the Company's enterprise risk management ("ERM") approach, and cybersecurity risks are among the core enterprise risks that are subject to oversight by the Board of Directors, the Audit Committee, and management's Risk Review Committee. The Company's cybersecurity policies, standards and incident response practices generally follow recognized frameworks established by National Institute of Standards and Technology ("NIST"). The Company approaches cybersecurity threats, as such term is defined in Form 20-F, Part II, Item 16K(a), through a cross-functional, multilayered approach, with the specific goals of: (i) identifying, preventing and mitigating actual or potential cybersecurity threats to the Company; (ii) preserving the confidentiality, integrity and availability of the information that we collect and store to use in our business; (iii) protecting the Company's intellectual property; (iv) maintaining the confidence of our customers, clients and business partners; and (v) providing appropriate public disclosure of cybersecurity risks and incidents when required.

Risk Management and Strategy

Consistent with overall ERM policies and practices, the Company's cybersecurity program focuses on the following areas:

- ***Vigilance***: The Company maintains a global presence, with 24/7 cyber defense operations focusing on identifying, preventing and mitigating cybersecurity threats and responding to cybersecurity incidents and vulnerabilities in accordance with our established security incident response plan.
- ***Systems Safeguards***: The Company deploys system safeguards where feasible that are designed to protect the Company's information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through ongoing vulnerability assessments and cybersecurity threat intelligence.
- ***Incident Response and Recovery Planning***: The Company has established comprehensive security incident response plans that fully address the Company's response to a cybersecurity threat, including the recovery from a cybersecurity incident, which is tested outside of real incident response at least annually.
- ***Collaboration***: The Company's security incident response plan contains mechanisms to collaborate with public and private entities, including intelligence and enforcement agencies, industry groups and third-party service providers, to identify, assess and respond to cybersecurity threats.
- ***Third-Party Risk Management***: The Company maintains a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of the Company's systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity threat affecting those third-party systems.
- ***Training***: The Company provides annual mandatory training for personnel regarding cybersecurity threats, which reinforces the Company's information security policies, standards and practices, and such training is scaled to reflect the roles, responsibilities and information systems access of such personnel.
- ***Communication, Coordination and Disclosure***: The Company has established a cross-functional approach to address the risk from cybersecurity threats, involving management personnel from the Company's enterprise security, technology, operations, legal, business continuity management, internal audit and other key business functions, as well as the members of the Board of Directors and the Audit Committee in an ongoing dialogue regarding cybersecurity threats and incidents, while also implementing controls and procedures for the escalation of cybersecurity incidents pursuant to established thresholds so that decisions regarding the disclosure and reporting of such incidents can be made by management in a timely manner.
- ***Governance***: The Board of Directors' oversight of cybersecurity risk management is supported by the Audit Committee, which regularly interacts with the Company's VP of Audit and Risk, the Chief Information Security Officer, and other members of management involved in overseeing risks from cybersecurity threats.

A key part of the Company's strategy for managing risks from cybersecurity threats is the ongoing assessment and testing of the Company's processes and practices through auditing, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures. The Company regularly engages third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, penetration testing, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Audit Committee and the Board, and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by the assessments, audits and reviews.

Governance

The Board of Directors, in coordination with the Audit Committee, oversees the management of risks from cybersecurity threats, including the policies, standards, processes and practices that the Company's management implements to address risks from cybersecurity threats. The Audit Committee receives regular presentations and reports on cybersecurity risks, which address a wide range of topics including, for example, recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to the Company's peers and third parties. The Audit Committee timely oversees any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed. Risks of cybersecurity threats are also discussed with the Board in

connection with other relevant matters such as enterprise risk management, operational budgeting, strategic planning, business continuity planning, mergers and acquisitions, and brand management.

The Company's Chief Information Security Officer is the member of the Company's management that is principally responsible for overseeing the Company's security incident response plan and cybersecurity risk management program. The Chief Information Security Officer works in partnership with members of the Company's Risk Review Committee and other business leaders across the Company, including the Company's VP of Operations, Chief Information Officer, Chief Accounting Officer, VP and Deputy General Counsel, Litigation, and the Chief Compliance Officer.

The Company's Chief Information Security Officer reports to the Chief Information Officer who reports to the CFO. This group has industry experience building and leading security teams and is responsible for overseeing data security and Company-wide preparedness. The Chief Information Security Officer is a qualified holder of CISSP and CISM certifications and has served in various roles in information technology and information security for over 10 years. Prior experience includes security leadership roles in financial services.

The Company's Chief Information Security Officer manages a dedicated enterprise security team who provide information assurance governance and consultation across all regions of our business. This team works with a managed security service provider to deliver some of its security services, particularly work that is highly manual, repetitive or that can be automated.

The enterprise security team works collaboratively across the Company to implement the Company's security strategy, which includes evaluating and considering the relevance of specific cyber security capabilities to Arm's business model and external threats. To facilitate the success of this strategy, multidisciplinary teams throughout the Company are deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with the Company's security incident response plan designed to monitor the prevention, detection, mitigation and remediation of cybersecurity incidents in real time, and report such incidents to executive management, and to the Audit Committee when appropriate.

At the time of filing this Annual Report, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected the Company, including its business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, could have a material adverse effect on us including an adverse effect on our business, financial condition and results of operations. See "*Item 3. Key Information—D. Risk Factors—Actual or perceived security vulnerabilities in our information technology systems, including cyberattacks, security breaches or other similar incidents with respect to our or our third-party partners' information technology systems, or any unauthorized access to our data or our third-party partners' and our customers' data, could harm our reputation, business and operating results.*"

PART III

Item 17. Financial Statements

The Company has responded to Item 18 in lieu of this item.

Item 18. Financial Statements

See "*Item 8. Financial Information*" of this Annual Report.

Item 19. Exhibits

Exhibit Number	Description of Exhibit	Form	File No.	Exhibit	Filing Date	Filed Herewith
1.1	Articles of Association, as amended.					X
2.1	Deposit Agreement, dated as of September 13, 2023, by and between Arm Holdings plc and Citibank, N.A.					X
2.2	Form of American Depositary Receipt (included in exhibit 2.1).					X
2.3	Description of Securities.					X
4.1	Arm IP License Agreement, dated April 24, 2018, by and between Arm Limited and Arm Technology (China) Co. Ltd.	F-1	333-274120	10.1	08/21/2023	
4.2	Arm Holdings plc 2023 Omnibus Incentive Plan with the Non-Employee Sub-Plan, the France Sub-Plan, as amended, and the Israel Sub-Plan.					X
4.3	Shareholder Governance Agreement, dated September 18, 2023, by and between SoftBank Group Corp. and Arm Holdings plc.					X
4.4	Consulting Agreement, dated August 21, 2023, by and between Arm Limited and SoftBank Group Corp.	F-1	333-274120	10.4	09/01/2023	
4.5	Form of Deed of Indemnity between the Company and each of its directors.	F-1	333-274120	10.5	09/05/2023	
4.6	Form of Deed of Indemnity between the Company and each of its executive officers.	F-1	333-274120	10.6	09/05/2023	
4.7	The Arm Holdings plc RSU Award Plan with California and Israeli Sub-Plans.	S-8	333-274544	4.6	09/15/2023	
4.8	The Arm Holdings plc All-Employee Plan 2019 with California and French Sub-Plans.	S-8	333-274544	4.7	09/15/2023	
4.9	The Executive IPO Plan 2019 with California Sub-Plan.	S-8	333-274544	4.8	09/15/2023	
4.10	The Arm Non-Executive Directors RSU Award Plan with California Sub-Plan.	S-8	333-274544	4.9	09/15/2023	
4.11	Arm Annual Bonus Plan Rules.					X
4.12	Amended and Restated Employment Agreement, dated as of November 17, 2022, by and between Rene Anthony Andrada Haas and Arm, Inc.					X
8.1	Subsidiaries of the Company.					X
11.1	Insider Trading Policy.					X
12.1	Certification by Chief Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.					X
12.2	Certification by Chief Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002.					X

13.1	*	<u>Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	
15.1		<u>Consent of Independent Registered Public Accounting Firm.</u>	X
97.1		<u>Clawback Policy.</u>	X
101		The following materials from the Company's Annual Report on Form 20-F for the year ended March 31, 2024, were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Statements of Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
104		Cover page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL.	X

* Furnished herewith.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

ARM HOLDINGS PLC

Date: May 29, 2024

By:

/s/ Laura Bartels

Name: Laura Bartels

Title: Chief Accounting Officer
(Principal Accounting Officer)

No. 11299879

The Companies Act 2006
Company Limited by Shares

ARTICLES OF ASSOCIATION

adopted by special resolution passed on 4 September 2023

of

Arm Holdings plc

(incorporated on 9 April 2018 under the Companies Act 2006)

The Companies Act 2006

Company Limited by Shares

Articles of Association

adopted by special resolution passed on 4 September 2023

of

Arm Holdings plc (the “Company”)

Preliminary

1 Default Articles not to apply

Neither the model articles for public companies contained or incorporated in Schedule 3 to the Companies (Model Articles) Regulations 2008 nor any other articles or regulations prescribing forms of articles which may apply to companies under the Legislation or any former enactment relating to companies shall apply to the Company.

2 Interpretation

In these Articles (if not inconsistent with the subject or context) the provisions of this Article 2 apply:

- “**address**” means any address or number (including, in the case of any Uncertificated Proxy Instruction, an identification number of a participant in the relevant system) used for the purposes of sending or receiving notices, documents or information by electronic means and/or by means of a website;
- “**Affiliate**” means, in relation to a company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company, provided that “Affiliates” of SBG shall include (i) investment funds managed by SBG’s Affiliates; and/or (ii) any investment fund consented to as an Affiliate by the Company. For the purposes of this definition, a reference to a “**company**” includes a body corporate and any partnership, LLC or similar corporate undertaking which is majority owned and controlled directly or indirectly by SBG;
- “**Annual General Meeting**” means a general meeting held as the Company’s annual general meeting in accordance with Section 336 of the Companies Act 2006;
- “**Appointed Number**” has the meaning given to it in Article 125.1;

“ Appointed Proxy ”	has the meaning given to it in Article 125.2;
“ Approved Depositary ”	means a custodian or some other person appointed in writing by the Directors whereby such custodian or other person holds or is interested in ordinary shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to receive such shares, provided and to the extent that the terms and conditions of the custodian or other person acting as such have been approved by the Directors for the purpose of these Articles;
“ approved transfer ”	has the meaning given to it in Article 64.8.2;
“ call ”	has the meaning given to it in Article 18;
“ clear days ”	in relation to a period of notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
“ Companies Acts ”	shall have the same meaning as in Section 2 of the Companies Act 2006 in so far as they apply to the Company;
“ Company Communications Provisions ”	shall have the same meaning as in Section 1143 of the Companies Act 2006;
“ default shares ”	has the meaning given to it in Article 64.2.1;
“ Depositary Shares ”	has the meaning given to it in Article 125.1;
“ direction notice ”	has the meaning given to it in Article 64.3;
“ Directors ”	means the directors of the Company, and “ Director ” means any of them;
“ Dividend Record Date ”	has the meaning given to it in Article 106.1;
“ elected Ordinary shares ”	has the meaning given to it in Article 111.7;
“ electronic form ”	shall have the same meaning as in the Company Communications Provisions;
“ electronic general meeting ”	has the meaning given to it in Article 42.2;
“ electronic means ”	shall have the same meaning as in the Company Communications Provisions;
“ entitled members ”	has the meaning given to it in Article 9.2.1;

“Exchange Act”	means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“First Adjourned Meeting”	has the meaning given to it in Article 79.2;
“General Meeting”	means any general meeting of the Company, including any general meeting held as the Company’s Annual General Meeting;
“hard copy form”	shall have the same meaning as in the Company Communications Provisions;
“holding company”	means a holding company within the meaning of Section 1159 of the Companies Act 2006;
“hybrid general meeting”	has the meaning given to it in Article 42.1;
“in writing”	means written or produced by any substitute for writing (including anything in electronic form) or partly one and partly another;
“Independent”	means a person meeting the independence standards of the Nasdaq Global Select Market pursuant to Rule 5605(a)(2) of the Nasdaq Listing Rules or any successor provision thereto;
“Interested Directors”	has the meaning given to it in Article 85.2.2;
“Legislation”	means the Companies Acts, the Uncertificated Securities Rules and every other enactment for the time being in force concerning companies and affecting the Company;
“month”	means a calendar month;
“Nasdaq”	means the Nasdaq Stock Market LLC;
“Nominee”	means a member of the Company who holds ordinary shares in the Company as nominee for an Approved Depositary;
“Office”	means the registered office of the Company for the time being;
“Operator”	means Euroclear UK & Ireland Limited or such other person as may for the time being be approved by H.M. Treasury as Operator under the Uncertificated Securities Rules;
“paid”	means paid or credited as paid;

“person entitled”	means, in relation to a share, a person entitled to that share by reason of the death or bankruptcy of a member or otherwise by operation of law;
“principal meeting place”	has the meaning given to it in Article 50.2;
“Proxy Register”	has the meaning given to it in Article 125.1;
“Record Date”	has the meaning given to it in Article 125.6.1;
“Register”	means the register of members of the Company;
“relevant system”	means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to the Uncertificated Securities Rules or other applicable regulations;
“satellite chair”	has the meaning given to it in Article 50.7;
“satellite meeting”	has the meaning given to it in Article 50.2;
“SBG”	means SoftBank Group Corp., a Japanese <i>kabushiki kaisha</i> ;
“Scrip Shares”	has the meaning given to it in Article 111.1;
“Seal”	means the common seal of the Company;
“SEC”	means the United States Securities and Exchange Commission;
“Second Adjourned Meeting”	has the meaning given to it Article 79.2;
“Secretary”	means the secretary of the Company and any person appointed by the Directors to perform any of the duties of the secretary including, but not limited to, a joint, assistant or deputy secretary;
“Securities Act”	means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“Securities Seal”	means an official seal kept by the Company for sealing securities issued by the Company, or for sealing documents creating or evidencing securities so issued, as permitted by the Companies Acts;
“subsidiary”	means a subsidiary within the meaning of Section 1159 of the Companies Act 2006;
“these Articles”	means these Articles of Association as from time to time altered;

“Transfer Office”	means the place where the Register is situated for the time being;
“Uncertificated Proxy Instruction”	means a properly authenticated dematerialised instruction, and/or other instruction or notification, sent by means of a relevant system to a participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system);
“Uncertificated Securities Rules”	means any provision of the Companies Acts relating to the holding, evidencing of title to, or transfer of uncertificated shares and any legislation, rules or other arrangements made under or by virtue of such provision (including the Uncertificated Securities Regulations 2001 as amended or replaced from time to time and any subordinate legislation or rules made under them for the time being in force);
“United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland;
“working day”	means any day other than a Saturday, Sunday, or other day on which commercial banks in New York and/or London are authorised or required by law to remain closed; and
“year”	means calendar year.

- 2.1** Any reference to issued shares of any class (whether of the Company or of any other company) shall not include any shares of that class held as treasury shares except where the contrary is expressly provided.
- 2.2** Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.
- 2.3** References to an Article are to a numbered paragraph of these Articles.
- 2.4** The words “including” and “include” and words of similar effect shall not be deemed to limit the general effect of the words which precede them.
- 2.5** References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these Articles).
- 2.6** References to a share (or to a holding of shares) being in certificated or uncertificated form are references, respectively, to that share being a certificated or an uncertificated unit of a security for the purposes of the Uncertificated Securities Rules.

- 2.7 Subject to Article 29.2, the provisions of these Articles relating to General Meetings and to the proceedings at such meetings shall apply to separate meetings of a class of shareholders.
- 2.8 References to a person being present at a General Meeting include a person present by corporate representative.
- 2.9 Except as provided above, any words or expressions defined in the Companies Acts or the Uncertificated Securities Rules shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

3 Liability of members

The liability of each member is limited to the amount (if any) for the time being unpaid on the shares held by that member.

Shares

4 Shares and special rights

- 4.1 Subject to the provisions of the Legislation and to any rights attached to any existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine.
- 4.2 The Company may issue any shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder and the Directors may determine the terms, conditions and manner of redemption of any such shares.

5 Directors' powers to allot securities and to sell treasury shares

- 5.1 Subject to the provisions of the Legislation, these Articles and any resolution of the Company, the Directors may allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares to such persons, at such times and on such terms, including as to the ability of such persons to assign their rights to be issued such shares, as they think proper.
- 5.2 The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise for each Allotment Period all the powers of the Company to allot shares, and to grant rights to subscribe for, or to convert any security into, shares, of an aggregate nominal amount up to the Section 551 Amount. By such authority the Directors may, during the Allotment Period, make offers or agreements which would or might require shares to be allotted, or rights to be granted, after the expiry of such period.
- 5.3 During each Allotment Period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the authority in Article 5.2 and to sell treasury shares wholly for cash:
- 5.3.1 in connection with a pre-emptive offer; and

5.3.2 otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount equal to the Section 561 Amount, as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale. Under such power the Directors may, during the Allotment Period, make offers or agreements which would or might require equity securities to be allotted after the expiry of such period.

5.4 For the purposes of this Article:

5.4.1 “**Allotment Period**” means any period specified as such by the Relevant Ordinary Resolution;

5.4.2 “**Section 551 Amount**” means the amount specified as such by the Relevant Ordinary Resolution;

5.4.3 “**equity securities**”, “**ordinary shares**” and references to the allotment of equity securities shall have the same meanings as in Section 560 of the Companies Act 2006;

5.4.4 “**Section 561 Amount**” means the amount specified as such in the Relevant Special Resolution;

5.4.5 “**pre-emptive offer**” means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the Register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

5.4.6 “**Relevant Ordinary Resolution**” means, at any time, the most recently passed resolution varying, renewing or further renewing the authority conferred by Article 5.2;

5.4.7 “**Relevant Special Resolution**” means, at any time, the most recently passed special resolution renewing or further renewing the power conferred by Article 5.3; and

5.4.8 in the case of rights to subscribe for, or to convert any securities into, shares of the Company, the nominal amount of such securities shall be taken to be the nominal amount of the shares which may be allotted pursuant to such rights.

6 Commissions on issue of shares

Subject to the Legislation, the Company may pay a commission to any person who: (i) subscribes or agrees to subscribe for shares; or (ii) procures or agrees to procure subscriptions for shares, in each case either conditionally or unconditionally. Such payment may be in cash, by allotting fully or partly paid shares or other securities, or partly in one way and partly in the other.

7 Reduction of capital

The Company may by special resolution reduce its share capital, share premium account, capital redemption reserve or redenomination reserve in any way permitted by the Legislation.

8 Fractions arising on consolidation or subdivision

8.1 Whenever as a result of a subdivision or consolidation of shares any members would become entitled to fractions of a share, the Directors shall have power to deal with any such fractions as they see fit. In particular, without limitation, the Directors may:

8.1.1 sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Legislation, the Company);

8.1.2 distribute the net proceeds of sale in due proportion among those members; and

8.1.3 authorise any person to execute an instrument to transfer the shares to the purchaser or its nominee.

8.2 The transferee of the shares has no obligation to ensure that the purchase money is distributed in accordance with this Article 8.

8.3 The transferee's title to the shares shall not be affected by any irregularity in or invalidity of the sale proceedings.

8.4 Where any member's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that member's portion may at the Directors' discretion be distributed to an organisation which is a charity for the purposes of the laws of England and Wales.

9 Capitalisation of profits and reserves

9.1 If so authorised by an ordinary resolution, the Directors may:

9.1.1 capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve); and

9.1.2 capitalise any sum standing to the credit of the profit and loss account that is not required for payment of any preferential dividend.

9.2 Unless the ordinary resolution passed in accordance with Article 9.1 states otherwise the Directors shall set aside such capitalised sum:

9.2.1 for the holders of shares ("**entitled members**"); and

9.2.2 in proportion to the number of shares held by them on the date that the resolution is passed in accordance with Article 9.1 or such other date as set out in or calculated in accordance with such resolution, or in such other proportions as stated, or fixed as stated, in the resolution.

- 9.3** The Directors may apply such capitalised sum in paying up new shares (or, subject to any special rights previously conferred on any shares or class of shares, new shares of any other class). The Company shall then allot such shares credited as fully paid to the entitled members or as they may direct. For the purposes of this Article 9.3, unless the ordinary resolution passed in accordance with Article 9.1 provides otherwise, if the Company holds treasury shares on the date determined in accordance with Article 9.2.2:
- 9.3.1** it shall be treated as an entitled member; and
 - 9.3.2** all shares held by it as treasury shares shall be included in determining the proportions in which the capitalised sum is set aside.
- 9.4** To the extent a capitalised sum is appropriated from profits available for distribution it may also be applied:
- 9.4.1** in or towards paying up any amounts unpaid on existing shares held by the entitled members; or
 - 9.4.2** in paying up new debentures of the Company which are then allotted credited as fully paid to the entitled members or as they may direct; or
 - 9.4.3** a combination of the two.
- 9.5** The Directors may:
- 9.5.1** make such provisions as they think fit for any fractional entitlements which might arise on a capitalisation (including to disregard such fractional entitlements or for the benefit of them to accrue to the Company); and
 - 9.5.2** authorise any person to enter into an agreement with the Company on behalf of all of the entitled members in relation to the issue of shares or debentures pursuant to this Article 9. Any agreement made under such authority shall be binding on the entitled members.

10 Only absolute interests recognised

Except as required by law and these Articles, the Company is not obliged to recognise any person as holding any share upon any trust nor any other right in respect of any share, except the holder's absolute right to the share and the rights attaching to it.

Share Certificates

11 Issue of share certificates

- 11.1** The Company shall issue a share certificate to every person whose name is entered in the Register in respect of shares in certificated form, except where the Legislation allows the Company not to issue a certificate.
- 11.2** Subject to Article 13, the Company shall issue share certificates without charge.

- 11.3** The Company shall issue certificates within the time limit prescribed by the Legislation or, if earlier, within any time limit specified in the terms of the shares or under which they were issued.
- 11.4** Where shares are held jointly by several persons, the Company is not required to issue more than one certificate in respect of those shares, and delivery of a certificate to one joint holder shall be sufficient delivery to them all.
- 11.5** Each certificate must be in respect of one class of shares only. If a member holds more than one class of shares, separate certificates must be issued to that member in respect of each class.

12 Form of share certificate

- 12.1** Every share certificate may be executed by the Company by affixing the Seal or the Securities Seal (or, in the case of shares on a branch register, an official seal for use in the relevant territory) or otherwise in any manner permitted by the Legislation. The Directors may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means, or may be printed on them.
- 12.2** Every share certificate shall specify the number and class of shares to which it relates, the nominal value of those shares, the amount paid up on them and any distinguishing numbers assigned to them.

13 Replacement of share certificates

- 13.1** A member who has separate certificates in respect of shares of one class may request in writing that it be replaced with a consolidated certificate. The Company may comply with such request at its discretion.
- 13.2** A member who has a consolidated share certificate may request in writing that it be replaced with two or more separate certificates representing the shares in such proportions as he may specify. The Company may comply with such request at its discretion.
- 13.3** If a share certificate is damaged or defaced, or alleged to have been lost, stolen or destroyed, the member shall be issued a new certificate representing the same shares upon request.
- 13.4** No new certificate will be issued pursuant to this Article 13 unless the relevant member has:
 - 13.4.1** first delivered the old certificate or certificates to the Company for cancellation; or
 - 13.4.2** complied with such conditions as to evidence and indemnity as the Directors may think fit; and
 - 13.4.3** paid such reasonable fee as the Directors may decide.
- 13.5** In the case of shares held jointly by several persons, any request pursuant to this Article 13 may be made by any one of the joint holders.

14 Consolidated and balance share certificates

- 14.1** If a member's holding of shares of a particular class increases, the Company must issue that member with either:
- 14.1.1** a consolidated certificate in respect of all of the shares of that class held by that member; or
 - 14.1.2** a separate certificate in respect of only the number of shares of that class by which that member's holding has increased.
- 14.2** If some only of the shares comprised in a share certificate are transferred, or the member's holding of those shares is otherwise reduced, the Company shall issue a new certificate for the balance of such shares.
- 14.3** No new certificate will be issued pursuant to this Article 14 unless the relevant member has:
- 14.3.1** first delivered any old certificate or certificates that represent any of the same shares to the Company for cancellation; or
 - 14.3.2** complied with such conditions as to evidence and indemnity as the Directors may think fit and paid such reasonable fee as the Directors may decide.

Shares not held in Certificated Form

15 Uncertificated shares

- 15.1** In this Article 15, "**the relevant rules**" means:
- 15.1.1** any applicable provision of the Legislation about the holding, evidencing of title to, or transfer of shares other than in certificated form; and
 - 15.1.2** any applicable legislation, rules or other arrangements made under or by virtue of such provision.
- 15.2** The provisions of this Article 15 have effect subject to the relevant rules.
- 15.3** To the extent any provision of these Articles is inconsistent with the applicable relevant rules, it must be disregarded.
- 15.4** Any share or class of shares of the Company may be issued or held on such terms, or in such a way, that:
- 15.4.1** title to it or them is not, or must not be, evidenced by a certificate; or
 - 15.4.2** it or they may or must be transferred wholly or partly without a certificate.
- 15.5** The Directors have power to take such steps as they think fit in relation to:
- 15.5.1** the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares);
 - 15.5.2** any records relating to the holding of uncertificated shares;

- 15.5.3** the conversion of certificated shares into uncertificated shares; or
- 15.5.4** the conversion of uncertificated shares into certificated shares.
- 15.6** The Company may by notice to the holder of a share require that share:
- 15.6.1** if it is uncertificated, to be converted into certificated form; and
- 15.6.2** if it is certificated, to be converted into uncertificated form,
- to enable it to be dealt with in accordance with these Articles.
- 15.7** If:
- 15.7.1** these Articles give the Directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
- 15.7.2** uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument,
- the Directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.
- 15.8** The Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it. This may include converting such share to certificated form.
- 15.9** Unless the Directors resolve otherwise, shares which a member holds in uncertificated form must be treated as separate holdings from any shares which that member holds in certificated form.
- 15.10** A class of shares must not be treated as two classes simply because some shares of that class are held in certificated form and others are held in uncertificated form.
- 15.11** The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Rules and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance on such assumption. Any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the Register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

Calls on Shares

16 Sums due on shares

- 16.1** For the purposes of these Articles, any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of allotment of a share becomes payable upon allotment, or at any fixed date, shall be deemed to be a call duly made and payable on the date on which it is payable.

16.2 In case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

17 Power to differentiate between holders

On the allotment of shares, the Directors may provide that the amount of calls to be paid on those shares and the times of payment are different for different holders of those shares.

18 Calls

18.1 Subject to the terms of allotment of the shares, the Directors may make a “call” by requiring a member to pay to the Company any money that is payable on the shares such member holds as at the date of the call.

18.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

18.3 Notice of a call must be given to the relevant member and may specify the time or times and place where payment is required to be made.

18.4 A call may be made payable by instalments.

18.5 A member must pay to the Company the amount called on his shares at the time or times and place specified, but is not required to do so until 14 clear days have passed since the notice of call was sent.

18.6 A call may be wholly or partly revoked or postponed at any time before payment of it is made, as the Directors may decide.

19 Liability for calls

19.1 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of such share.

19.2 A person on whom a call is made remains liable for the call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

20 Interest on overdue amounts

20.1 If a sum called in respect of a share is not paid by the time it is due for payment, the member from whom the sum is due shall pay interest on the sum from the time payment was due to the time of actual payment at such rate as the Directors may decide (save that such rate may not exceed the Bank of England base rate by more than five per cent. per annum).

20.2 The Directors may waive payment of such interest wholly or in part at their discretion.

21 Payment of calls in advance

- 21.1** Any member may pay to the Company all or any part of the amount (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him. The Directors may accept or refuse such payment, as they think fit.
- 21.2** Any payment in advance of calls shall, to the extent of such payment, extinguish the liability upon the shares in respect of which it is made.
- 21.3** The Company may pay interest upon the money so received (until the same would but for such advance become payable) at such rate as the member paying such sum and the Directors may agree.

Forfeiture and Lien

22 Notice on failure to pay a call

- 22.1** If a member fails to pay in full any call or instalment of a call on or before the due date for payment, the Directors may at any time serve a notice in writing on him requiring payment of:
- 22.1.1** so much of the call or instalment as is due but unpaid;
 - 22.1.2** any interest which may have accrued on the unpaid amount; and
 - 22.1.3** any expenses incurred by the Company by reason of such non-payment.
- 22.2** The notice shall state:
- 22.2.1** a date (not being less than 14 clear days from the date of service of the notice) on or before which the payment is to be made;
 - 22.2.2** the place where the payment is to be made; and
 - 22.2.3** that in the event of non-payment the shares on which the call has been made will be liable to be forfeited.

23 Forfeiture for non-compliance

- 23.1** If the requirements of any notice given pursuant to Article 22 are not complied with and all calls and interest and expenses due in respect of such share remain unpaid, any share in respect of which such notice has been given may be forfeited by a resolution of the Directors to that effect.
- 23.2** Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture.
- 23.3** The Directors may accept a surrender of any share liable to be forfeited pursuant to this Article 23.
- 23.4** When any share has been forfeited, notice of the forfeiture shall be served on the holder of the share or the person entitled to such share by transmission (as the case may be) before forfeiture. An entry of such notice having been given and of the forfeiture and the date of

forfeiture shall immediately be made in the Register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry in the Register.

24 Disposal of forfeited shares

- 24.1** A share forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to any person (including the person who was before such forfeiture or surrender the holder of that share or entitled to it) on such terms and in such manner as the Directors shall think fit.
- 24.2** At any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors think fit.
- 24.3** The Directors may authorise any person to transfer a forfeited or surrendered share pursuant to this Article 24 and may enter the name of the transferee in respect of the transferred share in the Register even if no share certificate is lodged and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the share. The Company may receive the consideration (if any) given for the share on its disposal.

25 Holder to remain liable despite forfeiture

- 25.1** A person whose shares have been forfeited or surrendered shall:
- 25.1.1** cease to be a member in respect of those shares;
 - 25.1.2** in the case of shares held in certificated form, surrender to the Company for cancellation the certificate for such shares; and
 - 25.1.3** remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares together with interest on such sum at such rate as the Directors may decide (not exceeding the Bank of England base rate by more than five per cent. per annum) from the date of forfeiture or surrender until the date of actual payment.
- 25.2** The Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal. They may also waive payment in whole or in part.

26 Lien on partly-paid shares

- 26.1** The Company shall have a lien on every share that is not fully-paid for all moneys in respect of the share's nominal value, or any premium at which it was issued, that have not been paid to the Company and are payable immediately or at a fixed time in the future, whether or not a call has been made on such sums.
- 26.2** The Company's lien over a share takes priority over the rights of any third party and extends to any dividends or other sums payable by the Company in respect of that share (including any sale proceeds if that share is sold by the Company pursuant to these Articles).

26.3 The Directors may waive any lien which has arisen and may resolve that any share shall be exempt wholly or partially from the provisions of this Article 26 for such period as the Directors decide.

27 Sale of shares subject to lien

27.1 The Company may sell, in such manner as the Directors decide, any share in respect of which an enforcement notice has been given if that notice has not been complied with.

27.2 An enforcement notice:

27.2.1 may only be given if a sum in respect of which the lien exists is due and has not been paid;

27.2.2 must specify the share concerned;

27.2.3 must require payment of the sum due on a date not less than 14 clear days from the date of the notice;

27.2.4 must be addressed to the holder of, or person entitled to, that share; and

27.2.5 must give notice of the Company's intention to sell the share if the notice is not complied with.

27.3 For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser or its nominee.

27.4 The net proceeds of such sale (after payment of the costs of the sale and of enforcing the lien) shall be applied:

27.4.1 first, in or towards payment or satisfaction of the amount in respect of which the lien exists, to the extent that amount was due on the date of the enforcement notice; and

27.4.2 secondly, to the person entitled to the shares immediately prior to the sale, provided that:

- (i) that person has first delivered the certificate or certificates in respect of the shares sold to the Company for cancellation or complied with such conditions as to evidence and indemnity as the Directors may think fit; and
- (ii) the Company shall have a lien over such proceeds (equivalent to that which existed upon the shares prior to the sale) in respect of sums which become or became due after the date of the enforcement notice in respect of the shares sold.

27.5 The transferee of the shares has no obligation to ensure that the purchase money is distributed in accordance with these Articles.

27.6 The transferee's title to the shares shall not be affected by any irregularity in or invalidity of the forfeiture, surrender or sale proceedings.

28 Evidence of forfeiture

A statutory declaration that the declarant is a Director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. Subject to compliance with any other transfer formalities required by these Articles or by law, such declaration shall constitute a good title to the share.

Variation of Rights

29 Manner of variation of rights

29.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated:

29.1.1 with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class, excluding any shares held as treasury shares; or

29.1.2 with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class (but not otherwise),

and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

29.2 The provisions of these Articles relating to General Meetings and to the proceedings at such meetings shall apply to separate meetings of a class of shareholders (with only such changes as are necessary), except that:

29.2.1 the necessary quorum at a separate meeting shall be two persons at least, holding or representing by proxy at least one-third in nominal value of the issued shares of the class;

29.2.2 at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum;

29.2.3 any holder of shares of the class present in person or by proxy may demand a poll;

29.2.4 every such holder shall on a poll have one vote for every share of the class held by him; and

29.2.5 if a meeting is adjourned for any reason including a lack of quorum, the adjourned meeting may be held less than ten clear days after the original meeting notwithstanding Article 45.2.

29.3 The provisions of this Article 29 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated form a separate class, the special rights of which are to be varied.

30 Matters not constituting variation of rights

The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by their terms of issue, be deemed to be varied by:

- 30.1** the creation or issue of further shares ranking, as regards participation in the profits or assets of the Company, in some or all respects equally with them but in no respect in priority to them; or
- 30.2** the purchase or redemption by the Company of any of its own shares.

Transfer of Shares

31 Form of transfer

- 31.1** All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors.
- 31.2** The instrument of transfer shall be signed by or on behalf of the transferor and, if any of the shares are not fully-paid shares, by or on behalf of the transferee.
- 31.3** The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of those shares.
- 31.4** All instruments of transfer which are registered may be retained by the Company.
- 31.5** All transfers of shares which are in uncertificated form shall be effected by means of a relevant system in such manner provided for, and subject as provided in, the Uncertificated Securities Rules. No provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred.

32 Right to refuse registration

- 32.1** The Directors may decline to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
 - 32.1.1** it is for a share that is fully paid up;
 - 32.1.2** it is for a share upon which the Company has no lien;
 - 32.1.3** the instrument of transfer is in respect of only one class of share;
 - 32.1.4** it is in favour of a single transferee or no more than four joint transferees; and
 - 32.1.5** the instrument of transfer is lodged (duly stamped if required) at the Transfer Office accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the relevant share certificate(s) or such other evidence as the Directors may reasonably require to show the right of the transferor

(or person renouncing) to make the transfer or, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.

32.2 The Directors shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to, or for which depositary instruments representing such shares are admitted to, Nasdaq, on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in the shares of that class from taking place on an open and proper basis.

32.3 The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the Uncertificated Securities Rules and the relevant system.

33 No fee on registration

No fee will be charged by the Company in respect of the registration of any transfer or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

34 Branch register

If the Company transacts business in a country or territory referred to in Section 129 of the Companies Act 2006, it may arrange for a branch register of the members resident in that country or territory to be kept there.

Transmission of Shares

35 Persons entitled to shares on death

35.1 If a member dies the only persons the Company shall recognise as having any title to his interest in the shares shall be:

35.1.1 the survivors or survivor where the deceased was a joint holder; and

35.1.2 the executors or administrators of the deceased where he was a sole or only surviving holder.

35.2 Nothing in this Article 35 shall release the estate of a deceased member (whether sole or joint) from any liability in respect of any share held by him.

36 Election by persons entitled by transmission

36.1 A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may either:

36.1.1 be registered himself as holder of the share upon giving to the Company notice in writing to that effect; or

36.1.2 transfer such share to some other person,

upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share.

36.2 All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall apply to any such notice or transfer as if the notice or transfer were a transfer made by the member registered as the holder of any such share.

36.3 A person entitled by transmission to a share in uncertificated form who elects to have some other person registered shall either:

36.3.1 procure that instructions are given by means of the relevant system to effect the transfer of such uncertificated share to that person; or

36.3.2 change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person.

37 Rights of persons entitled by transmission

37.1 A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law:

37.1.1 subject to Article 37.1.2, shall be entitled to the same dividends and other advantages as a registered holder of the share upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share; and

37.1.2 shall not be entitled to exercise any right in respect of the share in relation to General Meetings until he has been registered as a member in respect of the share.

37.2 A person entitled to a share who has elected for that share to be transferred to some other person pursuant to Article 36.1.2 shall cease to be entitled to any rights or advantages in relation to such share upon that other person being registered as the holder of that share.

38 Prior notices binding

If a notice is given to a member in respect of a share, a person entitled to that share is bound by the notice if it was given to the member before the name of the person entitled was entered into the Register.

Untraced Shareholders

39 Untraced shareholders

39.1 The Company shall be entitled to sell the shares of a member, or a person entitled to those shares, if and provided that:

39.1.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 39.1.2 (or, if published on different dates, the first of them) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed;

- 39.1.2** the Company has given notice of its intention to sell such shares by sending a notice to the member at his address on the Register or other last known address given by the member and before sending such a notice to the member, the Company must have used reasonable efforts to trace the member or other person entitled to such shares, engaging, if considered appropriate, a professional asset reunification company or other tracing agent and/or giving notice of its intention to sell the shares by advertisements in both: (i) a national daily newspaper published in the United Kingdom; and (ii) a newspaper circulating in the area in which the last known postal address of the member or other address for service notified to the Company is located;
- 39.1.3** during the period of three months following the publication of such advertisements the Company has received no communication from such member or person; and
- 39.1.4** the Company has given notice to Nasdaq or the SEC of its intention to make such sale, if shares of the class concerned, or depositary instruments representing such shares, are listed on Nasdaq.
- 39.2** If the Company is entitled to sell any shares pursuant to Article 39.1, it shall do so at the best price reasonably obtainable at the time of sale.
- 39.3** To give effect to any such sale of shares, the Company may appoint any person to transfer, as transferor, the relevant shares and such transfer shall be as effective as if it had been carried out by the registered holder of or person entitled to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. In the case of shares in uncertificated form, the Directors may require or procure any relevant person or the Operator (as applicable) to convert the shares into certificated form prior to appointing any person to transfer, as transferor, the relevant shares.
- 39.4** For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser or its nominee.
- 39.5** The transferee of the shares has no obligation to ensure that the purchase money is distributed in accordance with these Articles.
- 39.6** The net proceeds of such sale (after payment of the costs of the sale) shall belong to the Company. The Company shall be obliged to account to the former member or other person previously entitled for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt and no interest shall be payable in respect of it. The Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.

General Meetings

40 Annual General Meetings

An Annual General Meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such place or places (including partly or wholly by means of an electronic facility or facilities), date and time as may be decided by the Directors.

41 Convening of General Meetings

The Directors may, whenever they think fit, and shall on requisition in accordance with either the Legislation or any agreement in writing with an Approved Depository, proceed to convene a General Meeting.

42 Attendance and Participation by Electronic Facilities

42.1 Without prejudice to Articles 42.2, 43 and 50, the Directors may resolve to enable persons entitled to attend and participate in a General Meeting to do so by simultaneous attendance and participation by means of an electronic facility or facilities (any such General Meeting being a “**hybrid general meeting**”), and may determine the means, or all different means, of attendance and participation used in relation to the General Meeting. The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Directors) shall be counted in the quorum for, and be entitled to participate in, the General Meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair of the General Meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to participate in the business of the meeting, hear all persons who speak at the meeting and be heard by all other persons attending and participating in the meeting.

42.2 Without prejudice to Articles 42.1, 43, and 50, the Directors may resolve to enable persons entitled to attend and participate in a General Meeting to do so by means of an electronic facility or facilities with no member necessarily in physical attendance (any such General Meeting being an “**electronic general meeting**”). The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Directors) shall be counted in the quorum for, and be entitled to participate in, the General Meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair of the General Meeting is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting who are not present together at the same place are able to, by means of an electronic facility or facilities, attend, speak and vote at it.

Notice of General Meetings

43 Notice of General Meetings

43.1 Notices of General Meetings shall include all information required to be included by the Legislation.

43.2 Notice shall be given to all members other than members who are not entitled to receive such notices from the Company under the provisions of these Articles. The Company may determine that only those persons entered on the Register at the close of business on a day decided by the Company, such day being no more than 21 clear days before the day that notice of the meeting is sent, shall be entitled to receive such a notice.

43.3 For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Company must specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the

meeting. The Directors may at their discretion resolve that, in calculating such period, no account shall be taken of any part of any day that is not a working day.

Proceedings at General Meetings

44 Chair

The Chair of the Directors shall preside as chair of any General Meeting at which he is present (as long as he is willing to do so). If he is not present or is unwilling, a Deputy Chair, failing whom any Director present and willing to act and, if more than one, chosen by the Directors present at the meeting, shall preside as chair. If no Director is present within 10 minutes after the time appointed for holding the meeting and willing to act as chair, a member present in person or by proxy may be elected to be the chair by a resolution of the Company passed at the meeting.

45 Requirement for Quorum

- 45.1** No business other than the appointment of a chair shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be present if one or more members, present in person or by proxy, who together represent at least a majority of the voting rights of all of the members entitled to vote at the relevant meeting are present at the General Meeting. A General Meeting at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the members.
- 45.2** If within 15 minutes from the time appointed for a General Meeting (or such longer interval as the chair of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such day, time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the Directors may decide, provided that the adjourned meeting shall be held not less than ten clear days after the original General Meeting. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum and any notice of an adjourned meeting shall state this.

46 Adjournment

- 46.1** The chair of any General Meeting at which a quorum is present may adjourn the meeting if:
- 46.1.1** the members consent to an adjournment by passing an ordinary resolution;
 - 46.1.2** the chair considers it necessary to restore order or to otherwise facilitate the proper conduct of the meeting; or
 - 46.1.3** the chair considers it necessary for the safety of the people attending the meeting (including if there is insufficient room at the meeting venue to accommodate everyone who wishes to, and is entitled to, attend).

- 46.2** If it appears to the chair of any General Meeting that the facilities at the principal meeting place or satellite meeting or an electronic facility or facilities or security at any General Meeting have become inadequate for the purposes referred to in Article 42 or Article 50 (as applicable), or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the notice of meeting, then the chair may, without the consent of the meeting, interrupt or adjourn the General Meeting.
- 46.3** The chair of any General Meeting at which a quorum is present must adjourn the meeting if requested to do so by the meeting.
- 46.4** If the chair of any General Meeting adjourns a meeting he may specify the time and place to which it is adjourned. Where a meeting is adjourned without specifying a new time and place, the time and place for the adjourned meeting shall be fixed by the Directors.
- 46.5** No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

47 Notice of adjourned meeting

When a meeting is adjourned for 14 days or more or without specifying a new time, not less than seven clear days' notice of the adjourned meeting shall be given in accordance with Article 43 (making such alterations as necessary). Otherwise, it shall not be necessary to give any such notice.

48 Amendments to resolutions

- 48.1** A special resolution to be proposed at a General Meeting may be amended by ordinary resolution provided that no amendment may be made other than a mere clerical amendment to correct a patent error.
- 48.2** An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution provided that:
- 48.2.1** in the opinion of the chair of the meeting, the amendment is within the scope of the business of the meeting as described and does not impose further obligations on the Company; and
 - 48.2.2** notice of the proposed amendment is given to the Company by a person entitled to vote at the General Meeting in question at least 48 working hours before the meeting or adjourned meeting (as the case may be).
- 48.3** With the consent of the chair of a General Meeting, an amendment may be withdrawn by its proposer before it is voted on. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chair of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

49 Security arrangements and orderly conduct

- 49.1** The Directors may put in place such arrangements or restrictions as they think fit to ensure the safety and security of the attendees at a General Meeting and the orderly conduct of the meeting, including requiring attendees to submit to searches.

- 49.2** The Directors may refuse entry to, or remove from, a General Meeting any member, proxy or other person who fails to comply with such arrangements or restrictions.
- 49.3** The chair of a General Meeting may take such action as he thinks fit to maintain the proper and orderly conduct of the meeting.
- 49.4** If a General Meeting is held as a hybrid general meeting or an electronic general meeting, the Directors may put in place such arrangements or restrictions in connection with participation by such electronic facility or facilities, including any arrangement or restriction that is necessary to ensure the identification of those taking part and the security of the electronic facility or facilities and proportionate to the achievement of those objectives. In this respect, the Directors may authorise any voting application, system or facility for hybrid general meetings or electronic general meetings as they think fit.

50 Satellite meeting places

- 50.1** To facilitate the organisation and administration of any General Meeting, the Directors may decide that the meeting shall be held at two or more locations.
- 50.2** For the purposes of these Articles any General Meeting taking place at two or more locations shall be treated as taking place where the chair of the meeting presides (the “**principal meeting place**”) and any other location where that meeting takes place is referred to in these Articles as a “**satellite meeting**”.
- 50.3** A member present in person or by proxy at a satellite meeting may be counted in the quorum and may exercise all rights that they would have been able to exercise if they were present at the principal meeting place.
- 50.4** The Directors may make and change from time to time such arrangements as they shall in their absolute discretion consider appropriate to:
- 50.4.1** ensure that all members and proxies for members wishing to attend the meeting can do so;
 - 50.4.2** ensure that all persons attending the meeting are able to participate in the business of the meeting and to hear anyone else addressing the meeting;
 - 50.4.3** ensure the safety of persons attending the meeting and the orderly conduct of the meeting; and
 - 50.4.4** restrict the numbers of members and proxies at any one location to such number as can safely and conveniently be accommodated there.
- 50.5** The entitlement of any member or proxy to attend a satellite meeting shall be subject to any such arrangements then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.
- 50.6** If there is a failure of communication equipment or any other failure in the arrangements for participation in the meeting at more than one place, the Chair may adjourn the meeting in accordance with Article 46.1.2. Such an adjournment will not affect the validity of such meeting, or any business conducted at such meeting up to the point of adjournment, or any action taken pursuant to such meeting.

- 50.7** A person (a “**satellite chair**”) appointed by the Directors shall preside at each satellite meeting. Every satellite chair shall carry out all requests made of him by the chair of the General Meeting, may take such action as he thinks necessary to maintain the proper and orderly conduct of the satellite meeting and shall have all powers necessary or desirable for such purposes.

Polls

51 Method of voting

- 51.1** Any resolution put to the vote at a General Meeting must be decided exclusively on a poll.
- 51.2** At General Meetings, resolutions shall be put to the vote by the chair of the meeting and there shall be no requirement for the resolution to be proposed or seconded by any person.

52 Procedure on a poll

- 52.1** A poll shall be taken in such manner (including by use of ballot or voting papers or electronic means, or any combination of means) as the chair of the meeting may direct.
- 52.2** The chair of the meeting may appoint scrutineers (who need not be members) and may decide how and when the result of the poll is to be declared.
- 52.3** The result of the poll shall be deemed to be the resolution of the meeting at which the poll was due to be conducted.

53 Timing of poll

- 53.1** A poll on the choice of a chair or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chair may direct.
- 53.2** No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting. In any other case, at least seven days’ notice must be given specifying the time and place at which the poll is to be taken.

Votes of Members

54 Votes attaching to shares

- 54.1** Subject to Article 43.3 and to any special rights or restrictions as to voting attached by or in accordance with these Articles to any shares or any class of shares, at any General Meeting:
- 54.1.1** every member who is present in person or by proxy shall have one vote for every share of which he is the holder or in respect of which his appointment as proxy has been made; and
- 54.1.2** a member or proxy entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

54.2 A proxy shall not be entitled to vote where the member appointing the proxy would not have been entitled to vote on the resolution had he been present in person.

55 **Votes of joint holders**

In the case of joint holders of a share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names appear in the Register in respect of the share.

56 **Validity and result of vote**

No objection shall be raised as to the qualification of any voter or the admissibility of any vote except at the meeting or adjourned meeting at which the vote is tendered. Every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chair of the meeting, whose decision shall be final and conclusive.

Proxies and Corporate Representatives

57 **Appointment of proxies**

57.1 A member is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote at a General Meeting.

57.2 A proxy need not be a member of the Company.

58 **Multiple Proxies**

A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

59 **Form of proxy**

59.1 Subject to Article 59.2, the appointment of a proxy must be in writing in any usual or common form or in any other form which the Directors may approve and:

59.1.1 in the case of an individual, must either be signed by the appointor or his attorney or authenticated in accordance with Article 118; and

59.1.2 in the case of a corporation, must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation or authenticated in accordance with Article 118.

Any signature on or authentication of such appointment need not be witnessed. Where an appointment of a proxy is signed or authenticated in accordance with Article 118 on behalf of the appointor by an attorney, the Company may treat that appointment as invalid unless the power of attorney or a notarially certified copy of the power of attorney is submitted to the Company.

59.2 Subject to the Companies Acts, the Directors may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as they consider fit. The appointment of a proxy received by electronic means shall not be subject to the requirements of Article 59.1.

59.3 A proxy may also be appointed in accordance with Articles 125.2, 125.3 and 125.6.

60 Receipt of proxy

60.1 An instrument appointing a proxy shall:

60.1.1 in the case of an instrument of proxy in hard copy form, be delivered to the Transfer Office, or another place in the United Kingdom specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting to which it relates;

60.1.2 in the case of an appointment of proxy sent by electronic means, be received at the electronic address specified in the notice convening the meeting, or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting to which it relates; and

60.1.3 in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than 24 hours (or such shorter time as the Directors may determine) before the time appointed for the taking of the poll,

and in default shall not be treated as valid.

60.2 The Directors may at their discretion resolve that, in calculating the periods mentioned in Article 60.1, no account shall be taken of any part of any day that is not a working day.

60.3 In relation to any shares in uncertificated form, the Directors may permit a proxy to be appointed by electronic means or by means of a website in the form of an Uncertificated Proxy Instruction and may permit any supplement to, or amendment or revocation of, any Uncertificated Proxy Instruction to be made by a further Uncertificated Proxy Instruction. The Directors may prescribe the method of determining the time at which any Uncertificated Proxy Instruction is to be treated as received by the Company. The Directors may treat any Uncertificated Proxy Instruction purporting or expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that holder.

60.4 Unless the contrary is stated on the proxy form, the appointment of a proxy shall be as valid for any adjournment of a meeting as it is for the meeting to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered by electronic means, for 12 months from the date of delivery unless otherwise specified by the Directors.

61 Rights of proxy

Subject to the Legislation, a proxy (including, without limitation, an Appointed Proxy (as defined in Article 125.2)) shall have the right to exercise all or any of the rights of his

appointor, or (where more than one proxy is appointed by a member) all or any of the rights attached to the shares in respect of which he is appointed the proxy to attend, and to speak and vote at, a General Meeting.

62 Termination of proxy's authority

62.1 Neither the death or insanity of a member who has appointed a proxy, nor the revocation or termination by a member of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any of the rights of the proxy, unless notice of such death, insanity, revocation or termination shall have been received by the Company in accordance with Article 62.2.

62.2 Any such notice of death, insanity, revocation or termination must be in writing and be received at the address or one of the addresses (if any) specified for receipt of proxies in, or by way of note to, or in any document accompanying, the notice convening the meeting to which the appointment of the proxy relates (or if no address is so specified, at the Transfer Office) no later than the last time at which an appointment of a proxy should have been received in order for it to be valid for use at the meeting or on the holding of the poll at which the rights of the proxy were exercised.

63 Corporations acting by representatives

Subject to the Legislation, any corporation which is a member of the Company may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any General Meeting.

Default Shares

64 Restriction on voting in particular circumstances

64.1 Unless the Directors resolve otherwise, no member shall be entitled in respect of any share held by him to vote either personally or by proxy, or to exercise any other right conferred by membership in relation to General Meetings, if any call or other sum due from him to the Company in respect of that share remains unpaid.

64.2 If any member, or any other person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) held by such member, has been duly served with a notice under Section 793 of the Companies Act 2006 and is in default for a period of 14 days in supplying to the Company the information required by that notice, then (unless the Directors otherwise determine) in respect of:

64.2.1 the shares comprising the shareholding account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the “**default shares**”, which expression shall include any further shares which are issued in respect of such shares); and

64.2.2 any other shares held by the member,

the member shall not (for so long as the default continues), nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to

Article 64.3.2), be entitled to attend or vote either personally or by proxy at a General Meeting or to exercise any other right conferred by membership in relation to General Meetings.

- 64.3** Where the default shares represent 0.25 per cent. or more of the issued shares of the class in question, the Directors may in their absolute discretion by notice in writing (a “**direction notice**”) to such member direct that:
- 64.3.1** any dividend or part of a dividend (including shares to be issued in lieu of a dividend) or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest on it when such dividend or other money is finally paid to the member; and/or
- 64.3.2** no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or:
- (i) the member is not himself in default as regards supplying the information required; and
 - (ii) the transfer is of part only of the member’s holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares.
- 64.4** For the purposes of ensuring Article 64.3.2 can apply to all shares held by a member, the Company may in accordance with the Uncertificated Securities Rules, issue a written notification to the Operator requiring conversion into certificated form of any share held by the member in uncertificated form.
- 64.5** The Company shall send a copy of the direction notice to each other person appearing to be interested in the shares which are the subject of that direction notice, but the failure or omission by the Company to do so shall not invalidate such notice.
- 64.6** Any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues. Any direction notice shall cease to have effect at such time as the Directors decide. Within a period of one week of the default being duly remedied, the Directors shall decide that the relevant direction notice shall cease to have effect and shall give written notice of that fact to the member as soon as reasonably practicable.
- 64.7** Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with Article 64.3.2.
- 64.8** For the purposes of this Article 64:
- 64.8.1** a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under Section 793 of the Companies Act 2006 and either: (i) the member has named such person as being so interested; or (ii) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
- 64.8.2** a transfer of shares is an “**approved transfer**” if:

- (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in Section 974 of the Companies Act 2006); or
- (ii) the Directors are satisfied that the transfer is made pursuant to a genuine sale of the whole of the beneficial ownership of the shares to a party unconnected with the member, or with any person appearing to be interested in such shares, including any such sale made through Nasdaq or any other recognised investment exchange (as defined in Section 285 of the Financial Services and Markets Act 2000) or through a stock exchange on which the Company's shares are normally traded. For the purposes of this Article 64, any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

64.9 The provisions of this Article 64 are in addition and without prejudice to the provisions of the Companies Acts.

Directors

65 Number of Directors

The number of Directors (other than any alternate Directors) shall not be less than two in number but shall not be subject to any maximum number, save that the Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of Directors.

66 Share qualification

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

67 Directors' fees

67.1 The ordinary remuneration of the Directors (which may take the form of cash, securities issued by the Company or such other form as the Directors shall decide) shall from time to time be determined by the Directors.

67.2 Such ordinary remuneration shall (unless otherwise provided by ordinary resolution) be divisible among the Directors as they may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to remuneration in proportion to the period during which he has held office.

68 Other remuneration of Directors

Any Director who holds any executive office (including for this purpose the office of Chair or Deputy Chair whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of

the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

69 Directors' expenses

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or separate meetings of any class of members or debentures or otherwise in connection with the business of the Company.

70 Pensions and other benefits

70.1 The Directors may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or has at any time been a Director or employee of:

70.1.1 the Company;

70.1.2 any company which is or was a holding company or a subsidiary of the Company;

70.1.3 any company which is or was allied to or associated with the Company or a subsidiary or holding company of the Company;
or

70.1.4 a predecessor in business of the Company or of any holding company or subsidiary of the Company.

70.2 The Directors may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the Companies Acts, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the matters set out in Article 70.1 above. The Directors may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for their own benefit any pension or other benefit provided under this Article and shall not have to account for it to the Company. The receipt of any such benefit will not disqualify any person from being or becoming a Director.

71 Appointment of executive Directors

71.1 The Directors may from time to time appoint one or more of them to be the holder of any executive office (including, where considered appropriate, the office of Chair or Deputy Chair) on such terms and for such period as they may (subject to the provisions of the Legislation) resolve and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

71.2 The appointment of any Director to the office of Chair or Deputy Chair or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

71.3 The appointment of any Director to any other executive office shall not automatically terminate if he ceases to be a Director for any reason, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such termination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

72 Powers of executive Directors

The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers. They may from time to time revoke, withdraw, alter or vary all or any of such delegated powers.

Appointment and Retirement of Directors

73 Election or appointment of additional Directors

The Company may by ordinary resolution elect, and the Directors shall have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but not so that the total number of Directors shall exceed the maximum number fixed by or in accordance with these Articles. Any person so appointed by the Directors shall retire at the next Annual General Meeting and shall then be eligible for re-election.

74 Retirement at Annual General Meetings

At the end of each Annual General Meeting, all the Directors holding office at the date that notice is sent of that Annual General Meeting shall retire from office except for any Director appointed by the Directors after notice of that Annual General Meeting has been given and before that Annual General Meeting has been held.

75 Re-election of retiring Director

75.1 Where a Director retires at an Annual General Meeting in accordance with Article 74 or otherwise, the Company may at the meeting by ordinary resolution fill the office being vacated by electing the retiring Director (if eligible for re-election). In the absence of such a resolution the retiring Director shall nevertheless be deemed to have been re-elected except in any of the following cases:

75.1.1 where at such meeting a resolution for the re-election of such Director is put to the meeting and lost;

75.1.2 where such Director is ineligible for re-election or has given notice in writing to the Company that he is unwilling to be re-elected; or

75.1.3 where a resolution to elect such Director is void by reason of contravention of Section 160 of the Companies Act 2006.

75.2 The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost. Accordingly, a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

76 Termination of office

76.1 Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director is terminated if:

76.1.1 he becomes prohibited by law from acting as a Director or ceases to be a Director by virtue of any provision of the Companies Act 2006;

76.1.2 the Company has received notice of his resignation or retirement from office and such resignation or retirement from office has taken effect in accordance with its terms;

76.1.3 he has a bankruptcy order made against him, compounds with his creditors generally or applies to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act or any analogous event occurs in relation to him in another country;

76.1.4 an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of another person (by whatever name called) to exercise powers with respect to his property or affairs;

76.1.5 he is absent from meetings of the Directors for six consecutive months without permission and the Directors have resolved that his office be vacated; or

76.1.6 notice of termination is served or deemed served on him and that notice is given by all his co-Directors for the time being.

76.2 If a Director holds an appointment to an executive office which automatically terminates on termination of his office as Director, his removal from office pursuant to this Article 76 shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

77 Removal of Director by resolution of Company

In accordance with and subject to the provisions of the Legislation, the Company may remove any Director from office by ordinary resolution of which special notice has been given, and elect another person in place of a Director so removed from office. Such removal may take place notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but shall be without prejudice to any claim he may have for damages for breach of any such agreement. In default of such election the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

Meetings and Proceedings of Directors

78 Convening of meetings of Directors

- 78.1** Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time, any Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors by giving notice to the other Directors. Notice need not be in writing and may be sent to any address provided by the Director.
- 78.2** Any Director may waive notice of any meeting and any such waiver may be retroactive.
- 78.3** The Directors, and any committee of the Directors, shall be deemed to meet together if they are in separate locations, but are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two Directors so linked (or such other number fixed from time to time by the Directors). Such a meeting shall be deemed to take place where the largest group of Directors participating is assembled or, if there is no such group, where the chair of the meeting then is.

79 Quorum

- 79.1** The quorum necessary for the transaction of business of the Directors shall be a majority of the Directors then in office who are entitled to vote on such transaction of business. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 79.2** If a quorum is not present within half an hour of the time appointed for the meeting or if a quorum ceases to be present during the course of the meeting, the Directors present shall adjourn the meeting to a specified time and place not less than one day after the original date of the meeting. Notice of any such adjourned meeting (the “**First Adjourned Meeting**”) shall be given to all Directors. The quorum necessary for the transaction of business of the Directors at such First Adjourned Meeting shall be a majority of the Directors then in office who are entitled to vote on such transaction of business. If, however, a quorum is not present within half an hour of the time appointed for the First Adjourned Meeting or if a quorum ceases to be present during the course of the First Adjourned Meeting, then the Directors present shall adjourn the meeting to a specified time and place not less than one day after the date of the First Adjourned Meeting. Notice of such second adjourned meeting (the “**Second Adjourned Meeting**”) shall be given to all Directors. The quorum necessary for the transaction of business of the Directors at such Second Adjourned Meeting and any subsequent adjournment of such meeting shall be three Directors then in office who are entitled to vote on such transaction of business, two of whom shall be Independent.

80 Chair

- 80.1** The Directors may elect from their number a Chair and a Deputy Chair (or two or more Deputy Chairs) and decide the period for which each is to hold office. If no Chair or Deputy Chair has been appointed, or if at any meeting of the Directors no Chair or Deputy Chair is

present within 10 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chair of the meeting.

- 80.2** If at any time there is more than one Deputy Chair the right, in the absence of the Chair, to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairs present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

81 No casting vote

Questions arising at any meeting of the Directors shall be determined by a majority of votes. In the case of an equality of votes, the chair of the meeting shall not have a second or casting vote.

82 Number of Directors below minimum

If and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may only: (i) act for the purpose of appointing such number of additional Directors as is required to meet the minimum or of summoning General Meetings; and (ii) perform such other duties as are appropriate to maintain the Company as a going concern and to comply with the Company's legal and regulatory obligations. If no Directors or Director is able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

83 Directors' written resolutions

- 83.1** Any Director may, and the Secretary at the request of a Director shall, propose a written resolution by giving written notice to the other Directors.

- 83.2** A Directors' written resolution is adopted when all the Directors who would have been entitled to vote on such resolution if it had been proposed at a meeting of the Directors have:

83.2.1 signed one or more copies of it; or

83.2.2 otherwise indicated their agreement to it in writing.

- 83.3** A Directors' written resolution is not adopted if the number of Directors who have signed it is less than the quorum for Directors' meetings.

- 83.4** Once a Directors' written resolution has been adopted, it must be treated as if it had been a resolution passed at a Directors' meeting in accordance with these Articles.

84 Validity of proceedings

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company be valid, notwithstanding that there was some defect in the appointment of any Director or any such persons, or that any such persons were disqualified or had vacated office, or were not entitled to vote.

Directors' Interests

85 Authorisation of Directors' interests

85.1 For the purposes of Section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

85.2 Authorisation of a matter under this Article 85 shall be effective only if:

85.2.1 the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Directors' normal procedures or in such other manner as the Directors may resolve;

85.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"); and

85.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

85.3 Any authorisation of a matter under this Article 85 may:

85.3.1 extend to any actual or potential conflict of interest which may arise out of the matter so authorised;

85.3.2 be subject to such conditions or limitations as the Directors may resolve, whether at the time such authorisation is given or subsequently; and

85.3.3 be terminated by the Directors at any time;

and a Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

85.4 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article 85 and any contract, transaction or arrangement relating to such a matter shall not be liable to be avoided on the grounds of any such benefit.

85.5 This Article 85 does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.

86 Permitted Interests

86.1 Subject to compliance with Article 86.2, a Director, notwithstanding his office, may have an interest of the following kind:

86.1.1 where a Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company (as defined below);

- 86.1.2** where a Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;
- 86.1.3** where the Director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as Auditor) whether or not he or it is remunerated for such work;
- 86.1.4** where a Director is or becomes a director or officer of any other body corporate in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as director or officer of that other body corporate;
- 86.1.5** where a Director has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 86.1.6** where a Director has an interest, or a transaction or arrangement giving rise to an interest, of which the Director is not aware; or
- 86.1.7** where a Director has any other interest authorised by ordinary resolution. No authorisation under Article 85 shall be necessary in respect of any such interest.
- 86.2** A Director shall declare the nature and extent of any interest permitted under Article 86.1, and not falling with Article 86.3, at a meeting of the Directors or in such other manner as the Directors may resolve.
- 86.3** No declaration of an interest shall be required by a Director in relation to an interest:
- 86.3.1** falling within Article 86.1.5 or Article 86.1.6;
- 86.3.2** if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- 86.3.3** if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.
- 86.4** A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 86.1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- 86.5** For the purposes of this Article 86, “**Relevant Company**” shall mean:
- 86.5.1** the Company;
- 86.5.2** an Affiliate of the Company;
- 86.5.3** any body corporate promoted by the Company; or

86.5.4 any body corporate in which the Company is otherwise interested.

87 Restrictions on quorum and voting

87.1 Save as provided in this Article 87 or as otherwise permitted pursuant to the Company's related party transaction policy (as may be amended from time to time), and whether or not the interest is one which is authorised pursuant to Article 85 or permitted under Article 86, a Director shall not be entitled to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal, in which he (or a person connected with him) is interested. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

87.2 A Director shall not be counted in the quorum at a meeting of the Directors in relation to any resolution on which he is not entitled to vote.

87.3 Subject to the provisions of the Legislation, a Director shall (in the absence of some other interest than is set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:

87.3.1 in which he has an interest of which he is not aware;

87.3.2 in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;

87.3.3 in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;

87.3.4 which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of: (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries; or (ii) a debt or other obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

87.3.5 concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries: (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub- underwriting of which he is to participate;

87.3.6 concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;

87.3.7 relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;

- 87.3.8** concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
- 87.3.9** concerning the giving of indemnities in favour of Directors;
- 87.3.10** concerning the funding of expenditure by any Director or Directors on: (i) defending criminal, civil or regulatory proceedings or action against him or them; (ii) in connection with an application to the court for relief; or (iii) defending him or them in any regulatory investigations;
- 87.3.11** concerning the doing of anything to enable any Director or Directors to avoid incurring expenditure as described in Article 87.3.10; and
- 87.3.12** in respect of which his interest, or the interest of Directors generally, has been authorised by ordinary resolution.
- 87.4** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under Article 87.1) shall be entitled to vote, and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms of his own appointment.
- 87.5** If a question arises at any time as to whether any interest of a Director prevents him from voting, or being counted in the quorum, under this Article 87, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chair of the meeting, whose ruling in relation to any Director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such Director has not been fairly disclosed. If any such question shall arise in respect of the chair of the meeting, the question shall be decided by resolution of the Directors and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chair of the meeting (so far as it is known to him) has not been fairly disclosed to the Directors.
- 88 Confidential information**
- 88.1** Subject to Article 88.2, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- 88.1.1** to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or
- 88.1.2** otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 88.2** Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 88.1 shall apply only if the conflict arises out of a matter which has been authorised under Article 85 or falls within Article 86.

88.3 This Article 88 is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 88.

89 Directors' interests - general

89.1 For the purposes of Articles 85 to 89 a person is connected with a Director if that person is connected for the purposes of Section 252 of the Companies Act 2006.

89.2 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the Directors, take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question.

89.3 The Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Articles 85 to 89.

Powers of Directors

90 General powers

The Directors shall manage the business and affairs of the Company and may exercise all powers of the Company other than those that are required by the Legislation or by these Articles to be exercised by the Company in General Meeting.

91 Provision for employees on cessation or transfer of business

The Directors may make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director, former Director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

92 Bank mandates

The Directors may by resolution authorise such person or persons as they think fit to act as signatories to any bank account of the Company and may amend or remove such authorisation from time to time by resolution.

93 Borrowing powers

93.1 Subject to these Articles and to the provisions of the Legislation, the Directors may exercise all the powers of the Company to:

93.1.1 borrow money;

- 93.1.2 indemnify and guarantee;
- 93.1.3 mortgage or charge all or any part or parts of its undertaking, property and assets (present and future) and uncalled capital;
- 93.1.4 create and issue debentures and other securities; and
- 93.1.5 give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Delegation of Powers

94 Appointment and constitution of committees

- 94.1 The Directors may delegate any of their powers or discretions (including all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to such person (who need not be a Director) or committee (comprising any number of persons, who need not be Directors) and in such manner as they think fit. Any such delegation may be either collaterally with or to the exclusion of their own powers and the Directors may revoke or alter the terms of any such delegation. Any such person or committee shall, unless the Directors otherwise resolve, have power to sub-delegate any of the powers or discretions delegated to them.
- 94.2 Any reference in these Articles to the exercise of a power or discretion by the Directors shall include a reference to the exercise of such power or discretion by any person or committee to whom it has been delegated.
- 94.3 The Directors may make regulations in relation to the proceedings of committees or sub-committees. Subject to any such regulations, the meetings and proceedings of any committee or sub-committee consisting of two or more persons shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors (with such amendments as are necessary).

95 Local boards and managers

- 95.1 The Directors may establish any local boards or appoint managers or agents to manage any of the affairs of the Company, either in the United Kingdom or elsewhere, and may:
 - 95.1.1 appoint any persons to be managers or agents or members of such local boards, and may fix their remuneration;
 - 95.1.2 delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate;
 - 95.1.3 remove any person so appointed, and may annul or vary any such delegation; and
 - 95.1.4 authorise the members of any local boards, or any of them, to fill any vacancies on such boards, and to act notwithstanding vacancies.
- 95.2 Any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit.

96 Appointment of attorney

- 96.1** The Directors may from time to time and at any time appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit.
- 96.2** Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit.
- 96.3** The Directors may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

Alternate Directors

97 Alternate Directors

- 97.1** Any Director may at any time appoint any person (including another Director) to be his alternate Director and may at any time terminate such appointment. Such appointment or termination of appointment must be made by notice in writing signed by the Director concerned and deposited at the Office or delivered at a meeting of the Directors. Unless previously approved by the Directors or unless the appointee is another Director, the appointment of an alternate shall have effect only once it has been approved.
- 97.2** The appointment of an alternate Director shall terminate:
- 97.2.1** on the happening of any event referred to in Article 76.1.1, 76.1.3 or 76.1.4 in relation to that alternate Director; or
- 97.2.2** if his appointor ceases to be a Director, otherwise than by retirement at a General Meeting at which he is re-elected.
- 97.3** An alternate Director shall be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meetings to perform all functions of his appointor as a Director. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if he (instead of his appointor) were a Director.
- 97.4** If an alternate is himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum.
- 97.5** If his appointor is for the time being temporarily unable to act through ill health or disability, an alternate's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor.
- 97.6** This Article 97 shall also apply (with such changes as are necessary) to such extent as the Directors may from time to time resolve to any meeting of any committee of the Directors of which the appointor of an alternate director is a member.

97.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent as if he were a Director.

97.8 An alternate shall not be entitled to receive remuneration from the Company in respect of his appointment as alternate Director except to the extent his appointor directs the Company by written notice to pay to the alternate some of the remuneration otherwise payable to that Director.

Secretary

98 Secretary

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

The Seal

99 The Seal

99.1 The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf. The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued.

99.2 Every instrument to which the Seal or the Securities Seal shall be affixed (other than a certificate for or evidencing shares, debentures or other securities (including options) issued by the Company) shall be signed autographically by one Director and the Secretary or by two Directors or by a Director or other person authorised for the purpose by the Directors in the presence of a witness.

99.3 The Company may exercise the powers conferred by the Legislation with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

99.4 Any instrument signed by:

99.4.1 one Director and the Secretary; or

99.4.2 by two Directors; or

99.4.3 by a Director in the presence of a witness who attests the signature,

and expressed to be executed by the Company shall have the same effect as if executed under the Seal.

Authentication of Documents

100 Authentication of documents

100.1 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate:

100.1.1 any document affecting the constitution of the Company;

100.1.2 any resolution passed at a General Meeting or at a meeting of the Directors or any committee; and

100.1.3 any book, record, document or account relating to the business of the Company,

and to certify copies or extracts as true copies or extracts.

100.2 Where any book, record, document or account is elsewhere than at the Office the local manager or other officer of the Company having the custody of it shall be deemed to be a person appointed by the Directors for the purpose of Article 100.1.

100.3 A document purporting to be a copy of any such resolution, or an extract from the minutes of any such meeting, which is certified shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

Dividends

101 Declaration of final dividends

101.1 The Company may by ordinary resolution declare final dividends.

101.2 No dividend shall be declared unless it has been recommended by the Directors and does not exceed the amount recommended by the Directors.

102 Fixed and interim dividends

102.1 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may:

102.1.1 pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the dates prescribed for the payment of such dividends; and

102.1.2 pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

102.2 Provided the Directors act in good faith they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment of any fixed or interim dividend on any other class of shares having rights ranking after or equal with those shares.

103 Distribution *in specie*

103.1 Without prejudice to Article 101, the Directors may, by ordinary resolution of the Company direct, or in the case of an interim dividend may without the authority of an ordinary resolution direct, that payment of any dividend may be satisfied in whole or in part by the transfer of specific assets of equivalent value (including paid-up shares or debentures of any other company).

103.2 Where any difficulty arises in regard to such distribution, the Directors may make such arrangements as they think fit, including:

103.2.1 issuing fractional certificates;

103.2.2 fixing the value of any of the assets to be transferred;

103.2.3 paying cash to any member on the basis of the value fixed for the assets in order to adjust the rights of members; and

103.2.4 vesting any assets in trustees.

104 Ranking of shares for dividend

104.1 Unless and to the extent that the rights attached to any shares or the terms of issue of those shares provide otherwise, all dividends shall be:

104.1.1 declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

104.1.2 apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

104.2 If the terms of issue of a share provide that it ranks for dividends as from a particular date, then that share will rank for dividends as from that date.

104.3 For the purposes of this Article 104, no amount paid on a share in advance of the date on which such payment is due shall be treated as paid on the share.

105 Manner of payment of dividends

105.1 Any dividend or other sum payable on or in respect of a share shall be paid to:

105.1.1 the holder of that share;

105.1.2 if the share is held by more than one person, whichever of the joint holders' names appears first in the Register;

105.1.3 if the member is no longer entitled to the share, the person or persons entitled to it; or

105.1.4 such other person or persons as the member (or, in the case of joint holders of a share, all of them) may direct,

and such person shall be the “**payee**” for the purpose of this Article 105.

105.2 Such dividend or other sum may be paid:

105.2.1 by cheque sent by post to the payee or, where there is more than one payee, to any one of them at the address shown in the Register or such address as that person notifies the Company in writing;

105.2.2 by bank transfer to such account as the payee or payees shall in writing direct;

105.2.3 (if so authorised by the holder of shares in uncertificated form in such manner as the Company shall from time to time consider sufficient) using the facilities of a relevant system (subject to the facilities and requirements of the relevant system);
or

105.2.4 by such other method of payment as the payee or payees and the Directors may agree.

105.3 Subject to the provisions of these Articles and to the rights attaching to any shares, any dividend or other sum payable on or in respect of a share may be paid in such currency as the Directors may resolve, using such exchange rate for currency conversions as the Directors may select. The Directors may decide how any costs involved in the currency conversion are to be met.

105.4 Every cheque, warrant, order or other form of payment is sent at the risk of the person entitled to the money represented by it, shall be made payable to the person or persons entitled, or to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant, order or other form of payment (including transmission of funds through a bank transfer or other funds transfer system or by such other electronic means as permitted by these Articles or in accordance with the facilities and requirements of the relevant system concerned) shall be good discharge to the Company. If any such cheque, warrant, order or other form of payment has or shall be alleged to have been lost, stolen or destroyed the Company shall not be responsible.

106 Record date for dividends

106.1 Any resolution for the declaration or payment of a dividend on shares of any class may specify that the dividend shall be payable to the persons registered as the holders of such shares at a specified time on a particular date (the “**Dividend Record Date**”).

106.2 If no Dividend Record Date is specified then, unless the terms of issue of the shares in question provide otherwise, the dividend shall be paid by reference to each member’s holding of shares at close of business on the date of the ordinary resolution (in the case of a final dividend) or board resolution (in the case of an interim dividend) approving the payment of that dividend.

106.3 The Dividend Record Date may be a date prior to that on which the resolution is passed.

107 No interest on dividends

The Company shall not pay interest on any dividend or other sum payable on or in respect of a share unless the terms of issue of that share or the provisions of any agreement between the Company and the holder of that share provide otherwise.

108 Retention of dividends

108.1 The Directors may retain all or part of any dividend or other sum payable on or in respect of a share on which the Company has a lien in respect of which the Directors are entitled to issue an enforcement notice.

108.2 The Company shall apply any amounts retained pursuant to Article 108.1 in or towards satisfaction of the moneys payable to the Company in respect of that share.

108.3 The Company shall notify the person otherwise entitled to payment of the sum that it has been retained and how the retained sum has been applied.

108.4 The Directors may retain the dividends payable upon shares:

108.4.1 in respect of which any person is entitled to become a member pursuant to Article 36 until such person shall become a member in respect of such shares; or

108.4.2 which any person is entitled to transfer pursuant to Article 36 until such person has transferred those shares.

109 Unclaimed dividend

109.1 The Company may cease to send any cheque or other means of payment by post for any dividend on any shares which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder of or person entitled to them claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

109.2 Any unclaimed dividends may be invested or otherwise applied for the benefit of the Company until they are claimed.

109.3 The payment by the Directors of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of that amount.

109.4 If a dividend remains unclaimed after a period of 12 years from the date on which it was declared or became due for payment the person who was otherwise entitled to it shall cease to be entitled and the Company may keep that sum.

110 Waiver of dividend

A shareholder or other person entitled to a dividend may waive it in whole or in part. The waiver of any dividend shall be effective only if such waiver is in writing and signed or authenticated in accordance with Article 118 by the shareholder or the person entitled to the dividend and delivered to the Company.

Scrip Dividends

111 Scrip dividends

- 111.1** The Directors may offer to ordinary shareholders the right to elect to receive an allotment of new ordinary shares (“**Scrip Shares**”) credited as fully paid in lieu of the whole or part of a dividend.
- 111.2** The Directors shall not allot Scrip Shares unless so authorised by ordinary resolution. Such a resolution may give authority in relation to particular dividends or may extend to all dividends declared or paid in the period specified in the resolution. Such period may not be longer than five years from the date of the resolution.
- 111.3** The Directors may, without the need for any further ordinary resolution, offer rights of election in respect of any dividend declared or proposed after the date of the adoption of these Articles and at or prior to the next Annual General Meeting.
- 111.4** The Directors may offer such rights of election to shareholders either:
- 111.4.1** in respect of the next dividend proposed to be paid; or
 - 111.4.2** in respect of that dividend and all subsequent dividends, until such time as the election is revoked or the authority given pursuant to Article 111.2 expires without being renewed (whichever is the earlier).
- 111.5** The number of the Scrip Shares to be allotted in lieu of any amount of dividend shall be decided by the Directors and shall be such whole number of ordinary shares as have a relevant value equal to or as near as possible to but in no event greater than such amount. For such purpose, the “**relevant value**” of an ordinary share shall be the average of the middle market quotations of an ordinary share or a depositary instrument representing such ordinary share, on Nasdaq (or any other publication of a recognised investment exchange showing quotations for the ordinary shares), for the day on which the shares or depositary instrument are first quoted “ex” the relevant dividend and the four subsequent dealing days, or in such other manner as the Directors may determine on such basis as they consider to be fair and reasonable. No fraction of an ordinary share shall be allotted. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.
- 111.6** If the Directors resolve to offer a right of election, they shall give written notice of such right to the ordinary shareholders specifying the procedures to be followed in order to exercise such right. No notice need be given to a shareholder who has previously made, and has not revoked, an earlier election to receive ordinary shares in lieu of all future dividends, but instead shall send him a reminder that he has made such an election, indicating how that election may be revoked in time for the next dividend proposed to be paid.
- 111.7** If a member has elected to receive Scrip Shares in place of a dividend, that dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect of which the share election has been duly exercised and has not been revoked (the “**elected Ordinary Shares**”). In place of such dividend, the following provisions shall apply:
- 111.7.1** such number of Scrip Shares as are calculated in accordance with Article 111.5 shall be allotted to the holders of the elected Ordinary Shares;

- 111.7.2** unless the Directors decide otherwise or the Uncertificated Securities Rules require otherwise, if the elected Ordinary Shares are in uncertificated form on the Record Date then the Scrip Shares shall be issued as uncertificated shares;
- 111.7.3** if the elected Ordinary Shares are in certificated form on the Record Date then the Scrip Shares shall be issued as certificated shares;
- 111.7.4** the Directors shall capitalise in accordance with the provisions of Article 9 a sum equal to the aggregate nominal amount of the Scrip Shares to be allotted and shall apply that sum in paying up in full the appropriate number of new ordinary shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares; and
- 111.7.5** the Scrip Shares allotted shall rank equally in all respects with the fully paid ordinary shares then in issue save only as regards participation in the relevant dividend.
- 111.8** No fraction of an ordinary share shall be allotted. The Directors may make such provision as they think fit for any fractional entitlements including that the whole or part of the benefit of those fractions accrues to the Company or that the fractional entitlements are accrued and/or retained on behalf of any ordinary shareholder.
- 111.9** The Directors may exclude from any offer or make other arrangements in relation to any holders of shares where the Directors consider that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them or in respect of such shares.
- 111.10** In relation to any particular proposed dividend, the Directors may in their absolute discretion resolve and shall so resolve if the Company has insufficient reserves or otherwise does not have the necessary authorities or approvals to issue new ordinary shares:
- 111.10.1** that shareholders shall not be entitled to make any election to receive shares in place of a cash dividend and that any election previously made shall not extend to such dividend; or
- 111.10.2** at any time prior to the allotment of the ordinary shares which would otherwise be allotted in lieu of that dividend, that all elections to take shares shall be treated as not applying to that dividend,
- and if so the dividend shall be paid in cash as if no elections had been made in respect of it.

Accounts

112 Accounting records

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Legislation shall be kept at the Office, or at such other place as the Directors think fit. No person shall have any right simply by virtue of being a member to inspect any account or book or document of the Company except as conferred by the Legislation or ordered by a court of competent jurisdiction or authorised by the Directors.

Communications with Members

113 Service of notices

- 113.1** The Company may, subject to and in accordance with the Legislation and these Articles, send or supply all types of notices, documents or information to members by electronic means and/or by making such notices, documents or information available on a website.
- 113.2** The Company Communications Provisions have effect, subject to the provisions of Articles 113 to 115, for the purposes of any provision of the Companies Acts or these Articles that authorises or requires notices, documents or information to be sent or supplied by or to the Company.
- 113.3** Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted.
- 113.4** Any notice, document or information which is sent or supplied by the Company by electronic means shall be deemed to have been received by the intended recipient on the day on which the electronic communication was sent by or on behalf of the Company, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.
- 113.5** Any notice, document or information which is sent or supplied by the Company by means of a website shall be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 113.6** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding.
- 113.7** The provisions of this Article 113 shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.

114 Communication with joint holders

- 114.1** Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the Register in respect of the share.
- 114.2** If more than one joint holder gives instructions or notifications to the Company pursuant to these Articles then, save where these Articles specifically provide otherwise, the Company shall only recognise the instructions or notifications of whichever of the joint holders' names appears first in the Register.

114.3 Any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the Register in respect of the share, to the exclusion of the other joint holders.

114.4 The provisions of this Article 114 shall have effect in place of the Company Communications Provisions regarding joint holders of shares.

114.5 If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give instructions to the Company and give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

115 Deceased and bankrupt members

115.1 A person who claims to be entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall supply to the Company:

115.1.1 such evidence as the Directors may reasonably require to show his title to the share; and

115.1.2 an address at which notices may be sent or supplied to such person.

115.2 Subject to complying with Article 115.1, such a person shall be entitled to:

115.2.1 have sent or supplied to him at such address any notice, document or information to which the relevant member would have been entitled. Any notice, document or information so sent or supplied shall for all purposes be deemed to be duly sent or supplied to all persons interested in the share (whether jointly with or as claiming through or under him); and

115.2.2 give instructions or notifications to the Company pursuant to these Articles in relation to the relevant shares and the Company may treat such instruction or notification as duly given by all persons interested in the share (whether jointly with or as claiming through or under him).

115.3 Unless a person entitled to the share has complied with Article 115.1, any notice, document or information sent or supplied to the address of any member pursuant to these Articles shall be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder. This Article shall apply notwithstanding even if such member is dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation.

115.4 The provisions of this Article 115 shall have effect in place of the Company Communications Provisions regarding the death or bankruptcy of a member.

116 Failure to supply address

116.1 Subject to the Legislation, the Company shall not be required to send notices, documents or information to a member who (having no registered address within the United Kingdom) has not supplied to the Company either a postal address within the United Kingdom or an electronic address for the service of notices.

116.2 If the Company sends more than one document to a member on separate occasions during a 12-month period and each of them is returned undelivered then that member will not be entitled to receive notices from the Company until he has supplied a new postal or electronic address for the service of notices.

117 Suspension of postal services

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable to give notice by post in hard copy form of a shareholders' meeting, such notice shall be deemed to have been given to all members entitled to receive such notice in hard copy form if such notice is advertised in at least one national newspaper and such notice shall be deemed to have been given on the day when the advertisement appears. In any such case, the Company shall: (i) make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof; and (ii) send confirmatory copies of the notice by post to such members if at least seven days prior to the meeting the posting of notices again becomes practicable.

118 Signature or authentication of documents sent by electronic means

Where these Articles require a notice or other document to be signed or authenticated by a member or other person, then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Company Communications Provisions or in such other manner as may be approved by the Directors. The Directors may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

119 Statutory provisions as to notices

Nothing in any of Articles 113 to 118 shall affect any provision of the Legislation that requires or permits any particular notice, document or information to be sent or supplied in any particular manner.

Winding Up

120 Directors' power to petition

The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

Destruction of Documents

121 Destruction of documents

121.1 The Company may destroy:

- 121.1.1** all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration;
- 121.1.2** all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording of them;
- 121.1.3** all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation; and
- 121.1.4** all proxy appointments from one year after the end of the meeting to which the appointment relates.
- 121.2** It shall conclusively be presumed in favour of the Company that:
- 121.2.1** every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
- 121.2.2** every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- 121.2.3** every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- 121.2.4** every other document mentioned in this Article 121 so destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company.
- 121.3** The provisions of this Article 121:
- 121.3.1** shall apply only to the destruction of a document in good faith and without notice of any claim to which the document might be relevant; and
- 121.3.2** shall not be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than provided by this Article 121 or in any other circumstances, which would not attach to the Company in the absence of this Article 121.
- 121.4** Any document referred to in this Article 121 may, subject to the Legislation, be destroyed before the end of the relevant period so long as a copy of such document (whether made electronically or by any other means) has been made and is retained until the end of the relevant period.
- 121.5** References in this Article 121 to the destruction of any document include references to its disposal in any manner.

Directors' Liabilities

122 Indemnity

- 122.1** So far as may be permitted by the Legislation every Relevant Officer shall be indemnified by the Company out of its own funds against:

122.1.1 any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company, other than:

- (i) any liability to the Company or any Associated Company; and
- (ii) any liability of the kind referred to in Section 234(3) of the Companies Act 2006; and

122.1.2 any other liability incurred by or attaching to him in relation to or in connection with his duties, powers or office, including in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme, other than any liability of the kind referred to in Section 235(3) of the Companies Act 2006.

122.2 Where a Relevant Officer is indemnified against any liability in accordance with this Article 122, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

122.3 In this Article 122:

122.3.1 “**Associated Company**” shall have the same meaning as in Section 256 of the Companies Act 2006; and

122.3.2 “**Relevant Officer**” means a Director or other officer or former Director or other officer of the Company or of an Associated Company of the Company, but excluding in each case any person engaged by the Company (or Associated Company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor.

123 Insurance

123.1 Without prejudice to Article 122, the Directors shall have power to purchase and maintain insurance for or for the benefit of:

123.1.1 any person who is or was at any time a Director or Secretary of any Relevant Company (as defined in Article 123.2); or

123.1.2 any person who is or was at any time a trustee of any pension fund or employees’ share scheme in which employees of any Relevant Company are interested,

including insurance against any liability (including all costs, charges, losses and expenses in relation to such liability) incurred by or attaching to him in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees’ share scheme.

123.2 For the purpose of Article 123.1, “**Relevant Company**” shall mean:

123.2.1 the Company;

123.2.2 any holding company of the Company;

123.2.3 any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company; or

123.2.4 any subsidiary of the Company or a subsidiary of such other body.

124 Defence expenditure

124.1 So far as may be permitted by the Legislation, the Company may:

124.1.1 provide a Relevant Officer with funds to meet expenditure incurred or to be incurred by him:

- (i) in defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company of the Company; or
- (ii) in connection with any application for relief under the provisions mentioned in Section 205(5) of the Companies Act 2006; and

124.1.2 do anything to enable any such Relevant Officer to avoid incurring such expenditure.

125 Approved Depositaries

125.1 An Approved Depositary shall maintain a register or system(s) (the “**Proxy Register**”) in which shall be recorded the aggregate number of ordinary shares which for the time being are registered in the name of the Approved Depositary or its Nominee (the “**Depositary Shares**”) as well as the name and address of each person who is for the time being appointed as an Appointed Proxy pursuant to Article 125.2 below and, against his name and address, the number of Depositary Shares in respect of which that Appointed Proxy’s appointment for the time being subsists (his “**Appointed Number**”). The Proxy Register shall be open to inspection by any person authorised by the Company during usual business hours and the Approved Depositary shall furnish to the Company or its agents upon demand all such information as to the contents of the Proxy Register, or any part of it, as may be requested.

125.2 Without prejudice to the right of an Approved Depositary or its Nominee to exercise any rights conferred in these Articles, an Approved Depositary or its Nominee may appoint as its proxy or proxies such person or persons as it thinks fit (each such person being an “**Appointed Proxy**”) and may determine the method by which and the terms upon which, such appointments are made, save that each such appointment shall specify the Appointed Number in respect of which that appointment is made and the aggregate Appointed Numbers of all the Appointed Proxies subsisting at any one time shall not exceed the aggregate number of Depositary Shares.

125.3 Subject to the provisions of the Legislation and subject to the provisions of these Articles, and so long as the Depositary Shares shall be of a sufficient number so as to include his Appointed Number, an Appointed Proxy:

125.3.1 shall upon production to the Company at a General Meeting of written evidence of his appointment (which shall be in such form as the Company and the Approved Depositary shall determine from time to time) be entitled to the same rights

(including, without limitation, those rights contained in Articles 54.1 and 61), and subject to the same restrictions, in relation to his Appointed Number as though the ordinary shares represented by the Appointed Number were registered in the name of the Approved Depository (or its Nominee) and the Appointed Proxy was a person validly appointed as proxy by the Approved Depository (or its Nominee) in accordance with Articles 59 and 60; and

125.3.2 shall himself be entitled, by an instrument of proxy duly signed by him pursuant to Article 59.1 and deposited with the Company in accordance with Article 60.1, to appoint another person as his proxy in relation to his Appointed Number so that the provisions of these Articles shall apply (*mutatis mutandis*) in relation to such an appointment as though the ordinary shares represented by the Appointed Number were registered in the name of the Appointed Proxy and the appointment by the Appointed Proxy was made in accordance with Articles 59 and 60.

125.4 The Company may send an Appointed Proxy at his address as is shown in the Proxy Register all notices and other documents which are sent to the holders of ordinary shares.

125.5 The Company may pay to an Appointed Proxy at his address as shown in the Proxy Register all dividends payable on the ordinary shares in respect of which he has been appointed as Appointed Proxy, and payment of any such dividend shall be a good discharge to the Company of its obligation to make payment to the Approved Depository or its Nominee in respect of the ordinary shares concerned.

125.6

125.6.1 For the purposes of determining which persons are entitled as Appointed Proxies:

- (i) to exercise the rights conferred by Article 125.3;
- (ii) to receive documents sent pursuant to Article 125.4; and
- (iii) to be paid dividends pursuant to Article 125.5,

and each Appointed Proxy's Appointed Number, the Approved Depository may determine that the Appointed Proxies who are so entitled shall be the persons entered in the Proxy Register at the close of business on a date (a "**Record Date**") determined by the Approved Depository in consultation with the Company.

125.6.2 When a Record Date is determined for a particular purpose:

- (i) the number of Depository Shares in respect of which a person entered in the Proxy Register as an Appointed Proxy is to be treated as having been appointed for that purpose shall be the number appearing against his name in the Proxy Register as at the close of business on the Record Date; and
- (ii) changes to entries in the Proxy Register after the close of business on the Record Date shall be disregarded in determining the entitlement of any person for the purpose concerned.

125.7 Except as required by law, no Appointed Proxy shall be recognised by the Company as holding any interest in shares upon any trust and, subject to the recognition of the rights conferred in relation to General Meetings by appointments made by Appointed Proxies pursuant to Article 125.3.2, the Company shall be entitled to treat any person entered in the

Proxy Register as an Appointed Proxy as the only person (other than the Approved Depositary) who has any interest in the ordinary shares in respect of which the Appointed Proxy has been appointed.

- 125.8** If any question shall arise as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any Depositary Shares (whether by reason of the aggregate number of shares in respect of which appointments are recorded in the Proxy Register exceeding the aggregate number of Depositary Shares or for any other reason) such question shall if arising at or in relation to a General Meeting be determined by the chair of the meeting (and if arising in any other circumstances shall be determined by the Directors) whose determination (which may include declining to recognise a particular appointment or appointments as valid) shall if made in good faith be conclusive and binding on all persons interested.

Exclusive Jurisdiction

126 Exclusive jurisdiction

- 126.1** Save in respect of any cause of action arising under the Securities Act or the Exchange Act, unless the Company by ordinary resolution consents to the selection of an alternative forum, the courts of England and Wales shall be the exclusive forum for the resolution of:
- 126.1.1** any derivative action or proceeding brought on behalf of the Company;
 - 126.1.2** any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee to the Company;
 - 126.1.3** any action or proceeding asserting a claim arising out of any provision of the Companies Acts or these Articles; or
 - 126.1.4** any action or proceeding asserting a claim or otherwise related to the affairs of the Company.
- 126.2** Unless the Company by ordinary resolution consents to the selection of an alternative forum in the United States, the United States District Court for the Northern District of California shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.
- 126.3** Any person or entity purchasing or otherwise acquiring any interest in the Company's shares shall be deemed to have notice of and to have consented to the provisions of this Article 126.

	Page
Preliminary	2
1 Default Articles not to apply	2
2 Interpretation	2
3 Liability of members	7
Shares	7
4 Shares and special rights	7
5 Directors' powers to allot securities and to sell treasury shares	7
6 Commissions on issue of shares	8
7 Reduction of capital	9
8 Fractions arising on consolidation or subdivision	9
9 Capitalisation of profits and reserves	9
10 Only absolute interests recognised	10
Share Certificates	10
11 Issue of share certificates	10
12 Form of share certificate	11
13 Replacement of share certificates	11
14 Consolidated and balance share certificates	12
Shares not held in Certificated Form	12
15 Uncertificated shares	12
Calls on Shares	13
16 Sums due on shares	13
17 Power to differentiate between holders	14
18 Calls	14
19 Liability for calls	14
20 Interest on overdue amounts	14
21 Payment of calls in advance	15
Forfeiture and Lien	15
22 Notice on failure to pay a call	15
23 Forfeiture for non-compliance	15
24 Disposal of forfeited shares	16
25 Holder to remain liable despite forfeiture	16
26 Lien on partly-paid shares	16
27 Sale of shares subject to lien	17
28 Evidence of forfeiture	18
Variation of Rights	18
29 Manner of variation of rights	18

TABLE OF CONTENTS
(continued)

	Page
30 Matters not constituting variation of rights	19
Transfer of Shares	19
31 Form of transfer	19
32 Right to refuse registration	19
33 No fee on registration	20
34 Branch register	20
Transmission of Shares	20
35 Persons entitled to shares on death	20
36 Election by persons entitled by transmission	20
37 Rights of persons entitled by transmission	21
38 Prior notices binding	21
Untraced Shareholders	21
39 Untraced shareholders	21
General Meetings	22
40 Annual General Meetings	22
41 Convening of General Meetings	23
42 Attendance and Participation by Electronic Facilities	23
Notice of General Meetings	23
43 Notice of General Meetings	23
Proceedings at General Meetings	24
44 Chair	24
45 Requirement for Quorum	24
46 Adjournment	24
47 Notice of adjourned meeting	25
48 Amendments to resolutions	25
49 Security arrangements and orderly conduct	25
50 Satellite meeting places	26
Polls	27
51 Method of voting	27
52 Procedure on a poll	27
53 Timing of poll	27
Votes of Members	27
54 Votes attaching to shares	27
55 Votes of joint holders	28
56 Validity and result of vote	28

TABLE OF CONTENTS
(continued)

	Page
Proxies and Corporate Representatives	28
57 Appointment of proxies	28
58 Multiple Proxies	28
59 Form of proxy	28
60 Receipt of proxy	29
61 Rights of proxy	29
62 Termination of proxy's authority	30
63 Corporations acting by representatives	30
Default Shares	30
64 Restriction on voting in particular circumstances	30
Directors	32
65 Number of Directors	32
66 Share qualification	32
67 Directors' fees	32
68 Other remuneration of Directors	32
69 Directors' expenses	33
70 Pensions and other benefits	33
71 Appointment of executive Directors	33
72 Powers of executive Directors	34
Appointment and Retirement of Directors	34
73 Election or appointment of additional Directors	34
74 Retirement at Annual General Meetings	34
75 Re-election of retiring Director	34
76 Termination of office	35
77 Removal of Director by resolution of Company	35
Meetings and Proceedings of Directors	36
78 Convening of meetings of Directors	36
79 Quorum	36
80 Chair	36
81 No casting vote	37
82 Number of Directors below minimum	37
83 Directors' written resolutions	37
84 Validity of proceedings	37
Directors' Interests	38
85 Authorisation of Directors' interests	38
86 Permitted Interests	38

TABLE OF CONTENTS
(continued)

	Page	
87	Restrictions on quorum and voting	40
88	Confidential information	41
89	Directors' interests - general	42
Powers of Directors		42
90	General powers	42
91	Provision for employees on cessation or transfer of business	42
92	Bank mandates	42
93	Borrowing powers	42
Delegation of Powers		43
94	Appointment and constitution of committees	43
95	Local boards and managers	43
96	Appointment of attorney	44
Alternate Directors		44
97	Alternate Directors	44
Secretary		45
98	Secretary	45
The Seal		45
99	The Seal	45
Authentication of Documents		46
100	Authentication of documents	46
Dividends		46
101	Declaration of final dividends	46
102	Fixed and interim dividends	46
103	Distribution <i>in specie</i>	47
104	Ranking of shares for dividend	47
105	Manner of payment of dividends	47
106	Record date for dividends	48
107	No interest on dividends	48
108	Retention of dividends	49
109	Unclaimed dividend	49
110	Waiver of dividend	49
Scrip Dividends		50
111	Scrip dividends	50
Accounts		51
112	Accounting records	51

TABLE OF CONTENTS
(continued)

Page

Communications with Members	52
113 Service of notices	52
114 Communication with joint holders	52
115 Deceased and bankrupt members	53
116 Failure to supply address	53
117 Suspension of postal services	54
118 Signature or authentication of documents sent by electronic means	54
119 Statutory provisions as to notices	54
Winding Up	54
120 Directors' power to petition	54
Destruction of Documents	54
121 Destruction of documents	54
Directors' Liabilities	55
122 Indemnity	55
123 Insurance	56
124 Defence expenditure	57
125 Approved Depositaries	57
Exclusive Jurisdiction	59
126 Exclusive jurisdiction	59

DEPOSIT AGREEMENT

by and among

ARM HOLDINGS PLC,

and

CITIBANK, N.A.,
as Depositary,

and

**THE HOLDERS AND BENEFICIAL OWNERS OF
AMERICAN DEPOSITARY SHARES
ISSUED HEREUNDER**

Dated as of September 13, 2023

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS	1
Section 1.1	“ADS Record Date”	1
Section 1.2	“Affiliate”	1
Section 1.3	“American Depositary Receipt(s)”, “ADR(s)” and “Receipt(s)”	1
Section 1.4	“American Depositary Share(s)” and “ADS(s)”	2
Section 1.5	“Beneficial Owner”	2
Section 1.6	“Certificated ADS(s)”	3
Section 1.7	“Citibank”	3
Section 1.8	“Commission”	3
Section 1.9	“Company”	3
Section 1.10	“CREST”	3
Section 1.11	“Custodian”	3
Section 1.12	“Deliver” and “Delivery”	3
Section 1.13	“Deposit Agreement”	4
Section 1.14	“Depositary”	4
Section 1.15	“Deposited Property”	4
Section 1.16	“Deposited Securities”	4
Section 1.17	“Dollars” and “\$”	4
Section 1.18	“DTC”	4
Section 1.19	“DTC Participant”	4
Section 1.20	“Exchange Act”	4
Section 1.21	“Foreign Currency”	5
Section 1.22	“Full Entitlement ADR(s)”, “Full Entitlement ADS(s)” and “Full Entitlement Share(s)”	5
Section 1.23	“Holder(s)”	5
Section 1.24	“Partial Entitlement ADR(s)”, “Partial Entitlement ADS(s)” and “Partial Entitlement Share(s)”	5
Section 1.25	“Principal Office”	5
Section 1.26	“Registrar”	5
Section 1.27	“Restricted Securities”	5
Section 1.28	“Restricted ADR(s)”, “Restricted ADS(s)” and “Restricted Shares”	6
Section 1.29	“Securities Act”	6
Section 1.30	“Share Registrar”	6
Section 1.31	“Shares”	6
Section 1.32	“Uncertificated ADS(s)”	6
Section 1.33	“United States” and “U.S.”	6

ARTICLE II	APPOINTMENT OF DEPOSITARY; FORM OF RECEIPTS; DEPOSIT OF SHARES; EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS	6
Section 2.1	Appointment of Depositary	6
Section 2.2	Form and Transferability of ADSs	7
Section 2.3	Deposit of Shares	10
Section 2.4	Registration and Safekeeping of Deposited Securities	10
Section 2.5	Issuance of ADSs	10
Section 2.6	Transfer, Combination and Split-up of ADRs	11
Section 2.7	Surrender of ADSs and Withdrawal of Deposited Securities	12
Section 2.8	Limitations on Execution and Delivery, Transfer, etc. of ADSs; Suspension of Delivery, Transfer, etc	14
Section 2.9	Lost ADRs, etc	14
Section 2.10	Cancellation and Destruction of Surrendered ADRs; Maintenance of Records	15
Section 2.11	Escheatment	15
Section 2.12	Partial Entitlement ADSs	15
Section 2.13	Certificated/Uncertificated ADSs	16
Section 2.14	Restricted ADSs	17
ARTICLE III	CERTAIN OBLIGATIONS OF HOLDERS AND BENEFICIAL OWNERS OF ADSs	19
Section 3.1	Proofs, Certificates and Other Information	19
Section 3.2	Liability for Taxes and Other Charges	20
Section 3.3	Representations and Warranties on Deposit of Shares	21
Section 3.4	Compliance with Information Requests	21
Section 3.5	Ownership Restrictions	21
Section 3.6	Reporting Obligations and Regulatory Approvals	22
ARTICLE IV	THE DEPOSITED SECURITIES	22
Section 4.1	Cash Distributions	22
Section 4.2	Distribution in Shares	23
Section 4.3	Elective Distributions in Cash or Shares	24
Section 4.4	Distribution of Rights to Purchase Additional ADSs	25
Section 4.5	Distributions Other Than Cash, Shares or Rights to Purchase Shares	25
Section 4.6	[Reserved]	28
Section 4.7	Redemption	28
Section 4.8	Conversion of Foreign Currency	28
Section 4.9	Fixing of ADS Record Date	29
Section 4.10	Voting of Deposited Securities	30
Section 4.11	Changes Affecting Deposited Securities	31

Section 4.12	Available Information	32
Section 4.13	Reports	32
Section 4.14	List of Holders	33
Section 4.15	Taxation	33
ARTICLE V	THE DEPOSITARY, THE CUSTODIAN AND THE COMPANY	34
Section 5.1	Maintenance of Office and Transfer Books by the Registrar	34
Section 5.2	Exoneration	34
Section 5.3	Standard of Care	35
Section 5.4	Resignation and Removal of the Depositary; Appointment of Successor Depositary	36
Section 5.5	The Custodian	37
Section 5.6	Notices and Reports	38
Section 5.7	Issuance of Additional Shares, ADSs etc	38
Section 5.8	Indemnification	39
Section 5.9	ADS Fees and Charges	40
Section 5.10	Restricted Securities Owners	42
ARTICLE VI	AMENDMENT AND TERMINATION	42
Section 6.1	Amendment/Supplement	42
Section 6.2	Termination	43
ARTICLE VII	MISCELLANEOUS	44
Section 7.1	Counterparts	44
Section 7.2	No Third Party Beneficiaries/Acknowledgments	44
Section 7.3	Severability	45
Section 7.4	Holder and Beneficial Owners as Parties; Binding Effect	45
Section 7.5	Notices	45
Section 7.6	Governing Law and Jurisdiction	46
Section 7.7	Assignment	48
Section 7.8	Compliance with, and No Disclaimer under, U.S. Securities Laws	48
Section 7.9	English Law References	48
Section 7.10	Titles and References	48
EXHIBITS		
	Form of ADR.	A-1
	Fee Schedule.	B-1

DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated as of September 13, 2023, by and among (i) Arm Holdings plc, a public limited company incorporated under the laws of England and Wales, and its successors (the “Company”), (ii) Citibank, N.A., a national banking association organized under the laws of the United States of America (“Citibank”) acting in its capacity as depositary, and any successor depositary hereunder (Citibank in such capacity, the “Depositary”), and (iii) all Holders and Beneficial Owners of American Depositary Shares issued hereunder (all such capitalized terms as hereinafter defined).

WITNESSETH THAT:

WHEREAS, the Company desires to establish with the Depositary an ADR facility to provide *inter alia* for the deposit of the Shares (as hereinafter defined) and the creation of American Depositary Shares representing the Shares so deposited and for the execution and Delivery (as hereinafter defined) of American Depositary Receipts (as hereinafter defined) evidencing such American Depositary Shares; and

WHEREAS, the Depositary is willing to act as the Depositary for such ADR facility upon the terms set forth in the Deposit Agreement (as hereinafter defined); and

WHEREAS, any American Depositary Receipts issued pursuant to the terms of the Deposit Agreement are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in the Deposit Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

All capitalized terms used, but not otherwise defined, herein shall have the meanings set forth below, unless otherwise clearly indicated:

Section 1.1 “**ADS Record Date**” shall have the meaning given to such term in Section 4.9.

Section 1.2 “**Affiliate**” shall have the meaning assigned to such term by the Commission (as hereinafter defined) under Regulation C promulgated under the Securities Act (as hereinafter defined), or under any successor regulation thereto.

Section 1.3 “**American Depositary Receipt(s)**”, “**ADR(s)**” and “**Receipt(s)**” shall mean the certificate(s) issued by the Depositary to evidence the American Depositary Shares issued under the terms of the Deposit Agreement in the form of Certificated ADS(s) (as hereinafter defined), as such ADRs may be amended from time to time in accordance with the

provisions of the Deposit Agreement. An ADR may evidence any number of ADSs and may, in the case of ADSs held through a central depository such as DTC, be in the form of a “Balance Certificate.”

Section 1.4 “**American Depository Share(s)**” and “**ADS(s)**” shall mean the rights and interests in the Deposited Property (as hereinafter defined) granted to the Holders and Beneficial Owners pursuant to the terms and conditions of the Deposit Agreement and, if issued as Certificated ADS(s) (as hereinafter defined), the ADR(s) issued to evidence such ADSs. ADS(s) may be issued under the terms of the Deposit Agreement in the form of (a) Certificated ADS(s) (as hereinafter defined), in which case the ADS(s) are evidenced by ADR(s), or (b) Uncertificated ADS(s) (as hereinafter defined), in which case the ADS(s) are not evidenced by ADR(s) but are reflected on the direct registration system maintained by the Depository for such purposes under the terms of Section 2.13. Unless otherwise specified in the Deposit Agreement or in any ADR, or unless the context otherwise requires, any reference to ADS(s) shall include Certificated ADS(s) and Uncertificated ADS(s), individually or collectively, as the context may require. Each ADS shall represent the right to receive, and to exercise the beneficial ownership interests in, the number of Shares specified in the form of ADR attached hereto as Exhibit A (as amended from time to time) that are on deposit with the Depository and/or the Custodian, subject, in each case, to the terms and conditions of the Deposit Agreement and the applicable ADR (if issued as a Certificated ADS), until there shall occur a distribution upon Deposited Securities referred to in Section 4.2 or a change in Deposited Securities referred to in Section 4.11 with respect to which additional ADSs are not issued, and thereafter each ADS shall represent the right to receive, and to exercise the beneficial ownership interests in, the applicable Deposited Property on deposit with the Depository and the Custodian determined in accordance with the terms of such Sections, subject, in each case, to the terms and conditions of the Deposit Agreement and the applicable ADR (if issued as a Certificated ADS). In addition, the ADS(s)-to-Share(s) ratio is subject to amendment as provided in Articles IV and VI of the Deposit Agreement (which may give rise to Depository fees).

Section 1.5 “**Beneficial Owner**” shall mean, as to any ADS, any person or entity having a beneficial interest deriving from the ownership of such ADS. Notwithstanding anything else contained in the Deposit Agreement, any ADR(s) or any other instruments or agreements relating to the ADSs and the corresponding Deposited Property, the Depository, the Custodian and their respective nominees are intended to be, and shall at all times during the term of the Deposit Agreement be, the record holders only of the Deposited Property represented by the ADSs for the benefit of the Holders and Beneficial Owners of the corresponding ADSs. The Depository, on its own behalf and on behalf of the Custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Property held on behalf of the Holders and Beneficial Owners of ADSs. The beneficial ownership interests in the Deposited Property are intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing the Deposited Property. The beneficial ownership interests in the Deposited Property shall, unless otherwise agreed by the Depository, be exercisable by the Beneficial Owners of the ADSs only through the Holders of such ADSs, by the Holders of the ADSs (on behalf of the applicable Beneficial Owners) only through the Depository, and by the Depository (on behalf of the Holders and

Beneficial Owners of the corresponding ADSs) directly, or indirectly through the Custodian or their respective nominees, in each case upon the terms of the Deposit Agreement and, if applicable, the terms of the ADR(s) evidencing the ADSs. A Beneficial Owner of ADSs may or may not be the Holder of such ADSs. A Beneficial Owner shall be able to exercise any right or receive any benefit hereunder solely through the person who is the Holder of the ADSs owned by such Beneficial Owner. Unless otherwise identified to the Depository, a Holder shall be deemed to be the Beneficial Owner of all the ADSs registered in his/her/its name. The manner in which a Beneficial Owner holds ADSs (e.g., in a brokerage account vs. as registered holder) may affect the rights and obligations of, the manner in which, and the extent to which, services are made available to, Beneficial Owners pursuant to the terms of the Deposit Agreement.

Section 1.6 “**Certificated ADS(s)**” shall have the meaning set forth in Section 2.13.

Section 1.7 “**Citibank**” shall mean Citibank, N.A., a national banking association organized under the laws of the United States of America, and its successors.

Section 1.8 “**Commission**” shall mean the Securities and Exchange Commission of the United States or any successor governmental agency thereto in the United States.

Section 1.9 “**Company**” shall mean Arm Holdings plc, a public limited company incorporated under the laws of England and Wales, and its successors.

Section 1.10 “**CREST**” shall mean the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the U.K. Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time, or any successor thereto.

Section 1.11 “**Custodian**” shall mean (i) as of the date hereof, Citibank, N.A., London Branch, having its principal office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, as the custodian of Deposited Property for the purposes of the Deposit Agreement, (ii) Citibank, N.A., acting as custodian of Deposited Property pursuant to the Deposit Agreement, and (iii) any other entity that may be appointed by the Depository pursuant to the terms of Section 5.5 as successor, substitute or additional custodian hereunder. The term “Custodian” shall mean any Custodian individually or all Custodians collectively, as the context requires.

Section 1.12 “**Deliver**” and “**Delivery**” shall mean (x) *when used in respect of Shares and other Deposited Securities*, either (i) the physical delivery of the certificate(s) representing such securities, or (ii) the book-entry transfer and recordation of such securities on the books of the Share Registrar (as hereinafter defined) or in CREST, and (y) *when used in respect of ADSs*, either (i) the physical delivery of ADR(s) evidencing the ADSs, or (ii) the book-entry transfer and recordation of ADSs on the books of the Depository or any book-entry settlement system in which the ADSs are settlement-eligible.

Section 1.13 “**Deposit Agreement**” shall mean this Deposit Agreement and all exhibits hereto, as the same may from time to time be amended and supplemented from time to time in accordance with the terms of the Deposit Agreement.

Section 1.14 “**Depository**” shall mean Citibank, N.A., a national banking association organized under the laws of the United States, in its capacity as depository under the terms of the Deposit Agreement, and any successor depository hereunder.

Section 1.15 “**Deposited Property**” shall mean the Deposited Securities and any cash and other property held on deposit by the Depository and the Custodian in respect of the ADSs under the terms of the Deposit Agreement, subject, in the case of cash, to the provisions of Section 4.8. All Deposited Property shall be held by the Custodian, the Depository and their respective nominees for the benefit of the Holders and Beneficial Owners of the ADSs representing the Deposited Property. The Deposited Property is not intended to, and shall not, constitute proprietary assets of the Depository, the Custodian or their nominees. Beneficial ownership in the Deposited Property is intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing the Deposited Property.

Section 1.16 “**Deposited Securities**” shall mean the Shares and any other securities held on deposit by the Custodian from time to time in respect of the ADSs under the Deposit Agreement and constituting Deposited Property.

Section 1.17 “**Dollars**” and “**\$**” shall refer to the lawful currency of the United States.

Section 1.18 “**DTC**” shall mean The Depository Trust Company, a national clearinghouse and the central book-entry settlement system for securities traded in the United States and, as such, the custodian for the securities of DTC Participants (as hereinafter defined) maintained in DTC, and any successor thereto.

Section 1.19 “**DTC Participant**” shall mean any financial institution (or any nominee of such institution) having one or more participant accounts with DTC for receiving, holding and delivering the securities and cash held in DTC. A DTC Participant may or may not be a Beneficial Owner. If a DTC Participant is not the Beneficial Owner of the ADSs credited to its account at DTC, or of the ADSs in respect of which the DTC Participant is otherwise acting, such DTC Participant shall be deemed, for all purposes hereunder, to have all requisite authority to act on behalf of the Beneficial Owner(s) of the ADSs credited to its account at DTC or in respect of which the DTC Participant is so acting. A DTC Participant, upon acceptance in any one of its DTC accounts of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement, shall (notwithstanding any explicit or implicit disclosure that it may be acting on behalf of another party) be deemed for all purposes to be a party to, and bound by, the terms of the Deposit Agreement and the applicable ADR(s) to the same extent as, and as if the DTC Participant were, the Holder of such ADSs.

Section 1.20 “**Exchange Act**” shall mean the United States Securities Exchange Act of 1934, as amended from time to time.

Section 1.21 “**Foreign Currency**” shall mean any currency other than Dollars.

Section 1.22 “**Full Entitlement ADR(s)**”, “**Full Entitlement ADS(s)**” and “**Full Entitlement Share(s)**” shall have the respective meanings set forth in Section 2.12.

Section 1.23 “**Holder(s)**” shall mean the person(s) in whose name the ADSs are registered on the books of the Depositary (or the Registrar, if any) maintained for such purpose. A Holder may or may not be a Beneficial Owner. If a Holder is not the Beneficial Owner of the ADS(s) registered in its name, such person shall be deemed, for all purposes hereunder, to have all requisite authority to act on behalf of the Beneficial Owners of the ADSs registered in its name. The manner in which a Holder holds ADSs (e.g., in certificated vs. uncertificated form) may affect the rights and obligations of, and the manner in which, and the extent to which, the services are made available to, Holders pursuant to the terms of the Deposit Agreement.

Section 1.24 “**Partial Entitlement ADR(s)**”, “**Partial Entitlement ADS(s)**” and “**Partial Entitlement Share(s)**” shall have the respective meanings set forth in Section 2.12.

Section 1.25 “**Principal Office**” shall mean, when used with respect to the Depositary, the principal office of the Depositary at which at any particular time its depositary receipts business shall be administered, which, at the date of the Deposit Agreement, is located at 388 Greenwich Street, New York, New York 10013, U.S.A.

Section 1.26 “**Registrar**” shall mean the Depositary or any bank or trust company having an office in the Borough of Manhattan, The City of New York, which shall be appointed by the Depositary to register issuances, transfers and cancellations of ADSs as herein provided, and shall include any co-registrar appointed by the Depositary for such purposes. Registrars (other than the Depositary) may be removed and substitutes appointed by the Depositary. Each Registrar (other than the Depositary) appointed pursuant to the Deposit Agreement shall be required to give notice in writing to the Depositary accepting such appointment and agreeing to be bound by the applicable terms of the Deposit Agreement.

Section 1.27 “**Restricted Securities**” shall mean Shares, Deposited Securities or ADSs which (i) have been acquired directly or indirectly from the Company or any of its Affiliates in a transaction or chain of transactions not involving any public offering and are subject to resale limitations under the Securities Act or the rules issued thereunder, or (ii) are held by an executive officer or director (or persons performing similar functions) or other Affiliate of the Company, or (iii) are subject to other restrictions on sale or deposit under the laws of the United States, England and Wales, or under a shareholders’ agreement or the Articles of Association of the Company or under the regulations of an applicable securities exchange unless, in each case, such Shares, Deposited Securities or ADSs are being transferred or sold to persons other than an Affiliate of the Company in a transaction (a) covered by an effective resale registration statement, or (b) exempt from the registration requirements of the Securities Act (as hereinafter defined), and the Shares, Deposited Securities or ADSs are not, when held by such person(s), Restricted Securities.

Section 1.28 “**Restricted ADR(s)**”, “**Restricted ADS(s)**” and “**Restricted Shares**” shall have the respective meanings set forth in Section 2.14.

Section 1.29 “**Securities Act**” shall mean the United States Securities Act of 1933, as amended from time to time.

Section 1.30 “**Share Registrar**” shall mean Computershare Investor Services plc or any other institution incorporated under the laws of England and Wales appointed by the Company from time to time to carry out the duties of registrar for the Shares, and any successor thereto.

Section 1.31 “**Shares**” shall mean the Company’s ordinary shares, with a nominal value £0.001 per share, validly issued and outstanding and fully paid and may, if the Depositary so agrees after consultation with the Company, include evidence of the right to receive Shares; provided that in no event shall Shares include evidence of the right to receive Shares with respect to which the full purchase price has not been paid or Shares as to which preemptive rights have theretofore not been validly waived or exercised; provided further, however, that, if there shall occur any change in nominal value, sub-division, consolidation, reclassification, exchange, conversion or any other event described in Section 4.11 in respect of the Shares of the Company, the term “Shares” shall thereafter, to the maximum extent permitted by law, represent the successor securities resulting from such event.

Section 1.32 “**Uncertificated ADS(s)**” shall have the meaning set forth in Section 2.13.

Section 1.33 “**United States**” and “**U.S.**” shall have the meaning assigned to it in Regulation S as promulgated by the Commission under the Securities Act.

ARTICLE II

APPOINTMENT OF DEPOSITARY; FORM OF RECEIPTS; DEPOSIT OF SHARES; EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS

Section 2.1 **Appointment of Depositary.** The Company hereby appoints the Depositary as depositary for the Deposited Property and hereby authorizes and directs the Depositary to act in accordance with the terms and conditions set forth in the Deposit Agreement and the applicable ADRs. Each Holder and each Beneficial Owner, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), and (b) appoint the Depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable ADR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depositary in its sole discretion, acting reasonably, may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Section 2.2 Form and Transferability of ADSs.

(a) **Form.** Certificated ADSs shall be evidenced by definitive ADRs which shall be engraved, printed, lithographed or produced in such other manner as may be agreed upon by the Company and the Depositary. ADRs may be issued under the Deposit Agreement in denominations of any whole number of ADSs. The ADRs shall be substantially in the form set forth in Exhibit A to the Deposit Agreement, with any appropriate insertions, modifications and omissions, in each case as otherwise contemplated in the Deposit Agreement or required by law. ADRs shall be (i) dated, (ii) signed by the manual or facsimile signature of a duly authorized signatory of the Depositary, (iii) countersigned by the manual or facsimile signature of a duly authorized signatory of the Registrar, and (iv) registered in the books maintained by the Registrar for the registration of issuances and transfers of ADSs. No ADR and no Certificated ADS evidenced thereby shall be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company, unless such ADR shall have been so dated, signed, countersigned and registered. ADRs bearing the facsimile signature of a duly-authorized signatory of the Depositary or the Registrar, who at the time of signature was a duly-authorized signatory of the Depositary or the Registrar, as the case may be, shall bind the Depositary, notwithstanding the fact that such signatory has ceased to be so authorized prior to the Delivery of such ADR by the Depositary. The ADRs shall bear a CUSIP number that is different from any CUSIP number that was, is or may be assigned to any depositary receipts previously or subsequently issued pursuant to any other arrangement between the Depositary (or any other depositary) and the Company and which are not ADRs outstanding hereunder.

(b) **Legends.** The ADRs may be endorsed with, or have incorporated in the text thereof, such legends or recitals not inconsistent with the provisions of the Deposit Agreement as may be (i) necessary to enable the Depositary and the Company to perform their respective obligations hereunder, (ii) required to comply with any applicable laws or regulations, or with the rules and regulations of any securities exchange or market upon which ADSs may be traded, listed or quoted, or to conform with any usage with respect thereto, (iii) necessary to indicate any special limitations or restrictions to which any particular ADRs or ADSs are subject by reason of the date of issuance of the Deposited Securities or otherwise, or (iv) required by any book-entry system in which the ADSs are held. Holders and Beneficial Owners shall be deemed, for all purposes, to have notice of, and to be bound by, the terms and conditions of the legends set forth, in the case of Holders, on the ADR registered in the name of the applicable Holders or, in the case of Beneficial Owners, on the ADR representing the ADSs owned by such Beneficial Owners.

(c) **Title.** Subject to the limitations contained herein and in the ADR, title to an ADR (and to each Certificated ADS evidenced thereby) shall be transferable upon the same terms as a certificated security under the laws of the State of New York, provided that, in the case of Certificated ADSs, such ADR has been properly endorsed or is accompanied by proper instruments of transfer. Notwithstanding any notice to the contrary, the Depositary and the Company may deem and treat the Holder of an ADS (that is, the person in whose name an ADS is registered on the books of the Depositary) as the absolute owner thereof for all purposes. Neither the Depositary nor the Company shall have any obligation nor be subject to any liability

under the Deposit Agreement or any ADR to any holder or any Beneficial Owner unless, in the case of a holder of ADSs, such holder is the Holder registered on the books of the Depository or, in the case of a Beneficial Owner, such Beneficial Owner, or the Beneficial Owner's representative, is the Holder registered on the books of the Depository.

(d) Book-Entry Systems. The Depository shall make arrangements for the acceptance of the ADSs into DTC. All ADSs held through DTC will be registered in the name of the nominee for DTC (currently "Cede & Co."). As such, the nominee for DTC will be the only "Holder" of all ADSs held through DTC. Unless issued by the Depository as Uncertificated ADSs, the ADSs registered in the name of Cede & Co. will be evidenced by one or more ADR(s) in the form of a "Balance Certificate," which will provide that it represents the aggregate number of ADSs from time to time indicated in the records of the Depository as being issued hereunder and that the aggregate number of ADSs represented thereby may from time to time be increased or decreased by making adjustments on such records of the Depository and of DTC or its nominee as hereinafter provided. Citibank, N.A. (or such other entity as is appointed by DTC or its nominee) may hold the "Balance Certificate" as custodian for DTC. Each Beneficial Owner of ADSs held through DTC must rely upon the procedures of DTC and the DTC Participants to exercise or be entitled to any rights attributable to such ADSs. The DTC Participants shall for all purposes be deemed to have all requisite power and authority to act on behalf of the Beneficial Owners of the ADSs held in the DTC Participants' respective accounts in DTC and the Depository shall for all purposes be authorized to rely upon any instructions and information given to it by DTC Participants. So long as ADSs are held through DTC or unless otherwise required by law, ownership of beneficial interests in the ADSs registered in the name of the nominee for DTC will be shown on, and transfers of such ownership will be effected only through, records maintained by (i) DTC or its nominee (with respect to the interests of DTC Participants), or (ii) DTC Participants or their nominees (with respect to the interests of clients of DTC Participants). Any distributions made, and any notices given, by the Depository to DTC under the terms of the Deposit Agreement shall (unless otherwise specified by the Depository) satisfy the Depository's obligations under the Deposit Agreement to make such distributions, and give such notices, in respect of the ADSs held in DTC (including, for avoidance of doubt, to the DTC Participants holding the ADSs in their DTC accounts and to the Beneficial Owners of such ADSs).

Section 2.3 Deposit of Shares. Subject to the terms and conditions of the Deposit Agreement and applicable law, Shares or evidence of rights to receive Shares (other than Restricted Securities) may be deposited by any person (including the Depository in its individual capacity but subject, however, in the case of the Company or any Affiliate of the Company, to Section 5.7) at any time, whether or not the transfer books of the Company or the Share Registrar, if any, are closed, by Delivery of the Shares to the Custodian. Every deposit of Shares shall be accompanied by the following: (A) (i) *in the case of Shares represented by certificates issued in registered form*, the certificate(s) representing such Shares and, where relevant, appropriate instruments of transfer or endorsement, in a form satisfactory to the Custodian, and (ii) *in the case of Shares delivered by book-entry transfer and recordation*, confirmation of such book-entry transfer and recordation in the books of the Share Registrar or CREST, as applicable, to the Custodian or that irrevocable instructions have been given to cause such Shares to be so

issued or transferred, as applicable, and recorded, (B) such certifications and payments (including, without limitation, the Depository's fees and related charges) and evidence of such payments (including, without limitation, stamping or otherwise marking such Shares by way of receipt) as may be required by the Depository or the Custodian in accordance with the provisions of the Deposit Agreement and applicable law, (C) if the Depository so requires, a written order directing the Depository to issue and deliver to, or upon the written order of, the person(s) stated in such order the number of ADSs representing the Shares so deposited, (D) evidence reasonably satisfactory to the Depository (which may be an opinion of counsel) that all necessary approvals have been granted by, or there has been compliance with the rules and regulations of, any applicable governmental agency in England and Wales, and (E) if the Depository so requires, (i) an agreement, assignment or instrument reasonably satisfactory to the Depository or the Custodian which provides for the prompt transfer by any person in whose name the Shares are or have been recorded to the Custodian of any distribution, or right to subscribe for additional Shares or to receive other property in respect of any such deposited Shares or, in lieu thereof, such indemnity or other agreement as shall be reasonably satisfactory to the Depository or the Custodian and (ii) if the Shares are registered in the name of the person on whose behalf they are presented for deposit, a proxy or proxies entitling the Custodian to exercise voting rights in respect of the Shares for any and all purposes until the Shares so deposited are registered in the name of the Depository, the Custodian or any nominee.

Without limiting any other provision of the Deposit Agreement, the Depository shall instruct the Custodian not to, and the Depository shall not knowingly, accept for deposit (a) any Restricted Securities (except as contemplated by Section 2.14) nor (b) any fractional Shares or fractional Deposited Securities nor (c) a number of Shares or Deposited Securities which upon application of the ADS to Shares ratio would give rise to fractional ADSs. No Shares shall be accepted for deposit unless accompanied by evidence, if any is required by the Depository, that is reasonably satisfactory to the Depository or the Custodian that all conditions to such deposit have been satisfied by the person depositing such Shares under the laws and regulations of England and Wales and any necessary approval has been granted by any applicable governmental body in England and Wales, if any. The Depository may issue ADSs against evidence of rights to receive Shares from the Company, any agent of the Company or any custodian, registrar, transfer agent, clearing agency or other entity involved in ownership or transaction records in respect of the Shares. Such evidence of rights shall consist of written blanket or specific guarantees of ownership of Shares furnished by the Company or any such custodian, registrar, transfer agent, clearing agency or other entity involved in ownership or transaction records in respect of the Shares.

Without limitation of the foregoing, the Depository shall not knowingly accept for deposit under the Deposit Agreement (A) any Shares or other securities required to be registered under the provisions of the Securities Act, unless (i) a registration statement is in effect as to such Shares or other securities or (ii) the deposit is made upon terms contemplated in Section 2.14, or (B) any Shares or other securities the deposit of which would violate any provisions of the Articles of Association of the Company or the laws of England and Wales. For purposes of the foregoing sentence, the Depository shall be entitled to rely upon representations and warranties made or deemed made pursuant to the Deposit Agreement and shall not be required to make any

further investigation. The Depositary will comply with written instructions of the Company (received by the Depositary reasonably in advance) not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the securities laws of the United States.

Section 2.4 Registration and Safekeeping of Deposited Securities. The Depositary shall instruct the Custodian upon each Delivery of registered Shares being deposited hereunder with the Custodian (or other Deposited Securities pursuant to Article IV hereof), together with the other documents above specified, to present such Shares, together with the appropriate instrument(s) of transfer or endorsement, duly stamped (if required to be stamped), to the Share Registrar for transfer and registration of the Shares (as soon as transfer and registration can be accomplished and at the expense of the person for whom the deposit is made) in the name of the Depositary, the Custodian or a nominee of either. Deposited Securities shall be held by the Depositary, or by a Custodian for the account and to the order of the Depositary or a nominee of the Depositary, in each case, on behalf of the Holders and Beneficial Owners, at such place(s) as the Depositary or the Custodian shall determine. Notwithstanding anything else contained in the Deposit Agreement, any ADR(s), or any other instruments or agreements relating to the ADSs and the corresponding Deposited Property, the registration of the Deposited Securities in the name of the Depositary, the Custodian or any of their respective nominees, shall, to the maximum extent permitted by applicable law, vest in the Depositary, the Custodian or the applicable nominee the record ownership in the applicable Deposited Securities with the beneficial ownership rights and interests in such Deposited Securities being at all times vested with the Beneficial Owners of the ADSs representing the Deposited Securities. Notwithstanding the foregoing, the Depositary, the Custodian and the applicable nominee shall at all times be entitled to exercise the beneficial ownership rights in all Deposited Property, in each case only on behalf of the Holders and Beneficial Owners of the ADSs representing the Deposited Property, upon the terms set forth in the Deposit Agreement and, if applicable, the ADR(s) representing the ADSs. The Depositary, the Custodian and their respective nominees shall for all purposes be deemed to have all requisite power and authority to act in respect of Deposited Property on behalf of the Holders and Beneficial Owners of ADSs representing the Deposited Property, and upon making payments to, or acting upon instructions from, or information provided by, the Depositary, the Custodian or their respective nominees all persons shall be authorized to rely upon such power and authority.

Section 2.5 Issuance of ADSs. The Depositary has made arrangements with the Custodian for the Custodian to confirm to the Depositary upon receipt of a deposit of Shares (i) that a deposit of Shares has been made pursuant to Section 2.3, (ii) that such Deposited Securities have been recorded in the name of the Depositary, the Custodian or a nominee of either on the shareholders' register maintained by or on behalf of the Company by the Share Registrar or on the books of CREST, (iii) that all required documents have been received, and (iv) if applicable, the person(s) to whom or upon whose order ADSs are deliverable in respect thereof and the number of ADSs to be so delivered. Such notification may be made by letter, cable, telex, SWIFT message or, at the risk and expense of the person making the deposit, by facsimile or other means of electronic transmission. Upon receiving such notice from the

Custodian, the Depositary, subject to the terms and conditions of the Deposit Agreement and applicable law, shall as directed by the depositor(s) of the Shares (x) issue the ADSs representing the Shares so deposited to or upon the order of the person(s) named in the notice delivered to the Depositary and, if applicable, shall execute and deliver at its Principal Office Receipt(s) registered in the name(s) requested by such person(s) and evidencing the aggregate number of ADSs to which such person(s) is/are entitled, but, in each case, only upon payment to the Depositary of the ADS fees and charges of the Depositary for accepting a deposit of Shares and issuing ADSs (as set forth in Section 5.9 and Exhibit B hereto) and all taxes and governmental charges and fees payable in connection with such deposit and the transfer of the Shares and the issuance of the ADS(s), or (y) hold the Shares in custody at the direction, and for the benefit, of the beneficial owner(s) of the Shares, and reserve ADSs for future issuance in respect of such Shares, in each case, upon such terms and conditions as the Company, the Depositary and/or the beneficial owner(s) of the Shares may agree at, or prior to, the deposit of the Shares (which shall not become Deposited Property under the terms of the Deposit Agreement for purposes of determining the rights of Holders and Beneficial Owners of ADSs until ADSs are issued and delivered to, and at the instruction of, the beneficial owner(s) of the Shares). Upon receipt of satisfactory instructions from ADS Holders and payment of applicable taxes and the ADS fees and charges of the Depositary for the issuance, cancellation and conversion of ADSs (as set forth in Section 5.9 and Exhibit B hereto), the Depositary shall also, subject to the applicable terms and conditions of, and contemplated in, the Deposit Agreement and applicable law, issue new ADSs in connection with the conversion of existing ADSs of one series for ADSs of another series (e.g. in connection with the conversion of Restricted ADSs into freely transferable ADSs and the conversion of Partial Entitlement ADSs into Full Entitlement ADSs), in which case the Depositary shall (i) only issue such number of new ADSs of one series as equals the number of existing ADSs cancelled of the corresponding series, and (ii) only process such ADS conversion to the extent the Depositary has to the extent applicable instructed the Custodian to transfer the corresponding Shares from and into the applicable custody accounts maintained for the applicable ADS series. The Depositary shall only (i) issue ADSs in whole numbers and deliver, if applicable, ADR(s) evidencing whole numbers of ADSs, and (ii) reserve ADSs for issuance in accordance with this Section 2.5 upon receipt of confirmation from the Custodian that the corresponding Shares have been received in custody by the Custodian.

Section 2.6 Transfer, Combination and Split-up of ADRs.

(a) **Transfer.** The Registrar shall promptly register the transfer of ADRs (and of the ADSs represented thereby) on the books maintained for such purpose and the Depositary shall promptly (x) cancel such ADRs and execute new ADRs evidencing the same aggregate number of ADSs as those evidenced by the ADRs canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs and (z) Deliver such new ADRs to or upon the order of the person entitled thereto, if each of the following conditions has been satisfied: (i) the ADRs have been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a transfer thereof, (ii) the surrendered ADRs have been properly endorsed or are accompanied by proper instruments of transfer (including signature guarantees in accordance with standard securities industry practice), (iii) the surrendered ADRs have been duly stamped (if required by the laws of the State of New York or

of the United States), and (iv) all applicable fees and charges of, and expenses incurred by, the Depository and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B hereto) have been paid, *subject, however, in each case*, to the terms and conditions of the applicable ADRs, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

(b) Combination & Split-Up. The Registrar shall promptly register the split-up or combination of ADRs (and of the ADSs represented thereby) on the books maintained for such purpose and the Depository shall promptly (x) cancel such ADRs and execute new ADRs for the number of ADSs requested, but in the aggregate not exceeding the number of ADSs evidenced by the ADRs canceled by the Depository, (y) cause the Registrar to countersign such new ADRs and (z) Deliver such new ADRs to or upon the order of the Holder thereof, if each of the following conditions has been satisfied: (i) the ADRs have been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depository at its Principal Office for the purpose of effecting a split-up or combination thereof, and (ii) all applicable fees and charges of, and expenses incurred by, the Depository and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B hereto) have been paid, *subject, however, in each case*, to the terms and conditions of the applicable ADRs, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

Section 2.7 Surrender of ADSs and Withdrawal of Deposited Securities. The Holder of ADSs shall be entitled to Delivery (at the Custodian's designated office) of the Deposited Securities at the time represented by the ADSs upon satisfaction of each of the following conditions: (i) the Holder (or a duly-authorized attorney of the Holder) has duly Delivered ADSs to the Depository at its Principal Office (and if applicable, the ADRs evidencing such ADSs) for the purpose of withdrawal of the Deposited Securities represented thereby, (ii) if applicable and so required by the Depository, the ADRs Delivered to the Depository for such purpose have been properly endorsed in blank or are accompanied by proper instruments of transfer in blank (including signature guarantees in accordance with standard securities industry practice), (iii) if so required by the Depository, the Holder of the ADSs has executed and delivered to the Depository a written order directing the Depository to cause the Deposited Securities being withdrawn to be Delivered to or upon the written order of the person(s) designated in such order, and (iv) all applicable ADS fees and charges of, and expenses incurred by, the Depository and all applicable taxes and governmental charges (as are set forth in Section 5.9 and Exhibit B) have been paid, *subject, however, in each case*, to the terms and conditions of the ADRs evidencing the surrendered ADSs, of the Deposit Agreement, of the Company's Articles of Association and of any applicable laws and the rules of CREST, and to any provisions of or governing the Deposited Securities, in each case as in effect at the time thereof.

Upon satisfaction of each of the conditions specified above, the Depository (i) shall promptly cancel the ADSs Delivered to it (and, if applicable, the ADR(s) evidencing the ADSs so Delivered), (ii) shall direct the Registrar to record the cancellation of the ADSs so Delivered on the books maintained for such purpose, and (iii) shall direct the Custodian to Deliver, or cause the Delivery of, in each case, without unreasonable delay, the Deposited Securities represented

by the ADSs so canceled together with any certificate or other document of title for the Deposited Securities, or evidence of the electronic transfer thereof (if available), as the case may be, to or upon the written order of the person(s) designated in the order delivered to the Depositary for such purpose, *subject however, in each case*, to the terms and conditions of the Deposit Agreement, of the ADRs evidencing the ADSs so canceled, of the Articles of Association of the Company, of any applicable laws and of the rules of CREST, and to the terms and conditions of or governing the Deposited Securities, in each case as in effect at the time thereof.

The Depositary shall not accept for surrender ADSs representing less than one (1) Share. In the case of Delivery to it of ADSs representing a number other than a whole number of Shares, the Depositary shall cause ownership of the appropriate whole number of Shares to be Delivered in accordance with the terms hereof, and shall, at the discretion of the Depositary, either (i) return to the person surrendering such ADSs the number of ADSs representing any remaining fractional Share, or (ii) sell or cause to be sold the fractional Share represented by the ADSs so surrendered and remit the proceeds of such sale (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes withheld) to the person surrendering the ADSs.

Upon receipt of satisfactory instructions from ADS Holders and payment of applicable taxes and the ADS fees and charges of the Depositary for the issuance, cancellation, and conversion of ADSs (as set forth in Section 5.9 and Exhibit B hereto), the Depositary shall also, subject to the applicable terms and conditions of, and contemplated in, the Deposit Agreement and applicable law, cancel ADSs in connection with the conversion of ADSs of one series for ADSs of another series (e.g. in connection with the conversion of Restricted ADSs into freely transferable ADSs and the conversion of Partial Entitlement ADSs into Full Entitlement ADSs), in which case, (i) the number of ADSs of one series so cancelled shall equal the number of ADSs issued of the corresponding series, and (ii) the Depositary shall to the extent applicable direct the Custodian to transfer the corresponding Shares from and into the applicable custody accounts maintained for the applicable ADS series.

Notwithstanding anything else contained in any ADR or the Deposit Agreement, the Depositary may make delivery at the Principal Office of the Depositary of Deposited Property consisting of (i) any cash dividends or cash distributions, or (ii) any proceeds from the sale of any non-cash distributions, which are at the time held by the Depositary in respect of the Deposited Securities represented by the ADSs surrendered for cancellation and withdrawal. At the request, risk and expense of any Holder so surrendering ADSs, and for the account of such Holder, the Depositary shall direct the Custodian to forward (to the extent permitted by law) any Deposited Property (other than Deposited Securities) held by the Custodian in respect of such ADSs to the Depositary for delivery at the Principal Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Holder, by cable, telex or facsimile transmission.

Section 2.8 Limitations on Execution and Delivery, Transfer, etc. of ADSs; Suspension of Delivery, Transfer, etc.

(a) **Additional Requirements.** As a condition precedent to the execution and Delivery, the registration of issuance, transfer, split-up, combination or surrender, of any ADS, the delivery of any distribution thereon, or the withdrawal of any Deposited Property, the Depositary or the Custodian may require (i) payment from the depositor of Shares or presenter of ADSs or of an ADR of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees and charges of the Depositary as provided in Section 5.9 and Exhibit B, (ii) the production of proof reasonably satisfactory to it as to the identity and genuineness of any signature or any other matter contemplated by Section 3.1, and (iii) compliance with (A) any laws or governmental regulations relating to the execution and Delivery of ADRs or ADSs or to the withdrawal of Deposited Securities and (B) such reasonable regulations as the Depositary and the Company may establish consistent with the provisions of the representative ADR, if applicable, the Deposit Agreement and applicable law.

(b) **Additional Limitations.** The issuance of ADSs against deposits of Shares generally or against deposits of particular Shares may be suspended, or the deposit of particular Shares may be refused, or the registration of transfer of ADSs in particular instances may be refused, or the registration of transfers of ADSs generally may be suspended, during any period when the transfer books of the Company, the Depositary, a Registrar or the Share Registrar are closed or if any such action is deemed necessary or advisable by the Depositary or the Company, in good faith, at any time or from time to time because of any requirement of law or regulation, any government or governmental body or commission or any securities exchange on which the ADSs or Shares are listed, or under any provision of the Deposit Agreement or the representative ADR(s), if applicable, or under any provision of, or governing, the Deposited Securities, or because of a meeting of shareholders of the Company or for any other reason, subject, in all cases, to Section 7.8(a).

(c) **Regulatory Restrictions.** Notwithstanding any provision of the Deposit Agreement or any ADR(s) to the contrary, Holders are entitled to surrender outstanding ADSs to withdraw the Deposited Securities associated herewith at any time subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the Deposited Securities, and (iv) other circumstances specifically contemplated by Instruction I.A.(I) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time).

Section 2.9 Lost ADRs, etc. In case any ADR shall be mutilated, destroyed, lost, or stolen, the Depositary shall execute and deliver a new ADR of like tenor at the expense of the Holder (a) *in the case of a mutilated ADR*, in exchange of and substitution for such mutilated ADR upon cancellation thereof, or (b) *in the case of a destroyed, lost or stolen ADR*, in lieu of

and in substitution for such destroyed, lost, or stolen ADR, after the Holder thereof (i) has submitted to the Depositary a written request for such exchange and substitution before the Depositary has notice that the ADR has been acquired by a bona fide purchaser, (ii) has provided such security or indemnity (including an indemnity bond) as may be required by the Depositary to save it and any of its agents harmless, and (iii) has satisfied any other reasonable requirements imposed by the Depositary, including, without limitation, evidence reasonably satisfactory to the Depositary of such destruction, loss or theft of such ADR, the authenticity thereof and the Holder's ownership thereof.

Section 2.10 Cancellation and Destruction of Surrendered ADRs; Maintenance of Records. All ADRs surrendered to the Depositary shall be canceled by the Depositary. Canceled ADRs shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable against the Depositary or the Company for any purpose. The Depositary is authorized to destroy ADRs so canceled, provided the Depositary maintains a record of all destroyed ADRs. Any ADSs held in book-entry form (e.g., through accounts at DTC) shall be deemed canceled when the Depositary causes the number of ADSs evidenced by the Balance Certificate to be reduced by the number of ADSs surrendered (without the need to physically destroy the Balance Certificate).

Section 2.11 Escheatment. In the event any unclaimed property relating to the ADSs, for any reason, is in the possession of Depositary and has not been claimed by the Holder thereof or cannot be delivered to the Holder thereof through usual channels, the Depositary shall, upon expiration of any applicable statutory period relating to abandoned property laws, escheat such unclaimed property to the relevant authorities in accordance with the laws of each of the relevant States of the United States.

Section 2.12 Partial Entitlement ADSs. In the event any Shares are deposited which (i) entitle the holders thereof to receive a per-share distribution or other entitlement in an amount different from the Shares then on deposit or (ii) are not fully fungible (including, without limitation, as to settlement or trading) with the Shares then on deposit (the Shares then on deposit collectively, "Full Entitlement Shares" and the Shares with different entitlement, "Partial Entitlement Shares"), the Depositary shall (i) cause the Custodian to hold Partial Entitlement Shares separate and distinct from Full Entitlement Shares, and (ii) subject to the terms of the Deposit Agreement, issue ADSs representing Partial Entitlement Shares which are separate and distinct from the ADSs representing Full Entitlement Shares, by means of separate CUSIP numbering and legending (if necessary) and, if applicable, by issuing ADRs evidencing such ADSs with applicable notations thereon ("Partial Entitlement ADSs/ADRs" and "Full Entitlement ADSs/ADRs", respectively). If and when Partial Entitlement Shares become Full Entitlement Shares, the Depositary shall convert the Partial Entitlement ADSs for Full Entitlement ADSs only upon receipt of applicable and satisfactory instructions from ADS Holders (to the extent ADS Holder instructions are deemed necessary and appropriate by the Depositary) and payment of applicable taxes and the ADS fees and charges of the Depositary (as set forth in Section 5.9 and Exhibit B hereto) for each of the issuance, cancellation, transfer and conversion processes undertaken in connection with the removal of distinctions between the Partial Entitlement ADRs, the Partial Entitlement ADSs and/or the Partial Entitlement Shares (on

the one hand) and the Full Entitlement ADRs, the Full Entitlement ADSs and/or the Full Entitlement Shares (on the other hand), and subject to the applicable terms and conditions of, and contemplated in, the Deposit Agreement and applicable law, by (a) giving notice thereof to Holders of Partial Entitlement ADSs and giving Holders of Partial Entitlement ADRs the opportunity to exchange such Partial Entitlement ADRs for Full Entitlement ADRs, (b) causing the Custodian to transfer the Partial Entitlement Shares into the account of the Full Entitlement Shares, and (c) taking such actions as are necessary to convert the Partial Entitlement ADRs and ADSs for the corresponding Full Entitlement ADRs and ADSs, in which case, the number of Full Entitlement ADSs issued shall equal the number of Partial Entitlement ADSs cancelled. Holders and Beneficial Owners of Partial Entitlement ADSs shall only be entitled to the entitlements of Partial Entitlement Shares. Holders and Beneficial Owners of Full Entitlement ADSs shall be entitled only to the entitlements of Full Entitlement Shares. All provisions and conditions of the Deposit Agreement shall apply to Partial Entitlement ADRs and ADSs to the same extent as Full Entitlement ADRs and ADSs, except as contemplated by this Section 2.12. The Depositary is authorized to take any and all other actions as may be necessary (including, without limitation, making the necessary notations on ADRs) to give effect to the terms of this Section 2.12. The Company agrees to give timely written notice to the Depositary if any Shares issued or to be issued are Partial Entitlement Shares and shall assist the Depositary with the establishment of procedures enabling the identification of Partial Entitlement Shares upon Delivery to the Custodian.

Section 2.13 Certificated/Uncertificated ADSs. Notwithstanding any other provision of the Deposit Agreement, the Depositary may, at any time and from time to time, issue ADSs that are not evidenced by ADRs (such ADSs, the “Uncertificated ADS(s)”) and the ADS(s) evidenced by ADR(s), the “Certificated ADS(s)”). When issuing and maintaining Uncertificated ADS(s) under the Deposit Agreement, the Depositary shall at all times be subject to (i) the standards applicable to registrars and transfer agents maintaining direct registration systems for equity securities in New York and issuing uncertificated securities under New York law, and (ii) the terms of New York law applicable to uncertificated equity securities. Uncertificated ADSs shall not be represented by any instruments but shall be evidenced by registration in the books of the Depositary maintained for such purpose. Holders of Uncertificated ADSs, that are not subject to any registered pledges, liens, restrictions or adverse claims of which the Depositary has notice at such time, shall at all times have the right to exchange the Uncertificated ADS(s) for Certificated ADS(s) of the same type and class, subject in each case to (x) applicable laws and any rules and regulations the Depositary may have established in respect of the Uncertificated ADSs, and (y) the continued availability of Certificated ADSs in the U.S. Holders of Certificated ADSs shall, if the Depositary maintains a direct registration system for the ADSs, have the right to exchange the Certificated ADSs for Uncertificated ADSs upon (i) the due surrender of the Certificated ADS(s) to the Depositary for such purpose and (ii) the presentation of a written request to that effect to the Depositary, subject in each case to (a) all liens and restrictions noted on the ADR evidencing the Certificated ADS(s) and all adverse claims of which the Depositary then has notice, (b) the terms of the Deposit Agreement and the rules and regulations that the Depositary may establish for such purposes hereunder, (c) applicable law, and (d) payment of the Depositary fees and expenses applicable to such exchange of Certificated ADS(s) for Uncertificated ADS(s). Uncertificated ADSs shall in all material respects be

identical to Certificated ADS(s) of the same type and class, except that (i) no ADR(s) shall be, or shall need to be, issued to evidence Uncertificated ADS(s), (ii) Uncertificated ADS(s) shall, subject to the terms of the Deposit Agreement, be transferable upon the same terms and conditions as uncertificated securities under New York law, (iii) the ownership of Uncertificated ADS(s) shall be recorded on the books of the Depositary maintained for such purpose and evidence of such ownership shall be reflected in periodic statements provided by the Depositary to the Holder(s) in accordance with applicable New York law, (iv) the Depositary may from time to time, upon notice to the Holders of Uncertificated ADSs affected thereby, establish rules and regulations, and amend or supplement existing rules and regulations, as may be deemed reasonably necessary to maintain Uncertificated ADS(s) on behalf of Holders, provided that (a) such rules and regulations do not conflict with the terms of the Deposit Agreement and applicable law, and (b) the terms of such rules and regulations are readily available to Holders upon request, (v) the Uncertificated ADS(s) shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company unless such Uncertificated ADS(s) is/are registered on the books of the Depositary maintained for such purpose, (vi) the Depositary may, in connection with any deposit of Shares resulting in the issuance of Uncertificated ADSs and with any transfer, pledge, release and cancellation of Uncertificated ADSs, require the prior receipt of such documentation as the Depositary may deem reasonably appropriate, and (vii) upon termination of the Deposit Agreement, the Depositary shall not require Holders of Uncertificated ADSs to affirmatively instruct the Depositary before remitting proceeds from the sale of the Deposited Property represented by such Holders' Uncertificated ADSs under the terms of Section 6.2. When issuing ADSs under the terms of the Deposit Agreement, including, without limitation, issuances pursuant to Sections 2.5, 4.2, 4.3, 4.4, 4.5 and 4.11, the Depositary may in its discretion determine to issue Uncertificated ADSs rather than Certificated ADSs, unless otherwise specifically instructed by the applicable Holder to issue Certificated ADSs. All provisions and conditions of the Deposit Agreement shall apply to Uncertificated ADSs to the same extent as to Certificated ADSs, except as contemplated by this Section 2.13. The Depositary is authorized and directed to take any and all actions and establish any and all procedures deemed reasonably necessary to give effect to the terms of this Section 2.13. Any references in the Deposit Agreement or any ADR(s) to the terms "American Depositary Share(s)" or "ADS(s)" shall, unless the context otherwise requires, include Certificated ADS(s) and Uncertificated ADS(s). Except as set forth in this Section 2.13 and except as required by applicable law, the Uncertificated ADSs shall be treated as ADSs issued and outstanding under the terms of the Deposit Agreement. In the event that, in determining the rights and obligations of parties hereto with respect to any Uncertificated ADSs, any conflict arises between (a) the terms of the Deposit Agreement (other than this Section 2.13) and (b) the terms of this Section 2.13, the terms and conditions set forth in this Section 2.13 shall be controlling and shall govern the rights and obligations of the parties to the Deposit Agreement pertaining to the Uncertificated ADSs.

Section 2.14 Restricted ADSs. The Depositary shall, at the request and expense of the Company, establish procedures enabling the deposit hereunder of Shares that are Restricted Securities in order to enable the holder of such Shares to hold its ownership interests in such Restricted Securities in the form of ADSs issued under the terms hereof (such Shares, "Restricted Shares"). Upon receipt of a written request from the Company to accept Restricted Shares for

deposit hereunder, the Depositary agrees to establish procedures permitting the deposit of such Restricted Shares and the issuance of ADSs representing the right to receive, subject to the terms of the Deposit Agreement and the applicable ADR (if issued as a Certificated ADS), such deposited Restricted Shares (such ADSs, the “Restricted ADSs,” and the ADRs evidencing such Restricted ADSs, the “Restricted ADRs”). Notwithstanding anything contained in this Section 2.14, the Depositary and the Company may, to the extent not prohibited by law, agree to issue the Restricted ADSs in uncertificated form (“Uncertificated Restricted ADSs”) upon such terms and conditions as the Company and the Depositary may deem necessary and appropriate. The Company shall assist the Depositary in the establishment of such procedures and agrees that it shall take all steps necessary and reasonably satisfactory to the Depositary to ensure that the establishment of such procedures does not violate the provisions of the Securities Act or any other applicable laws. The depositors of such Restricted Shares and the Holders of the Restricted ADSs may be required prior to the deposit of such Restricted Shares, the transfer of the Restricted ADRs and Restricted ADSs or the withdrawal of the Restricted Shares represented by Restricted ADSs to provide such written certifications or agreements as the Depositary or the Company may require. The Company shall provide to the Depositary in writing the legend(s) to be affixed to the Restricted ADRs (if the Restricted ADSs are to be issued as Certificated ADSs), or to be included in the statements issued from time to time to Holders of Uncertificated ADSs (if issued as Uncertificated Restricted ADSs), which legends shall (i) be in a form reasonably satisfactory to the Depositary and (ii) contain the specific circumstances under which the Restricted ADSs, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, may be transferred or the Restricted Shares withdrawn. The Restricted ADSs issued upon the deposit of Restricted Shares shall be separately identified on the books of the Depositary and the Restricted Shares so deposited shall, to the extent required by law, be held separate and distinct from the other Deposited Securities held hereunder. The Restricted ADSs shall not be eligible for inclusion in any book-entry settlement system, including, without limitation, DTC (unless (x) otherwise agreed by the Company and the Depositary, (y) the inclusion of Restricted ADSs is acceptable to the applicable clearing system, and (z) the terms of such inclusion are generally accepted by the Commission for Restricted Securities of that type), and shall not in any way be fungible with the ADSs issued under the terms hereof that are not Restricted ADSs. The Restricted ADSs, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, shall be transferable only by the Holder thereof upon delivery to the Depositary of (i) all documentation otherwise contemplated by the Deposit Agreement and (ii) an opinion of counsel reasonably satisfactory to the Depositary setting forth, *inter alia*, the conditions upon which the Restricted ADSs presented, and, if applicable, the Restricted ADRs evidencing the Restricted ADSs, are transferable by the Holder thereof under applicable securities laws and the transfer restrictions contained in the legend applicable to the Restricted ADSs presented for transfer. Except as set forth in this Section 2.14 and except as required by applicable law, the Restricted ADSs and the Restricted ADRs evidencing Restricted ADSs shall be treated as ADSs and ADRs issued and outstanding under the terms of the Deposit Agreement. In the event that, in determining the rights and obligations of parties hereto with respect to any Restricted ADSs, any conflict arises between (a) the terms of the Deposit Agreement (other than this Section 2.14) and (b) the terms of (i) this Section 2.14 or (ii) the applicable Restricted ADR, the terms and conditions set forth in this Section 2.14 and of the Restricted ADR shall be controlling and shall

govern the rights and obligations of the parties to the Deposit Agreement pertaining to the deposited Restricted Shares, the Restricted ADSs and Restricted ADRs.

If the Restricted ADRs, the Restricted ADSs and the Restricted Shares cease to be Restricted Securities, the Depositary, upon receipt of (x) an opinion of counsel reasonably satisfactory to the Depositary setting forth, inter alia, that the Restricted ADRs, the Restricted ADSs and the Restricted Shares are not as of such time, or in connection with a transaction, Restricted Securities, (y) instructions from the Company and/or the applicable ADS Holder to remove the restrictions applicable to the Restricted ADRs, the Restricted ADSs and the Restricted Shares, and (z) payment of applicable taxes and the ADS fees and charges of the Depositary (as set forth in Section 5.9 and Exhibit B hereto) for each of the issuance, cancellation, transfer and conversion processes undertaken in connection with the removal of the restrictions applicable to the Restricted ADRs, Restricted ADSs and/or Restricted Shares (as the case may be), shall (i) eliminate the distinctions and separations that may have been established between the applicable Restricted Shares held on deposit under this Section 2.14 and the other Shares held on deposit under the terms of the Deposit Agreement that are not Restricted Shares by converting the Restricted ADSs into freely transferable ADSs (which shall entail, inter alia, the cancellation of the Restricted ADSs and the issuance of the corresponding freely transferable ADSs, and instructing the Custodian to transfer the corresponding Shares from and into the applicable custody accounts maintained for the applicable ADS series), (ii) treat the newly unrestricted ADRs and ADSs on the same terms as, and fully fungible with, the other ADRs and ADSs issued and outstanding under the terms of the Deposit Agreement that are not Restricted ADRs or Restricted ADSs, and (iii) take all actions necessary to remove any distinctions, limitations and restrictions previously existing under this Section 2.14 between the applicable Restricted ADRs and Restricted ADSs, respectively, on the one hand, and the other ADRs and ADSs that are not Restricted ADRs or Restricted ADSs, respectively, on the other hand, including, without limitation, by making the newly-unrestricted ADSs eligible for inclusion in the applicable book-entry settlement systems.

ARTICLE III

CERTAIN OBLIGATIONS OF HOLDERS AND BENEFICIAL OWNERS OF ADSs

Section 3.1 Proofs, Certificates and Other Information. Any person presenting Shares for deposit, any Holder and any Beneficial Owner may be required, and every Holder and Beneficial Owner agrees, from time to time to provide to the Depositary and the Custodian such proof of citizenship or residence, taxpayer status, payment of all applicable taxes or other governmental charges, exchange control approval, legal or beneficial ownership of ADSs and Deposited Property, compliance with applicable laws, the terms of the Deposit Agreement or the ADR(s) evidencing the ADSs and the provisions of, or governing, the Deposited Property, to execute such certifications and to make such representations and warranties, and to provide such other information and documentation (or, in the case of Shares in registered form presented for deposit, such information relating to the registration on the books of the Company or of the Share Registrar) as the Depositary or the Custodian may deem necessary or proper or as the Company

may reasonably require by written request to the Depositary consistent with its obligations under the Deposit Agreement and the applicable ADR(s) and the Holder or Beneficial Owner is legally able to provide. The Depositary and the Registrar, as applicable, may, and at the request of the Company, shall, to the extent practicable, withhold the execution or delivery or registration of transfer of any ADR or ADS or the distribution or sale of any dividend or distribution of rights or of the proceeds thereof or, to the extent not limited by the terms of Section 7.8(a), the delivery of any Deposited Property until such proof or other information is filed or such certifications are executed, or such representations and warranties are made, or such other documentation or information provided, in each case to the Depositary's, the Registrar's and the Company's satisfaction (whether or not the Holder or Beneficial Owner is legally able to provide it). The Depositary shall provide the Company, in a timely manner, with copies or originals if necessary and appropriate of (i) any such proofs of citizenship or residence, taxpayer status, or exchange control approval or copies of written representations and warranties which it receives from Holders and Beneficial Owners, and (ii) any other information or documents which the Company may reasonably request and which the Depositary shall request and receive from any Holder or Beneficial Owner or any person presenting Shares for deposit or ADSs for cancellation, transfer or withdrawal. Nothing herein shall obligate the Depositary to (i) obtain any information for the Company if not provided by the Holders or Beneficial Owners, or (ii) verify or vouch for the accuracy of the information so provided by the Holders or Beneficial Owners.

Section 3.2 Liability for Taxes and Other Charges. Any tax or other governmental charge payable by the Custodian or by the Depositary with respect to any Deposited Property, ADSs or ADRs shall be payable by the Holders and Beneficial Owners to the Depositary. The Company, the Custodian and/or the Depositary may withhold or deduct from any distributions made in respect of Deposited Property held on behalf of such Holder and/or Beneficial Owner, and may sell for the account of a Holder and/or Beneficial Owner any or all of such Deposited Property and apply such distributions and sale proceeds in payment of, any taxes (including applicable interest and penalties) or charges that are or may be payable by Holders or Beneficial Owners in respect of the ADSs, Deposited Property and ADRs, the Holder and the Beneficial Owner remaining liable for any deficiency. The Custodian may refuse the deposit of Shares and the Depositary may refuse to issue ADSs, to deliver ADRs, register the transfer of ADSs, register the split-up or combination of ADRs and (subject to Section 7.8(a)) the withdrawal of Deposited Property until payment in full of such tax, charge, penalty or interest is received. Every Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their agents, officers, employees and Affiliates for, and to hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from (i) any ADSs held by such Holder and/or owned by such Beneficial Owner, (ii) the Deposited Property represented by the ADSs, and (iii) any transaction entered into by such Holder and/or Beneficial Owner in respect of the ADSs and/or the Deposited Property represented thereby. Notwithstanding anything to the contrary contained in the Deposit Agreement or any ADR, the obligations of Holders and Beneficial Owners under this Section 3.2 shall survive any transfer of ADSs, any cancellation of ADSs and withdrawal of Deposited Securities, and the termination of the Deposit Agreement.

Section 3.3 Representations and Warranties on Deposit of Shares. Each person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that (i) such Shares and the certificates therefor are duly authorized, validly issued, fully paid, non-assessable (*i.e.*, not subject to call for payment of further capital) and legally obtained by such person, (ii) all preemptive (and similar) rights, if any, with respect to such Shares have been validly waived or exercised, (iii) the person making such deposit is duly authorized so to do, (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, (v) the Shares presented for deposit are not, and the ADSs issuable upon such deposit will not be, Restricted Securities (except as contemplated in Section 2.14), and (vi) the Shares presented for deposit have not been stripped of any rights or entitlements. Such representations and warranties shall survive the deposit and withdrawal of Shares, the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs. If any such representations or warranties are false in any way, the Company and the Depositary shall be authorized, at the cost and expense of the person depositing Shares, to take any and all actions necessary to correct the consequences thereof.

Section 3.4 Compliance with Information Requests. Notwithstanding any other provision of the Deposit Agreement or any ADR(s), each Holder and Beneficial Owner agrees to comply with requests from the Company pursuant to applicable law, the rules and requirements of any stock exchange on which the Shares or ADSs are, or will be, registered, traded or listed and/or the Articles of Association of the Company, which are made to provide information, *inter alia*, as to the capacity in which such Holder or Beneficial Owner owns ADSs (and Shares as the case may be) and regarding the identity of any other person(s) interested in such ADSs and the nature of such interest and various other matters, whether or not they are Holders and/or Beneficial Owners at the time of such request. The Depositary agrees to use its commercially reasonable efforts to forward, upon the request of the Company and at the Company's expense, any such request from the Company to the Holders and to forward to the Company, as promptly as practicable, any such responses to such requests received by the Depositary.

Section 3.5 Ownership Restrictions. Notwithstanding any other provision contained in the Deposit Agreement or any ADR(s) to the contrary, the Company may restrict transfers of the Shares where such transfer might result in ownership of Shares exceeding limits imposed by applicable law or the Articles of Association of the Company. The Company may also restrict, in such manner as it deems appropriate, transfers of the ADSs where such transfer may result in the total number of Shares represented by the ADSs owned by a single Holder or Beneficial Owner to exceed any such limits. The Company may, in its sole discretion but subject to applicable law, instruct the Depositary to take action with respect to the ownership interest of any Holder or Beneficial Owner in excess of the limits set forth in the preceding sentence, including, but not limited to, the imposition of restrictions on the transfer of ADSs, the removal or limitation of voting rights or mandatory sale or disposition on behalf of a Holder or Beneficial Owner of the Shares represented by the ADSs held by such Holder or Beneficial Owner in excess of such limitations, if and to the extent such disposition is permitted by applicable law and the Articles of Association of the Company. Nothing herein shall be interpreted as obligating the Depositary or the Company to ensure compliance with the ownership restrictions described in this Section 3.5.

Section 3.6 Reporting Obligations and Regulatory Approvals. Notwithstanding any provision of the Deposit Agreement or of the ADRs and without limiting the foregoing, by being a Holder or Beneficial Owner of an ADS, each such Holder or Beneficial Owner agrees to provide such information as the Company may request in a disclosure notice (a “Disclosure Notice”) given pursuant to the U.K. Companies Act 2006 (as amended from time to time and including any statutory modification or reenactment thereof, the “Companies Act”) or the Articles of Association of the Company. By accepting or holding an ADS, each Holder and Beneficial Owner acknowledges that it understands that failure to comply with a Disclosure Notice may result in the imposition of sanctions against the holder of the Shares in respect of which the noncomplying person is or was, or appears to be or has been, interested as provided in the Companies Act and the Articles of Association. The Company reserves the right to instruct Holders and Beneficial Owners to deliver their ADSs for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder and Beneficial Owner thereof as a holder of Shares and Holders agree to comply with such instructions. The Depository agrees to cooperate with the Company in its efforts to inform Holders and Beneficial Owners of the Company’s exercise of its rights under this paragraph and agrees to consult with, and provide reasonable assistance without risk, liability or expense on the part of the Depository, to the Company on the manner or manners in which it may enforce such rights with respect to any Holder or Beneficial Owner.

Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners of ADSs, to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners of ADSs are solely responsible for determining and complying with such reporting requirements and obtaining such approvals. Each Holder and each Beneficial Owner hereby agrees to make such determination, file such reports, and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. Neither the Depository, the Custodian, the Company or any of their respective agents or Affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to determine or satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

ARTICLE IV

THE DEPOSITED SECURITIES

Section 4.1 Cash Distributions. Whenever the Company intends to make a distribution of a cash dividend or other cash distribution in respect of any Deposited Securities, the Company shall give notice thereof to the Depository at least twenty (20) days (or such other number of days as mutually agreed to in writing by the Depository and the Company) prior to the proposed distribution specifying, *inter alia*, the record date applicable for determining the holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice, the Depository shall establish the ADS Record Date upon the terms described in Section 4.9. Upon confirmation of the receipt of (x) any cash dividend or other cash distribution in respect of any Deposited Property (whether from the Company or otherwise), or (y) proceeds

from the sale of any Deposited Property held in respect of the ADSs under the terms hereof, the Depositary will (i) if any amounts are received in a Foreign Currency, promptly convert or cause to be converted such cash dividend, distribution or proceeds into Dollars (subject to the terms and conditions of Section 4.8), (ii) if applicable and unless previously established, establish the ADS Record Date upon the terms described in Section 4.9, and (iii) distribute promptly the amount thus received (net of (a) the applicable fees and charges set forth in the Fee Schedule attached hereto as Exhibit B, and (b) applicable taxes withheld) to the Holders entitled thereto as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent, and any balance not so distributed shall be held by the Depositary (without liability for interest thereon) and shall be added to and become part of the next sum received by the Depositary for distribution to Holders of ADSs outstanding at the time of the next distribution. If the Company, the Custodian or the Depositary is required to withhold and does withhold from any cash dividend or other cash distribution in respect of any Deposited Securities, or from any cash proceeds from the sales of Deposited Property, an amount on account of taxes, duties or other governmental charges, the amount distributed to Holders on the ADSs shall be reduced accordingly. Such withheld amounts shall be forwarded by the Company, the Custodian or the Depositary to the relevant governmental authority. Evidence of payment thereof by the Company shall be forwarded by the Company to the Depositary upon request. The Depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable Holders and Beneficial Owners of ADSs until the distribution can be effected or the funds that the Depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.1, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.1, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.1 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.2 Distribution in Shares. Whenever the Company intends to make a distribution that consists of a dividend in, or free distribution of, Shares, the Company shall give notice thereof to the Depositary at least twenty (20) days (or such other number of days as mutually agreed to in writing by the Depositary and the Company) prior to the proposed distribution, specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such distribution. Upon the timely receipt of such notice from the Company, the Depositary shall establish the ADS Record Date upon the terms described in Section 4.9. Upon receipt of confirmation from the Custodian of the receipt of the Shares so distributed by the Company, the Depositary shall either (i) subject to Section 5.9, distribute to the Holders as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date, additional ADSs, which represent in the aggregate the number of Shares received as such dividend, or free distribution, subject to the other terms of the Deposit Agreement (including, without limitation, (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes), or (ii) if additional ADSs are not so distributed, take all actions

necessary so that each ADS issued and outstanding after the ADS Record Date shall, to the extent permissible by law, thenceforth also represent rights and interests in the additional integral number of Shares distributed upon the Deposited Securities represented thereby (net of (a) the applicable fees and charges of, and reasonable expenses incurred by, the Depositary and (b) taxes). In lieu of delivering fractional ADSs, the Depositary shall sell the number of Shares or ADSs, as the case may be, represented by the aggregate of such fractions and distribute the net proceeds upon the terms described in Section 4.1. In the event that the Depositary determines that any distribution in property (including Shares) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, or, if the Company in the fulfillment of its obligation under Section 5.7, has furnished an opinion of U.S. counsel determining that Shares must be registered under the Securities Act or other laws in order to be distributed to Holders (and no such registration statement has been declared effective), the Depositary may dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable, and the Depositary shall distribute the net proceeds of any such sale (after deduction of (a) taxes and (b) fees and charges of, and expenses incurred by, the Depositary) to Holders entitled thereto upon the terms described in Section 4.1. The Depositary shall hold and/or distribute any unsold balance of such property in accordance with the provisions of the Deposit Agreement. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.2, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.2, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.2 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.3 Elective Distributions in Cash or Shares. Whenever the Company intends to make a distribution payable at the election of the holders of Deposited Securities in cash or in additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) days (or such other number of days as mutually agreed to in writing by the Depositary and the Company) prior to the proposed distribution specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such elective distribution and whether or not it wishes such elective distribution to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such elective distribution to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and reasonably practicable to make such elective distribution available to the Holders of ADSs. The Depositary shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the elective distribution be made available to Holders, (ii) the Depositary shall have determined that such distribution is reasonably practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7. If the above conditions are not satisfied or if the Company requests such elective distribution not to be made available to Holders of ADSs, the Depositary shall establish the ADS Record Date on the terms described in Section 4.9 and, to the extent permitted by law, distribute to the Holders,

on the basis of the same determination as is made in England and Wales in respect of the Shares for which no election is made, either (X) cash upon the terms described in Section 4.1 or (Y) additional ADSs representing such additional Shares upon the terms described in Section 4.2. If the above conditions are satisfied, the Depositary shall establish an ADS Record Date on the terms described in Section 4.9 and establish procedures to enable Holders to elect the receipt of the proposed distribution in cash or in additional ADSs. The Company shall assist the Depositary in establishing such procedures to the extent necessary. If a Holder elects to receive the proposed distribution (X) in cash, the distribution shall be made upon the terms described in Section 4.1, or (Y) in ADSs, the distribution shall be made upon the terms described in Section 4.2. Nothing herein shall obligate the Depositary to make available to Holders a method to receive the elective distribution in Shares (rather than ADSs). There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in this Section 4.3, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.3, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.3 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.4 Distribution of Rights to Purchase Additional ADSs.

(a) **Distribution to ADS Holders.** Whenever the Company intends to distribute to the holders of the Deposited Securities rights to subscribe for additional Shares, the Company shall give notice thereof to the Depositary at least sixty (60) days (or such other number of days as mutually agreed to in writing by the Depositary and the Company) prior to the proposed distribution specifying, *inter alia*, the record date applicable to holders of Deposited Securities entitled to receive such distribution and whether or not it wishes such rights to be made available to Holders of ADSs. Upon the timely receipt of a notice indicating that the Company wishes such rights to be made available to Holders of ADSs, the Depositary shall consult with the Company to determine, and the Company shall assist the Depositary in its determination, whether it is lawful and reasonably practicable to make such rights available to the Holders. The Depositary shall make such rights available to Holders only if (i) the Company shall have timely requested that such rights be made available to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7, and (iii) the Depositary shall have determined that such distribution of rights is reasonably practicable. In the event any of the conditions set forth above are not satisfied or if the Company requests that the rights not be made available to Holders of ADSs, the Depositary shall proceed with the sale of the rights as contemplated in Section 4.4(b) below. In the event all conditions set forth above are satisfied, the Depositary shall establish the ADS Record Date (upon the terms described in Section 4.9) and establish procedures to (x) distribute rights to purchase additional ADSs (by means of warrants or otherwise), (y) enable the Holders to exercise such rights (upon payment of the subscription price and of the applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) taxes), and (z) deliver ADSs upon the valid exercise of such rights. The

Company shall assist the Depository to the extent necessary in establishing such procedures. Nothing herein shall obligate the Depository to make available to the Holders a method to exercise rights to subscribe for Shares (rather than ADSs).

(b) Sale of Rights. If (i) the Company does not timely request the Depository to make the rights available to Holders or requests that the rights not be made available to Holders, (ii) the Depository fails to receive satisfactory documentation within the terms of Section 5.7, or determines it is not reasonably practicable to make the rights available to Holders, or (iii) any rights made available are not exercised and appear to be about to lapse, the Depository shall determine whether it is lawful and reasonably practicable to sell such rights, in a riskless principal capacity, at such place and upon such terms (including public or private sale) as it may deem practicable. The Company shall assist the Depository to the extent necessary to determine such legality and practicability. The Depository shall, upon such sale, convert and distribute proceeds of such sale (net of applicable (a) fees and charges of, and reasonable expenses incurred by, the Depository and (b) taxes) upon the terms set forth in Section 4.1.

(c) Lapse of Rights. If the Depository is unable to make any rights available to Holders upon the terms described in Section 4.4(a) or to arrange for the sale of the rights upon the terms described in Section 4.4(b), the Depository shall allow such rights to lapse.

The Depository shall not be liable for (i) any failure to accurately determine whether it may be lawful or practicable to make such rights available to Holders in general or any Holders in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or exercise, or (iii) the content of any materials forwarded to the Holders on behalf of the Company in connection with the rights distribution.

Notwithstanding anything to the contrary in this Section 4.4, if registration (under the Securities Act or any other applicable law) of the rights or the securities to which any rights relate may be required in order for the Company to offer such rights or such securities to Holders and to sell the securities represented by such rights, the Depository will not distribute such rights to the Holders (i) unless and until a registration statement under the Securities Act (or other applicable law) covering such offering is in effect or (ii) unless the Company furnishes the Depository opinion(s) of counsel for the Company in the United States and counsel to the Company in any other applicable country in which rights would be distributed, in each case reasonably satisfactory to the Depository, to the effect that the offering and sale of such securities to Holders and Beneficial Owners are exempt from, or do not require registration under, the provisions of the Securities Act or any other applicable laws.

In the event that the Company, the Depository or the Custodian shall be required to withhold and does withhold from any distribution of Deposited Property (including rights) an amount on account of taxes or other governmental charges, the amount distributed to the Holders of ADSs shall be reduced accordingly. In the event that the Depository determines that any distribution of Deposited Property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charges which the Depository is obligated to withhold, the Depository may dispose of all or a portion of such Deposited Property (including Shares and

rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay any such taxes or charges.

There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive or exercise rights on the same terms and conditions as the holders of Shares or be able to exercise such rights. Nothing herein shall obligate the Company to file any registration statement in respect of any rights or Shares or other securities to be acquired upon the exercise of such rights.

Section 4.5 Distributions Other Than Cash, Shares or Rights to Purchase Shares.

(a) Whenever the Company intends to distribute to the holders of Deposited Securities property other than cash, Shares or rights to purchase additional Shares, the Company shall give timely notice thereof to the Depositary and shall indicate whether or not it wishes such distribution to be made to Holders of ADSs. Upon receipt of a notice indicating that the Company wishes such distribution to be made to Holders of ADSs, the Depositary shall consult with the Company, and the Company shall assist the Depositary, to determine whether such distribution to Holders is lawful and reasonably practicable. The Depositary shall not make such distribution unless (i) the Company shall have requested the Depositary to make such distribution to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7, and (iii) the Depositary shall have determined that such distribution is reasonably practicable.

(b) Upon receipt of satisfactory documentation and the request of the Company to distribute property to Holders of ADSs and after making the requisite determinations set forth in (a) above, the Depositary shall distribute the property so received to the Holders of record, as of the ADS Record Date, in proportion to the number of ADSs held by them respectively and in such manner as the Depositary may deem practicable for accomplishing such distribution (i) upon receipt of payment or net of the applicable fees and charges of, and expenses incurred by, the Depositary, and (ii) net of any taxes withheld. The Depositary may dispose of all or a portion of the property so distributed and deposited, in such amounts and in such manner (including public or private sale) as the Depositary may deem practicable or necessary to satisfy any taxes (including applicable interest and penalties) or other governmental charges applicable to the distribution.

(c) If (i) the Company does not request the Depositary to make such distribution to Holders or requests the Depositary not to make such distribution to Holders, (ii) the Depositary does not receive satisfactory documentation within the terms of Section 5.7, or (iii) the Depositary determines that all or a portion of such distribution is not reasonably practicable, the Depositary shall sell or cause such property to be sold in a public or private sale, at such place or places and upon such terms as it may deem practicable and shall (i) cause the proceeds of such sale, if any, to be converted into Dollars and (ii) distribute the proceeds of such conversion received by the Depositary (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) taxes) to the Holders as of the ADS Record Date upon the terms of Section 4.1. If the Depositary is unable to sell such property, the Depositary may dispose of such

property for the account of the Holders in any way it deems reasonably practicable under the circumstances.

(d) Neither the Depositary nor the Company shall be liable for (i) any failure to accurately determine whether it is lawful or practicable to make the property described in this Section 4.5 available to Holders in general or any Holders in particular, nor (ii) any loss incurred in connection with the sale or disposal of such property.

Section 4.6 [Reserved].

Section 4.7 Redemption. If the Company intends to exercise any right of redemption in respect of any of the Deposited Securities, the Company shall give notice thereof to the Depositary at least forty-five (45) days (or such other number of days as mutually agreed to in writing by the Depositary and the Company) prior to the intended date of redemption which notice shall set forth the particulars of the proposed redemption. Upon timely receipt of (i) such notice and (ii) satisfactory documentation given by the Company to the Depositary within the terms of Section 5.7, and only if after consultation between the Depositary and the Company, the Depositary shall have determined that such proposed redemption is practicable, the Depositary shall provide to each Holder a notice setting forth the intended exercise by the Company of the redemption rights and any other particulars set forth in the Company's notice to the Depositary. The Depositary shall instruct the Custodian to present to the Company the Deposited Securities in respect of which redemption rights are being exercised against payment of the applicable redemption price. Upon receipt of confirmation from the Custodian that the redemption has taken place and that the funds representing the redemption price have been received, the Depositary shall convert, transfer, and distribute the proceeds (net of applicable (a) fees and charges of, and the reasonable expenses incurred by, the Depositary, and (b) taxes), retire ADSs and cancel ADRs, if applicable, upon delivery of such ADSs by Holders thereof and the terms set forth in Sections 4.1 and 6.2. If less than all outstanding Deposited Securities are redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as may be determined by the Depositary after consultation with the Company. The redemption price per ADS shall be the dollar equivalent of the per share amount received by the Depositary (adjusted to reflect the ADS(s)-to-Share(s) ratio) upon the redemption of the Deposited Securities represented by ADSs (subject to the terms of Section 4.8 and the applicable fees and charges of, and expenses incurred by, the Depositary, and taxes) multiplied by the number of Deposited Securities represented by each ADS redeemed.

Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed redemption provided for in this Section 4.7, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in this Section 4.7, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in this Section 4.7 where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

Section 4.8 Conversion of Foreign Currency. Whenever the Depositary or the Custodian shall receive Foreign Currency, by way of dividends or other distributions or the net

proceeds from the sale of Deposited Property, which in the reasonable judgment of the Depositary can at such time be converted on a practicable basis, by sale or in any other manner that it may determine in accordance with applicable law, into Dollars transferable to the United States and distributable to the Holders entitled thereto, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may reasonably determine, such Foreign Currency into Dollars, and shall distribute such Dollars (net of the fees and charges set forth in the Fee Schedule attached hereto as Exhibit B, and applicable taxes withheld) in accordance with the terms of the applicable sections of the Deposit Agreement. The Depositary and/or its agent (which may be a division, branch or Affiliate of the Depositary) may act as principal for any conversion of Foreign Currency. If the Depositary shall have distributed warrants or other instruments that entitle the holders thereof to such Dollars, the Depositary shall distribute such Dollars to the holders of such warrants and/or instruments upon surrender thereof for cancellation, in either case without liability for interest thereon. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Holders on account of any application of exchange restrictions or otherwise.

If such conversion or distribution generally or with regard to a particular Holder can be effected only with the approval or license of any government or agency thereof, the Depositary shall have authority to file such application for approval or license, if any, as it may deem desirable. In no event, however, shall the Depositary be obligated to make such a filing.

If at any time the Depositary shall determine that in its judgment the conversion of any Foreign Currency and the transfer and distribution of proceeds of such conversion received by the Depositary is not practicable or lawful, or if any approval or license of any governmental authority or agency thereof that is required for such conversion, transfer and distribution is denied or, in the opinion of the Depositary, not obtainable at a reasonable cost or within a reasonable period, the Depositary may, in its discretion, (i) make such conversion and distribution in Dollars to the Holders for whom such conversion, transfer and distribution is lawful and practicable, (ii) distribute the Foreign Currency (or an appropriate document evidencing the right to receive such Foreign Currency) to Holders for whom this is lawful and practicable, or (iii) hold (or cause the Custodian to hold) such Foreign Currency (without liability for interest thereon) for the respective accounts of the Holders entitled to receive the same.

Section 4.9 Fixing of ADS Record Date. Whenever (a) the Depositary shall receive notice of the fixing of a record date by the Company for the determination of holders of Deposited Securities entitled to receive any distribution (whether in cash, Shares, rights, or other distribution), (b) for any reason the Depositary causes a change in the number of Shares that are represented by each ADS, (c) the Depositary shall receive notice of any meeting of, or solicitation of consents or proxies of, holders of Shares or other Deposited Securities, or (d) the Depositary shall find it necessary or convenient in connection with the giving of any notice, solicitation of any consent or any other matter, the Depositary shall fix the record date (the “ADS Record Date”) for the determination of the Holders of ADS(s) who shall be entitled to receive such distribution, to give instructions for the exercise of voting rights at any such meeting, to give or withhold such consent, to receive such notice or solicitation or to otherwise take action, or to exercise the rights of Holders with respect to such changed number of Shares represented

by each ADS. The Depositary shall make commercially reasonable efforts to establish the ADS Record Date as closely as practicable to the applicable record date for the Deposited Securities (if any) set by the Company in England and Wales and shall not announce the establishment of any ADS Record Date prior to the relevant corporate action having been made public by the Company (if such corporate action affects the Deposited Securities). Subject to applicable law and the provisions of Section 4.1 through 4.8 and to the other terms and conditions of the Deposit Agreement, only the Holders of ADSs at the close of business in New York on such ADS Record Date shall be entitled to receive such distribution, to give such voting instructions, to receive such notice or solicitation, or otherwise take action.

Section 4.10 Voting of Deposited Securities. As soon as practicable after receipt of notice of any meeting at which the holders of Deposited Securities are entitled to vote, or of solicitation of consents or proxies from holders of Deposited Securities, the Depositary shall fix the ADS Record Date in respect of such meeting or solicitation of consent or proxy in accordance with Section 4.9. The Depositary shall, if requested by the Company in writing in a timely manner (the Depositary having no obligation to take any further action if the request shall not have been received by the Depositary at least thirty (30) days prior to the date of such vote or meeting), at the Company's expense and provided no U.S. legal prohibitions exist, distribute to Holders as of the ADS Record Date: (a) such notice of meeting or solicitation of consent or proxy, (b) a statement that the Holders at the close of business on the ADS Record Date will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the Articles of Association of the Company and the provisions of or governing the Deposited Securities (which provisions, if any, shall be summarized in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by such Holder's ADSs, and (c) a brief statement as to the manner in which such voting instructions may be given.

Notwithstanding anything contained in the Deposit Agreement or any ADR, with the Company's prior written consent, the Depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of Deposited Securities, distribute to the Holders a notice that provides Holders with, or otherwise publicizes to Holders, instructions on how to retrieve such materials or receive such materials upon request (e.g., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

The Depositary has been advised by the Company that under the Articles of Association of the Company as in effect on the date of the Deposit Agreement, voting at any meeting of shareholders of the Company is by poll.

Voting instructions may be given only in respect of a number of ADSs representing an integral number of Deposited Securities. Upon the timely receipt from a Holder of ADSs as of the ADS Record Date of voting instructions in the manner specified by the Depositary, the Depositary shall endeavor, insofar as practicable and permitted under applicable law, the provisions of the Deposit Agreement, Articles of Association of the Company and the provisions

of the Deposited Securities, to vote, or cause the Custodian to vote, the Deposited Securities (in person or by proxy) represented by such Holder's ADSs in accordance with such voting instructions.

Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder shall not be voted (except as otherwise contemplated herein). Neither the Depositary nor the Custodian shall under any circumstances exercise any discretion as to voting and neither the Depositary nor the Custodian shall vote, attempt to exercise the right to vote, or in any way make use of, for purposes of establishing a quorum or otherwise, the Deposited Securities represented by ADSs, except pursuant to and in accordance with the voting instructions timely received from Holders or as otherwise contemplated herein. If the Depositary timely receives voting instructions from a Holder which fail to specify the manner in which the Depositary is to vote the Deposited Securities represented by such Holder's ADSs, the Depositary will deem such Holder (unless otherwise specified in the notice distributed to Holders) to have instructed the Depositary to vote in favor of the items set forth in such voting instructions.

Notwithstanding anything else contained herein, the Depositary shall, if so requested in writing by the Company, represent all Deposited Securities (whether or not voting instructions have been received in respect of such Deposited Securities from Holders as of the ADS Record Date) for the sole purpose of establishing quorum at a meeting of shareholders.

Notwithstanding anything else contained in the Deposit Agreement or any ADR, the Depositary shall not have any obligation to take any action with respect to any meeting, or solicitation of consents or proxies, of holders of Deposited Securities if the taking of such action would violate the laws of the U.S. or England and Wales. The Company agrees to take any and all actions reasonably necessary and as permitted by the laws of the U.S. and England and Wales to enable Holders and Beneficial Owners to exercise the voting rights accruing to the Deposited Securities and to deliver to the Depositary an opinion of U.S. counsel addressing any actions requested to be taken if reasonably requested by the Depositary.

There can be no assurance that Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable the Holder to return voting instructions to the Depositary in a timely manner, provided that the Depositary will nonetheless take commercially reasonable efforts to deliver the notice described above to Holders as soon as practicable after receipt of the notice from Company.

Section 4.11 Changes Affecting Deposited Securities. Upon any change in nominal value, sub-division, cancellation, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets affecting the Company or to which it is a party, any property which shall be received by the Depositary or the Custodian in exchange for, or in conversion of, or replacement of, or otherwise in respect of, such Deposited Securities shall, to the extent permitted by law, be treated as new Deposited Property under the Deposit Agreement, and the ADSs shall, subject to the provisions of the Deposit Agreement, any ADR(s) evidencing such ADSs and applicable law, represent the right to receive such additional or replacement Deposited

Property. In giving effect to such change, sub-division, cancellation, consolidation or other reclassification of Deposited Securities, recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets, the Depositary may, with the Company's approval, and shall, if the Company shall so request, subject to the terms of the Deposit Agreement (including, without limitation, (a) the applicable fees and charges of, and expenses incurred by, the Depositary, and (b) taxes) and receipt of an opinion of counsel to the Company reasonably satisfactory to the Depositary that such actions are not in violation of any applicable laws or regulations, (i) issue and deliver additional ADSs as in the case of a stock dividend on the Shares, (ii) amend the Deposit Agreement and the applicable ADRs, (iii) amend the applicable Registration Statement(s) on Form F-6 as filed with the Commission in respect of the ADSs, (iv) call for the surrender of outstanding ADRs to be exchanged for new ADRs, and (v) take such other actions as are appropriate to reflect the transaction with respect to the ADSs. The Company agrees to, jointly with the Depositary, amend the Registration Statement on Form F-6 as filed with the Commission to permit the issuance of such new form of ADRs. Notwithstanding the foregoing, in the event that any Deposited Property so received may not be lawfully distributed to some or all Holders, the Depositary may, with the Company's approval, and shall, if the Company requests, subject to receipt of an opinion of Company's counsel reasonably satisfactory to the Depositary that such action is not in violation of any applicable laws or regulations, sell such Deposited Property at public or private sale, at such place or places and upon such terms as it may deem proper and may allocate the net proceeds of such sales (net of (a) fees and charges of, and expenses incurred by, the Depositary and (b) taxes) for the account of the Holders otherwise entitled to such Deposited Property upon an averaged or other practicable basis without regard to any distinctions among such Holders and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash pursuant to Section 4.1. The Depositary shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such Deposited Property available to Holders in general or to any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or (iii) any liability to the purchaser of such Deposited Property.

Section 4.12 Available Information. The Company is subject to the periodic reporting requirements of the Exchange Act and, accordingly, is required to file or furnish certain reports with the Commission. These reports can be retrieved from the Commission's website (www.sec.gov) and can be inspected and copied at the public reference facilities maintained by the Commission located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington D.C. 20549.

Section 4.13 Reports. The Depositary shall make available for inspection by Holders at its Principal Office any reports and communications, including any proxy soliciting materials, received from the Company which are both (a) received by the Depositary, the Custodian, or the nominee of either of them as the holder of the Deposited Property and (b) made generally available to the holders of such Deposited Property by the Company. The Depositary shall also provide or make available to Holders copies of such reports when furnished by the Company pursuant to Section 5.6.

Section 4.14 List of Holders. Promptly upon written request by the Company, the Depositary shall furnish to it a list, as of a recent date, of the names, addresses and holdings of ADSs of all Holders.

Section 4.15 Taxation. The Depositary will, and will instruct the Custodian to, forward to the Company or its agents such information from its records as the Company may reasonably request to enable the Company or its agents to file the necessary tax reports with governmental authorities or agencies. The Depositary, the Custodian or the Company and its agents may file such reports as are necessary to reduce or eliminate applicable taxes on dividends and on other distributions in respect of Deposited Property under applicable tax treaties or laws for the Holders and Beneficial Owners. In accordance with instructions from the Company and to the extent practicable, the Depositary or the Custodian will take reasonable administrative actions to obtain tax refunds, reduced withholding of tax at source on dividends and other benefits under applicable tax treaties or laws with respect to dividends and other distributions on the Deposited Property. As a condition to receiving such benefits, Holders and Beneficial Owners of ADSs may be required from time to time, and in a timely manner, to file such proof of taxpayer status, residence and beneficial ownership (as applicable), to execute such certificates and to make such representations and warranties which the Holder or Beneficial Owner is legally able to provide, or to provide any other information or documents, as the Depositary or the Custodian may deem necessary or proper to fulfill the Depositary's or the Custodian's obligations under applicable law. The Depositary and the Company shall have no obligation or liability to any person if any Holder or Beneficial Owner fails to provide such information or if such information does not reach the relevant tax authorities in time for any Holder or Beneficial Owner to obtain the benefits of any tax treatment. The Holders and Beneficial Owners shall indemnify the Depositary, the Company, the Custodian and any of their respective directors, employees, agents and Affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained in respect of Deposited Property.

If the Company (or any of its agents) withholds from any distribution any amount on account of taxes or governmental charges, or pays any other tax in respect of such distribution (e.g., stamp duty tax, capital gains or other similar tax), the Company shall (and shall cause such agent to) use commercially reasonable efforts to remit promptly to the Depositary information about such taxes or governmental charges withheld or paid, and, if so requested, the tax receipt (or other proof of payment to the applicable governmental authority) therefor, in each case, in a form reasonably satisfactory to the Depositary. The Depositary shall, to the extent required by U.S. law, report to Holders any taxes withheld by it or the Custodian, and, if such information is provided to it by the Company, any taxes withheld by the Company. The Depositary and the Custodian shall not be required to provide the Holders with any evidence of the remittance by the Company (or its agents) of any taxes withheld, or of the payment of taxes by the Company, except to the extent the evidence is provided by the Company to the Depositary or the Custodian, as applicable. Neither the Depositary nor the Custodian shall be liable for the failure by any Holder or Beneficial Owner to obtain the benefits of credits on the basis of non-U.S. tax paid against such Holder's or Beneficial Owner's income tax liability.

The Depositary is under no obligation to provide the Holders and Beneficial Owners with any information about the tax status of the Company except to the extent that the Company provides information to the Depositary for distribution to the Holders, and the Depositary reasonably agrees to distribute to the Holders. The Depositary shall not incur any liability for any tax consequences that may be incurred by Holders and Beneficial Owners on account of their ownership of the ADSs, including without limitation, tax consequences resulting from the Company (or any of its subsidiaries) being treated as a “Passive Foreign Investment Company” (in each case as defined in the U.S. Internal Revenue Code and the regulations issued thereunder) or otherwise.

ARTICLE V

THE DEPOSITARY, THE CUSTODIAN AND THE COMPANY

Section 5.1 Maintenance of Office and Transfer Books by the Registrar. Until termination of the Deposit Agreement in accordance with its terms, the Registrar shall maintain in the Borough of Manhattan, the City of New York, an office and facilities for the issuance and delivery of ADSs, the acceptance for surrender of ADS(s) for the purpose of withdrawal of Deposited Securities, the registration of issuances, cancellations, transfers, combinations and split-ups of ADS(s) and, if applicable, to countersign ADRs evidencing the ADSs so issued, transferred, combined or split-up, in each case in accordance with the provisions of the Deposit Agreement.

The Registrar shall keep books for the registration of ADSs which at all reasonable times shall be open for inspection by the Company and by the Holders of such ADSs, provided that such inspection shall not be, to the Registrar’s knowledge, for the purpose of communicating with Holders of such ADSs in the interest of a business or object other than the business of the Company or other than a matter related to the Deposit Agreement or the ADSs.

The Registrar may close the transfer books with respect to the ADSs, at any time or from time to time, when deemed necessary or advisable by it in good faith in connection with the performance of its duties hereunder, or at the reasonable written request of the Company subject, in all cases, to Section 7.8(a).

If any ADSs are listed on one or more stock exchanges or automated quotation systems in the United States, the Depositary shall act as Registrar or, with written notice given as promptly as practicable to the Company, appoint a Registrar or one or more co-registrars for registration of issuances, cancellations, transfers, combinations and split-ups of ADSs and, if applicable, to countersign ADRs evidencing the ADSs so issued, transferred, combined or split-up, in accordance with any requirements of such exchanges or systems. Such Registrar or co-registrars may be removed and a substitute or substitutes appointed by the Depositary, upon written notice given as promptly as practicable to the Company.

Section 5.2 Exoneration. Notwithstanding anything contained in the Deposit Agreement or any ADR, neither the Depositary nor the Company shall be obligated to do or perform any act or thing which is inconsistent with the provisions of the Deposit Agreement or

incur any liability (to the extent not limited by Section 7.8(b)) (i) if the Depositary, the Custodian, the Company or their respective agents shall be prevented or forbidden from, hindered or delayed in, doing or performing any act or thing required or contemplated by the terms of the Deposit Agreement, by reason of any provision of any present or future law or regulation of the United States, England and Wales or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of potential criminal or civil penalties or restraint, or by reason of any provision, present or future, of the Articles of Association of the Company or any provision of or governing any Deposited Securities, or by reason of any act of God or other event or circumstance beyond its control (including, without limitation, fire, flood, earthquake, tornado, hurricane, tsunami, explosion, or other natural disaster, nationalization, expropriation, currency restriction, work stoppage, strikes, civil unrest, act of war (whether declared or not) or terrorism, revolution, rebellion, embargo, computer failure, failure of public infrastructure (including communication or utility failure), failure of common carriers, nuclear, cyber or biochemical incident, any pandemic, epidemic or other prevalent disease or illness with an actual or probable threat to human life, any quarantine order or travel restriction imposed by a governmental authority or other competent public health authority, or the failure or unavailability of the United States Federal Reserve Bank (or other central banking system) or DTC (or other clearing system)), (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement or in the Articles of Association of the Company or provisions of or governing Deposited Securities, (iii) for any action or inaction in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Holder, any Beneficial Owner or authorized representative thereof, or any other person believed by it in good faith to be competent to give such advice or information, (iv) for the inability by a Holder or Beneficial Owner to benefit from any distribution, offering, right or other benefit which is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Holders of ADSs, (v) for any action or inaction of any clearing or settlement system (and any participant thereof) for the Deposited Property or the ADSs, or (vi) for any consequential or punitive damages (including lost profits) for any breach of the terms of the Deposit Agreement.

The Depositary, its controlling persons, its agents, any Custodian and the Company, its controlling persons and its agents may rely and shall be protected in acting upon any written notice, request or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 5.3 Standard of Care. The Company and the Depositary assume no obligation and shall not be subject to any liability under the Deposit Agreement or any ADRs to any Holder(s) or Beneficial Owner(s), except that the Company and the Depositary agree to perform their respective obligations specifically set forth in the Deposit Agreement or the applicable ADRs without negligence or bad faith.

Without limitation of the foregoing, neither the Depositary, nor the Company, nor any of their respective controlling persons, or agents, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or in respect of the ADSs, which in its opinion may involve it in expense or liability, unless

indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required (and no Custodian shall be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary).

The Depositary and its agents shall not be liable for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any vote is cast or the effect of any vote, provided that any such action or omission is in good faith and without negligence and in accordance with the terms of the Deposit Agreement. The Depositary shall not incur any liability for any failure to accurately determine that any distribution or action may be lawful or reasonably practicable, for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Property, for the validity or worth of the Deposited Property, for the value of any Deposited Property or any distribution thereon, for any interest on Deposited Property, for any financial transaction entered into by any person in respect of the ADSs or any Deposited Property, for any tax consequences that may result from the ownership of, or any transaction involving, ADSs or Deposited Property, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement, for the failure or timeliness of any notice from the Company, or for any action of or failure to act by, or any information provided or not provided by, DTC or any DTC Participant.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

Section 5.4 Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by written notice of resignation delivered to the Company, such resignation to be effective on the earlier of (i) the 90th day after delivery thereof to the Company (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2), or (ii) the appointment by the Company of a successor depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Company by written notice of such removal, which removal shall be effective on the later of (i) the 90th day after delivery thereof to the Depositary (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2), or (ii) upon the appointment by the Company of a successor depositary and its acceptance of such appointment as hereinafter provided.

In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, the City of New York. Every

successor depository shall be required by the Company to execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depository, without any further act or deed (except as required by applicable law), shall become fully vested with all the rights, powers, duties and obligations of its predecessor (other than as contemplated in Sections 5.8 and 5.9). The predecessor depository, upon payment of all sums due it and on the written request of the Company, shall, (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than as contemplated in Sections 5.8 and 5.9), (ii) duly assign, transfer and deliver all of the Depository's right, title and interest to the Deposited Property to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADSs and such other information relating to ADSs and Holders thereof as the successor may reasonably request. Any such successor depository shall promptly provide notice of its appointment to such Holders.

Any entity into or with which the Depository may be merged or consolidated shall be the successor of the Depository without the execution or filing of any document or any further act.

Section 5.5 The Custodian. The Depository has initially appointed Citibank, N.A., London Branch as Custodian for the purpose of the Deposit Agreement. The Custodian or its successors in acting hereunder shall be authorized to act as custodian in England and Wales and shall be subject at all times and in all respects to the direction of the Depository for the Deposited Property for which the Custodian acts as custodian and shall be responsible solely to it. If any Custodian resigns or is discharged from its duties hereunder with respect to any Deposited Property and no other Custodian has previously been appointed hereunder, the Depository shall promptly appoint a substitute custodian. The Depository shall require such resigning or discharged Custodian to Deliver, or cause the Delivery of, the Deposited Property held by it, together with all such records maintained by it as Custodian with respect to such Deposited Property as the Depository may request, to the Custodian designated by the Depository. Whenever the Depository determines, in its discretion, that it is appropriate to do so, it may appoint an additional custodian with respect to any Deposited Property, or discharge the Custodian with respect to any Deposited Property and appoint a substitute custodian, which shall thereafter be Custodian hereunder with respect to the Deposited Property. Immediately upon any such change, the Depository shall give notice thereof in writing to all Holders of ADSs, each other Custodian and the Company.

Citibank may at any time act as Custodian of the Deposited Property pursuant to the Deposit Agreement, in which case any reference to Custodian shall mean Citibank solely in its capacity as Custodian pursuant to the Deposit Agreement and the Depository shall promptly give notice thereof to the Company. Notwithstanding anything contained in the Deposit Agreement or any ADR to the contrary, the Depository shall not be obligated to give notice to any Holders of ADSs or any other Custodian of its acting as Custodian pursuant to the Deposit Agreement.

Upon the appointment of any successor depository, any Custodian then acting hereunder shall, unless otherwise instructed by the Depository, continue to be the Custodian of the Deposited Property without any further act or writing, and shall be subject to the direction of the successor depository. The successor depository so appointed shall, nevertheless, on the written

request of any Custodian, execute and deliver to such Custodian all such instruments as may be proper to give to such Custodian full and complete power and authority to act on the direction of such successor depository.

Section 5.6 Notices and Reports. On or before the first date on which the Company gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action by such holders other than at a meeting, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect of Deposited Securities, the Company shall transmit to the Depository and the Custodian a copy of the notice thereof in the English language but otherwise in the form given or to be given to holders of Shares or other Deposited Securities. The Company shall also furnish to the Custodian and the Depository a summary, in English, of any applicable provisions or proposed provisions of the Articles of Association of the Company that may be relevant or pertain to such notice of meeting or be the subject of a vote thereat.

The Company will also transmit to the Depository (a) the notices, reports and communications which are made generally available by the Company to holders of its Shares or other Deposited Securities and (b) the Company's annual and semi-annual reports prepared in accordance with the applicable requirements of the Commission. The Depository shall arrange, at the request of the Company and at the Company's expense, to provide copies thereof to all Holders or make such notices, reports and other communications available to all Holders on a basis similar to that for holders of Shares or other Deposited Securities or on such other basis as the Company may advise the Depository or as may be required by any applicable law, regulation or stock exchange requirement. The Company has delivered to the Depository and the Custodian a copy of the Company's Articles of Association along with the provisions of or governing the Shares and any other Deposited Securities issued by the Company in connection with such Shares, and promptly upon any amendment thereto or change therein, the Company shall deliver to the Depository and the Custodian a copy of such amendment thereto or change therein. The Depository may rely upon such copy for all purposes of the Deposit Agreement.

The Depository will, at the expense of the Company, make available a copy of any such notices, reports or communications issued by the Company and delivered to the Depository for inspection by the Holders of the ADSs at the Depository's Principal Office, at the office of the Custodian and at any other designated transfer office.

Section 5.7 Issuance of Additional Shares, ADSs etc. The Company agrees that in the event it or any of its Affiliates proposes (i) an issuance, sale or distribution of additional Shares, (ii) an offering of rights to subscribe for Shares or other Deposited Securities, (iii) an issuance or assumption of securities convertible into or exchangeable for Shares, (iv) an issuance of rights to subscribe for securities convertible into or exchangeable for Shares, (v) an elective dividend of cash or Shares, (vi) a redemption of Deposited Securities, (vii) a meeting of holders of Deposited Securities, or solicitation of consents or proxies, relating to any reclassification of securities, merger, scheme of arrangement or consolidation or transfer of assets, (viii) any assumption, reclassification, recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets which affects the Deposited Securities, or (ix) a distribution of

securities other than Shares, it will obtain U.S. legal advice and take all steps necessary to ensure that the application of the proposed transaction to Holders and Beneficial Owners does not violate the registration provisions of the Securities Act, or any other applicable laws (including, without limitation, the Investment Company Act of 1940, as amended, the Exchange Act and the securities laws of the states of the U.S.). In support of the foregoing, the Company will furnish to the Depository (a) a written opinion of U.S. counsel (reasonably satisfactory to the Depository) stating whether such transaction (1) requires a registration statement under the Securities Act to be in effect or (2) is exempt from the registration requirements of the Securities Act and (b) an opinion of English counsel stating that (1) making the transaction available to Holders and Beneficial Owners does not violate the laws or regulations of England and Wales and (2) all requisite regulatory consents and approvals have been obtained in England and Wales. If the filing of a registration statement is required, the Depository shall not have any obligation to proceed with the transaction unless it shall have received evidence reasonably satisfactory to it that such registration statement has been declared effective. If, being advised by counsel, the Company determines that a transaction is required to be registered under the Securities Act, the Company will either (i) register such transaction to the extent necessary, (ii) alter the terms of the transaction to avoid the registration requirements of the Securities Act or (iii) direct the Depository to take specific measures, in each case as contemplated in the Deposit Agreement, to prevent such transaction from violating the registration requirements of the Securities Act. The Company agrees with the Depository that neither the Company nor any of its Affiliates will at any time (i) deposit any Shares or other Deposited Securities, either upon original issuance or upon a sale of Shares or other Deposited Securities previously issued and reacquired by the Company or by any such Affiliate, or (ii) issue additional Shares, rights to subscribe for such Shares, securities convertible into or exchangeable for Shares or rights to subscribe for such securities or distribute securities other than Shares, unless such transaction and the securities issuable in such transaction do not violate the registration provisions of the Securities Act, or any other applicable laws (including, without limitation, the Investment Company Act of 1940, as amended, the Exchange Act and the securities laws of the states of the U.S.).

Notwithstanding anything else contained in the Deposit Agreement, nothing in the Deposit Agreement shall be deemed to obligate the Company to file any registration statement in respect of any proposed transaction.

Section 5.8 Indemnification. The Depository agrees to indemnify the Company and its directors, officers, employees, agents and Affiliates against, and hold each of them harmless from, any direct loss, liability, tax, charge or expense of any kind whatsoever (including, but not limited to, the reasonable fees and expenses of counsel excluding value added tax recoverable by the relevant person or an affiliate) which may arise out of acts performed or omitted by the Depository and the Custodian (for so long as the Custodian is a branch of Citibank) under the terms hereof due to the negligence or bad faith of the Depository or such Custodian, as applicable.

The Company agrees to indemnify the Depository, the Custodian and any of their respective directors, officers, employees, agents and Affiliates against, and hold each of them harmless from, any direct loss, liability, tax, charge or expense of any kind whatsoever

(including, but not limited to, the reasonable fees and expenses of counsel excluding value added tax recoverable by the relevant person or an affiliate) that may arise (a) out of, or in connection with, any offer, issuance, sale, resale, transfer, deposit or withdrawal of ADRs, ADSs, the Shares, or other Deposited Securities, as the case may be, (b) out of, or as a result of, any offering documents in respect thereof or (c) out of acts performed or omitted, including, but not limited to, any delivery by the Depositary on behalf of the Company of information regarding the Company, in connection with the Deposit Agreement, any ancillary or supplemental agreement entered into between the Company and the Depositary, the ADRs, the ADSs, the Shares, or any Deposited Property, in any such case (i) by the Depositary, the Custodian or any of their respective directors, officers, employees, agents and Affiliates, except to the extent such loss, liability, tax, charge or expense is due to the negligence or bad faith of any of them, or (ii) by the Company or any of its directors, officers, employees, agents and Affiliates; provided, however, that the Company, except as otherwise agreed to in writing between the Company and the Depositary, shall not be liable for any fees, charges or expenses payable by third party Holders or Beneficial Owners under this Deposit Agreement. The Company shall not indemnify the Depositary or the Custodian (for so long as the Custodian is a branch of Citibank) against any liability or expense arising out of information relating to the Depositary or such Custodian, as the case may be, furnished in writing to the Company, executed by the Depositary expressly for use in the registration statement, prospectus or preliminary prospectus relating to any Deposited Securities represented by the ADSs.

The obligations set forth in this Section shall survive the termination of the Deposit Agreement and the succession or substitution of any party hereto.

Any person seeking indemnification hereunder (an “indemnified person”) shall notify the person from whom it is seeking indemnification (the “indemnifying person”) of the commencement of any indemnifiable action or claim promptly after such indemnified person becomes aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person’s rights to seek indemnification except to the extent the indemnifying person is materially prejudiced by such failure) and shall consult in good faith with the indemnifying person as to the conduct of the defense of such action or claim that may give rise to an indemnity hereunder, which defense shall be reasonable in the circumstances. No indemnified person shall compromise or settle any action or claim that may give rise to an indemnity hereunder without the consent of the indemnifying person, which consent shall not be unreasonably withheld.

Section 5.9 ADS Fees and Charges. The Company, the Holders, the Beneficial Owners, persons depositing Shares or withdrawing Deposited Securities in connection with the issuance and cancellation of ADSs, and persons receiving ADSs upon issuance or whose ADSs are being cancelled shall be required to pay the Depositary’s fees and related charges (some of which may be cumulative) identified as payable by them respectively in the Fee Schedule attached hereto as Exhibit B. All ADS fees and charges so payable may be deducted from distributions or must be remitted to the Depositary, or its designee, and may, at any time and from time to time, be changed by agreement between the Depositary and the Company, but, in the case of ADS fees and charges payable by Holders and Beneficial Owners, any such change

may be made only in the manner contemplated in Section 6.1. The Depositary shall provide, without charge, a copy of its latest ADS fee schedule to anyone upon request.

ADS fees and charges for (i) the issuance of ADSs and (ii) the cancellation of ADSs will be payable by the person for whom the ADSs are so issued by the Depositary (in the case of ADS issuances) and by the person for whom ADSs are being cancelled (in the case of ADS cancellations). In the case of ADSs issued by the Depositary into DTC or presented to the Depositary via DTC, the ADS issuance and cancellation fees and charges will be payable by the DTC Participant(s) receiving the ADSs from the Depositary or the DTC Participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the Beneficial Owner(s) and will be charged by the DTC Participant(s) to the account(s) of the applicable Beneficial Owner(s) in accordance with the procedures and practices of the DTC Participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are payable by Holders as of the applicable ADS Record Date established by the Depositary. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, the applicable Holders as of the ADS Record Date established by the Depositary will be invoiced for the amount of the ADS fees and charges and such ADS fees may be deducted from distributions made to Holders. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC Participants in accordance with the procedures and practices prescribed by DTC from time to time and the DTC Participants in turn charge the amount of such ADS fees and charges to the Beneficial Owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series (which may entail the cancellation, issuance and transfer of ADSs and the conversion of ADSs from one series to another series), the applicable ADS issuance, cancellation, transfer and conversion fees will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

The Depositary may reimburse the Company for certain expenses incurred by the Company in respect of the ADR program established pursuant to the Deposit Agreement, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depositary agree from time to time. The Company shall pay to the Depositary such fees and charges, and reimburse the Depositary for such out-of-pocket expenses, as the Depositary and the Company may agree from time to time. Responsibility for payment of such fees, charges and reimbursements may from time to time be changed by agreement between the Company and the Depositary. Unless otherwise agreed, the Depositary shall present its statement for such fees, charges and reimbursements to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The obligations of Holders and Beneficial Owners to pay ADS fees and charges shall survive the termination of the Deposit Agreement. As to any Depositary, upon the resignation or

removal of such Depository as described in Section 5.4, the right to collect ADS fees and charges shall extend for those ADS fees and charges incurred prior to the effectiveness of such resignation or removal.

Section 5.10 Restricted Securities Owners. The Company agrees to advise in writing each of the persons or entities who, to the knowledge of the Company, holds Restricted Securities that such Restricted Securities are ineligible for deposit hereunder (except under the circumstances contemplated in Section 2.14) and, to the extent practicable, shall require each of such persons to represent in writing that such person will not deposit Restricted Securities hereunder (except under the circumstances contemplated in Section 2.14).

ARTICLE VI

AMENDMENT AND TERMINATION

Section 6.1 Amendment/Supplement. Subject to the terms and conditions of this Section 6.1 and applicable law, the ADRs outstanding at any time, the provisions of the Deposit Agreement and the form of ADR attached hereto and to be issued under the terms hereof may at any time and from time to time be amended or supplemented by written agreement between the Company and the Depository in any respect which they may deem necessary or desirable without the prior written consent of the Holders or Beneficial Owners. Any amendment or supplement which shall impose or increase any fees or charges (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or which shall otherwise materially prejudice any substantial existing right of Holders or Beneficial Owners, shall not, however, become effective as to outstanding ADSs until the expiration of thirty (30) days after notice of such amendment or supplement shall have been given to the Holders of outstanding ADSs. Notice of any amendment to the Deposit Agreement or any ADR shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*e.g.*, upon retrieval from the Commission's, the Depository's or the Company's website or upon request from the Depository). The parties hereto agree that any amendments or supplements which (i) are reasonably necessary (as agreed by the Company and the Depository) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs to be settled solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to materially prejudice any substantial existing rights of Holders or Beneficial Owners. Every Holder and Beneficial Owner at the time any amendment or supplement so becomes effective shall be deemed, by continuing to hold such ADSs, to consent and agree to such amendment or supplement and to be bound by the Deposit Agreement and the ADR, if applicable, as amended or supplemented thereby. In no event shall any amendment or supplement impair the right of the Holder to surrender such ADS and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law. Notwithstanding the foregoing, if any governmental body should adopt new laws, rules or regulations which would require an amendment of, or

supplement to, the Deposit Agreement to ensure compliance therewith, the Company and the Depositary may amend or supplement the Deposit Agreement and any ADRs at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement and any ADRs in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance with such laws, rules or regulations.

Section 6.2 Termination. The Depositary shall, at any time at the written direction of the Company, terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination. If (i) ninety (90) days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign, or (ii) ninety (90) days shall have expired after the Company shall have delivered to the Depositary a written notice of the removal of the Depositary, and, in either case, a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.4 of the Deposit Agreement, the Depositary may terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination. The date so fixed for termination of the Deposit Agreement in any termination notice so distributed by the Depositary to the Holders of ADSs is referred to as the “Termination Date”. Until the Termination Date, the Depositary shall continue to perform all of its obligations under the Deposit Agreement, and the Holders and Beneficial Owners will be entitled to all of their rights under the Deposit Agreement.

If any ADSs shall remain outstanding after the Termination Date, the Registrar and the Depositary shall not, after the Termination Date, have any obligation to perform any further acts under the Deposit Agreement, except that the Depositary shall, subject, in each case, to the terms and conditions of the Deposit Agreement, continue to (i) collect dividends and other distributions pertaining to Deposited Securities, (ii) sell Deposited Property received in respect of Deposited Securities, (iii) deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any other Deposited Property, in exchange for ADSs surrendered to the Depositary (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (iv) take such actions as may be required under applicable law in connection with its role as Depositary under the Deposit Agreement.

At any time after the Termination Date, the Depositary may sell the Deposited Property then held under the Deposit Agreement and shall after such sale hold un-invested the net proceeds of such sale, together with any other cash then held by it under the Deposit Agreement, in an un-segregated account and without liability for interest, for the pro rata benefit of the Holders whose ADSs have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement except (i) to account for such net proceeds and other cash (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable

taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (ii) as may be required at law in connection with the termination of the Deposit Agreement. After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement, except for its obligations to the Depository under Sections 5.8, 5.9 and 7.6 of the Deposit Agreement. The obligations under the terms of the Deposit Agreement of Holders and Beneficial Owners of ADSs outstanding as of the Termination Date shall survive the Termination Date and shall be discharged only when the applicable ADSs are presented by their Holders to the Depository for cancellation under the terms of the Deposit Agreement (except as specifically provided in the Deposit Agreement).

Notwithstanding anything contained in the Deposit Agreement or any ADR, in connection with the termination of the Deposit Agreement, the Depository may, with the consent of the Company, and shall, at the instruction of the Company, distribute to all Holders in a mandatory exchange for, and upon a mandatory cancellation of, their ADSs the corresponding Deposited Securities, upon such terms and conditions as the Depository may deem reasonably practicable and appropriate, subject however, in each case, to receipt by the Depository of (i) confirmation of satisfaction of the applicable registration requirements under the Securities Act and the Exchange Act, and (ii) payment of the applicable fees and charges of, and reimbursement of the applicable expenses incurred by, the Depository. In the event of such mandatory exchange and cancellation of ADSs for Deposited Securities, the Depository shall give notice thereof to the Holders of ADSs at least thirty (30) calendar days prior the termination of the Deposit Agreement, shall require the Holders of ADSs to surrender their ADSs (and, if applicable, the ADRs representing such ADSs) in exchange for the corresponding Deposited Securities and shall cancel all ADSs (and, if applicable, the ADRs representing such ADSs) received in exchange for the corresponding Deposited Securities.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Counterparts. The Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same agreement. Copies of the Deposit Agreement shall be maintained with the Depository and shall be open to inspection by any Holder during business hours.

Section 7.2 No Third-Party Beneficiaries/Acknowledgments. The Deposit Agreement is for the exclusive benefit of the parties hereto (and their successors) and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person, except to the extent specifically set forth in the Deposit Agreement. Nothing in the Deposit Agreement shall be deemed to give rise to a partnership or joint venture among the parties nor establish a fiduciary or similar relationship among the parties. The parties hereto acknowledge and agree that (i) Citibank and its Affiliates may at any time have multiple banking relationships with the Company, the Holders, the Beneficial Owners, and their respective Affiliates, (ii) Citibank and its Affiliates may own and deal in any class of securities of the Company and its

Affiliates and in ADSs, and may be engaged at any time in transactions in which parties adverse to the Company, the Holders, the Beneficial Owners or their respective Affiliates may have interests, (iii) the Depository and its Affiliates may from time to time have in their possession non-public information about the Company, the Holders, the Beneficial Owners, and their respective Affiliates, (iv) nothing contained in the Deposit Agreement shall (a) preclude Citibank or any of its Affiliates from engaging in such transactions or establishing or maintaining such relationships, or (b) obligate Citibank or any of its Affiliates to disclose such information, transactions or relationships, or to account for any profit made or payment received in such transactions or relationships, (v) the Depository shall not be deemed to have knowledge of any information any other division of Citibank or any of its Affiliates may have about the Company, the Holders, the Beneficial Owners, or any of their respective Affiliates, and (vi) the Company, the Depository, the Custodian and their respective agents and controlling persons may be subject to the laws and regulations of jurisdictions other than the U.S., England and Wales, and the authority of courts and regulatory authorities of such other jurisdictions, and, consequently, the requirements and the limitations of such other laws and regulations, and the decisions and orders of such other courts and regulatory authorities, may affect the rights and obligations of the parties to the Deposit Agreement.

Section 7.3 Severability. In case any one or more of the provisions contained in the Deposit Agreement or in the ADRs should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

Section 7.4 Holders and Beneficial Owners as Parties; Binding Effect. The Holders and Beneficial Owners from time to time of ADSs issued hereunder shall be parties to the Deposit Agreement and shall be bound by all of the terms and conditions hereof and of any ADR evidencing their ADSs by acceptance thereof or any beneficial interest therein.

Section 7.5 Notices. Any and all notices to be given to the Company shall be deemed to have been duly given if personally delivered or sent by mail, air courier or cable, telex or facsimile transmission, confirmed by letter personally delivered or sent by mail or air courier, addressed to Arm Holdings plc, 110 Fulfourn Road, Cambridge, CB1 9NJ, United Kingdom, Attention: Chief Legal Officer, or to any other address which the Company may specify in writing to the Depository.

Any and all notices to be given to the Depository shall be deemed to have been duly given if personally delivered or sent by mail, air courier or cable, telex or facsimile transmission, confirmed by letter personally delivered or sent by mail or air courier, addressed to Citibank, N.A., 388 Greenwich Street, New York, New York 10013, U.S.A., Attention: Depository Receipts Department, or to any other address which the Depository may specify in writing to the Company.

Any and all notices to be given to any Holder shall be deemed to have been duly given **(a)** if personally delivered or sent by mail or cable, telex or facsimile transmission, confirmed by letter, addressed to such Holder at the address of such Holder as it appears on the books of the Depository or, if such Holder shall have filed with the Depository a request that notices intended

for such Holder be mailed to some other address, at the address specified in such request, or **(b)** if a Holder shall have designated such means of notification as an acceptable means of notification under the terms of the Deposit Agreement, by means of electronic messaging addressed for delivery to the e-mail address designated by the Holder for such purpose. Notice to Holders shall be deemed to be notice to Beneficial Owners for all purposes of the Deposit Agreement. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of ADSs held by such other Holders. Any notices given to DTC under the terms of the Deposit Agreement shall (unless otherwise specified by the Depositary) constitute notice to the DTC Participants who hold the ADSs in their DTC accounts and to the Beneficial Owners of such ADSs.

Delivery of a notice sent by mail, air courier or cable, telex or facsimile transmission shall be deemed to be effective at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a cable, telex or facsimile transmission) is deposited, postage prepaid, in a post-office letter box or delivered to an air courier service, without regard for the actual receipt or time of actual receipt thereof by a Holder. The Depositary or the Company may, however, act upon any cable, telex or facsimile transmission received by it from any Holder, the Custodian, the Depositary, or the Company, notwithstanding that such cable, telex or facsimile transmission shall not be subsequently confirmed by letter.

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records), notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason.

Section 7.6 Governing Law and Jurisdiction. The Deposit Agreement, the ADRs and the ADSs shall be interpreted in accordance with, and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, the laws of the State of New York applicable to contracts made and to be wholly performed in that State. Notwithstanding anything contained in the Deposit Agreement to the contrary, any ADR or any present or future provisions of the laws of the State of New York, the rights of holders of Shares and of any other Deposited Securities and the obligations and duties of the Company in respect of the holders of Shares and other Deposited Securities, as such, shall be governed by the laws of England and Wales (or, if applicable, such other laws as may govern the Deposited Securities).

Except as set forth in the following paragraph of this Section 7.6, the Company and the Depositary agree that the federal or state courts in the City of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute between them that may arise out of or in connection with the Deposit Agreement and, for such purposes, each irrevocably submits to the non-exclusive jurisdiction of such courts. The Company hereby irrevocably designates, appoints and empowers Arm, Inc. (the "Agent") now at 120 Rose Orchard Way, San Jose, CA 95134 as its authorized agent to receive and accept for and on its behalf, and on behalf of its properties, assets and revenues, service by mail of any and all legal process, summons, notices and documents that may be served in any suit, action or proceeding

brought against the Company in any federal or state court as described in the preceding sentence or in the next paragraph of this Section 7.6. If for any reason the Agent shall cease to be available to act as such, the Company agrees to designate a new agent in New York on the terms and for the purposes of this Section 7.6 reasonably satisfactory to the Depository. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding against the Company, by service by mail of a copy thereof upon the Agent (whether or not the appointment of such Agent shall for any reason prove to be ineffective or such Agent shall fail to accept or acknowledge such service), with a copy mailed to the Company by registered or certified air mail, postage prepaid, to its address provided in Section 7.5. The Company agrees that the failure of the Agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon.

Notwithstanding the foregoing, the Depository and the Company unconditionally agree that in the event of any suit, action or proceeding against (a) the Company, (b) the Depository in its capacity as Depository under the Deposit Agreement or (c) against both the Company and the Depository, in any such case, in any state or federal court of the United States, and the Depository or the Company have any claim, for indemnification or otherwise, against each other arising out of the subject matter of such suit, action or proceeding, then the Company and the Depository may pursue such claim against each other in the state or federal court in the United States in which such suit, action, or proceeding is pending and, for such purposes, the Company and the Depository irrevocably submit to the non-exclusive jurisdiction of such courts. The Company agrees that service of process upon the Agent in the manner set forth in the preceding paragraph shall be effective service upon it for any suit, action or proceeding brought against it as described in this paragraph.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any actions, suits or proceedings brought in any court as provided in this Section 7.6, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, and agrees not to plead or claim, any right of immunity from legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, from execution of judgment, or from any other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, and consents to such relief and enforcement against it, its assets and its revenues in any jurisdiction, in each case with respect to any matter arising out of, or in connection with, the Deposit Agreement, any ADR or the Deposited Property.

EACH OF THE PARTIES TO THE DEPOSIT AGREEMENT (INCLUDING, WITHOUT LIMITATION, EACH HOLDER AND BENEFICIAL OWNER)

IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY ARISING OUT OF, OR RELATING TO, THE DEPOSIT AGREEMENT, ANY ADR AND ANY TRANSACTIONS CONTEMPLATED THEREIN (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR OTHERWISE).

The provisions of this Section 7.6 shall survive any termination of the Deposit Agreement, in whole or in part.

Section 7.7 Assignment. Subject to the provisions of Section 5.4, the Deposit Agreement may not be assigned by either the Company or the Depositary.

Section 7.8 Compliance with, and No Disclaimer under, U.S. Securities Laws.

(a) Notwithstanding anything in the Deposit Agreement to the contrary, the withdrawal or delivery of Deposited Securities will not be suspended by the Company or the Depositary except as would be permitted by Instruction I.A.(1) of the General Instructions to Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

(b) Each of the parties to the Deposit Agreement (including, without limitation, each Holder and Beneficial Owner) acknowledges and agrees that no provision of the Deposit Agreement or any ADR shall, or shall be deemed to, disclaim any liability under the Securities Act or the Exchange Act, in each case to the extent established under applicable U.S. laws.

Section 7.9 English Law References. Any summary of the laws and regulations of England and Wales and of the terms of the Company's Articles of Association set forth in the Deposit Agreement have been provided by the Company solely for the convenience of Holders, Beneficial Owners and the Depositary. While such summaries are believed by the Company to be accurate as of the date of the Deposit Agreement, (i) they are summaries and as such may not include all aspects of the materials summarized applicable to a Holder or Beneficial Owner, and (ii) these laws and regulations and the Company's Articles of Association may change after the date of the Deposit Agreement. Neither the Depositary nor the Company has any obligation under the terms of the Deposit Agreement to update any such summaries.

Section 7.10 Titles and References.

(a) **Deposit Agreement.** All references in the Deposit Agreement to exhibits, articles, sections, subsections, and other subdivisions refer to the exhibits, articles, sections, subsections and other subdivisions of the Deposit Agreement unless expressly provided otherwise. The words "the Deposit Agreement", "herein", "hereof", "hereby", "hereunder", and words of similar import refer to the Deposit Agreement as a whole as in effect at the relevant time between the Company, the Depositary and the Holders and Beneficial Owners of ADSs and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine and neuter gender shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and *vice versa* unless the context otherwise requires.

Titles to sections of the Deposit Agreement are included for convenience only and shall be disregarded in construing the language contained in the Deposit Agreement. References to “applicable laws and regulations” shall refer to laws and regulations applicable to ADRs, ADSs or Deposited Property as in effect at the relevant time of determination, unless otherwise required by law or regulation.

(b) **ADRs.** All references in any ADR(s) to paragraphs, exhibits, articles, sections, subsections, and other subdivisions refer to the paragraphs, exhibits, articles, sections, subsections and other subdivisions of the ADR(s) in question unless expressly provided otherwise. The words “the Receipt”, “the ADR”, “herein”, “hereof”, “hereby”, “hereunder”, and words of similar import used in any ADR refer to the ADR as a whole and as in effect at the relevant time, and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine and neuter gender in any ADR shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and *vice versa* unless the context otherwise requires. Titles to paragraphs of any ADR are included for convenience only and shall be disregarded in construing the language contained in the ADR. References to “applicable laws and regulations” shall refer to laws and regulations applicable to the Company, the Depository, the Custodian, their agents and controlling persons, the ADRs, the ADSs and the Deposited Property as in effect at the relevant time of determination, unless otherwise required by law or regulation.

IN WITNESS WHEREOF, ARM HOLDINGS PLC and CITIBANK, N.A. have duly executed the Deposit Agreement as of the day and year first above set forth and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of ADSs issued in accordance with the terms hereof, or upon acquisition of any beneficial interest therein.

ARM HOLDINGS PLC

By: /s/ Rene Haas

Name: Rene Haas

Title: Director

CITIBANK, N.A.

By: /s/ Keith Galfo

Name: Keith Galfo

Title: Vice President

[Signature page to the Deposit Agreement]

EXHIBIT A
[FORM OF ADR]

Number: _____

CUSIP NUMBER: _____

American Depositary Shares (each American Depositary Share
representing the right to receive one (1) fully paid ordinary share)

AMERICAN DEPOSITARY RECEIPT

for

AMERICAN DEPOSITARY SHARES

representing

DEPOSITED ORDINARY SHARES

of

ARM HOLDINGS PLC

(Incorporated under the laws of England and Wales)

CITIBANK, N.A., a national banking association organized and existing under the laws of the United States of America, as depositary (the “Depositary”), hereby certifies that _____ is the owner of _____ American Depositary Shares (hereinafter “ADS”) representing deposited ordinary shares, including evidence of rights to receive such ordinary shares (the “Shares”), of Arm Holdings plc, a public limited company incorporated under the laws of England and Wales (the “Company”). As of the date of issuance of this ADR, each ADS represents the right to receive one (1) Share deposited under the Deposit Agreement (as hereinafter defined) with the Custodian, which at the date of issuance of this ADR is Citibank, N.A., London Branch (the “Custodian”). The ADS(s)-to-Share(s) ratio is subject to amendment as provided in Articles IV and VI of the Deposit Agreement. The Depositary’s Principal Office is located at 388 Greenwich Street, New York, New York 10013, U.S.A.

(1) **The Deposit Agreement.** This American Depositary Receipt is one of an issue of American Depositary Receipts (“ADRs”), all issued and to be issued upon the terms and conditions set forth in the Deposit Agreement, dated as of September 13, 2023 (as amended and supplemented from time to time, the “Deposit Agreement”), by and among the Company, the Depositary, and all Holders and Beneficial Owners from time to time of ADSs issued thereunder.

The Deposit Agreement sets forth the rights and obligations of Holders and Beneficial Owners of ADSs and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other Deposited Property (as defined in the Deposit Agreement) from time to time received and held on deposit in respect of the ADSs. Copies of the Deposit Agreement are on file at the Principal Office of the Depositary and with the Custodian. Each Holder and each Beneficial Owner, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), and (b) appoint the Depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Deposit Agreement and the applicable ADR(s), to adopt any and all procedures necessary to comply with applicable law and to take such action as the Depositary in its sole discretion, acting reasonably, may deem necessary or appropriate to carry out the purposes of the Deposit Agreement and the applicable ADR(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof. The manner in which a Beneficial Owner holds ADSs (e.g., in a brokerage account vs. as registered holder) may affect the rights and obligations of, the manner in which, and the extent to which, services are made available to, Beneficial Owners pursuant to the terms of the Deposit Agreement.

The statements made on the face and reverse of this ADR are summaries of certain provisions of the Deposit Agreement and the Articles of Association of the Company (as in effect on the date of the signing of the Deposit Agreement) and are qualified by and subject to the detailed provisions of the Deposit Agreement and the Articles of Association, to which reference is hereby made.

All capitalized terms not defined herein shall have the meanings ascribed thereto in the Deposit Agreement.

The Depositary makes no representation or warranty as to the validity or worth of the Deposited Property. The Depositary has made arrangements for the acceptance of the ADSs into DTC. Each Beneficial Owner of ADSs held through DTC must rely on the procedures of DTC and the DTC Participants to exercise and be entitled to any rights attributable to such ADSs. The Depositary may issue Uncertificated ADSs subject, however, to the terms and conditions of Section 2.13 of the Deposit Agreement.

(2) Surrender of ADSs and Withdrawal of Deposited Securities. The Holder of this ADR (and of the ADSs evidenced hereby) shall be entitled to Delivery (at the Custodian's designated office) of the Deposited Securities at the time represented by the ADSs evidenced hereby upon satisfaction of each of the following conditions: (i) the Holder (or a duly-authorized attorney of the Holder) has duly Delivered ADSs to the Depositary at its Principal Office the ADSs evidenced hereby (and, if applicable, this ADR evidencing such ADSs) for the purpose of withdrawal of the Deposited Securities represented thereby, (ii) if applicable and so required by the Depositary, this ADR Delivered to the Depositary for such purpose has been properly endorsed in blank or is accompanied by proper instruments of transfer in blank (including signature guarantees in accordance with standard securities industry practice), (iii) if so required

by the Depositary, the Holder of the ADSs has executed and delivered to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be Delivered to or upon the written order of the person(s) designated in such order, and (iv) all applicable ADS fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case*, to the terms and conditions of this ADR evidencing the surrendered ADSs, of the Deposit Agreement, of the Company's Articles of Association and of any applicable laws and the rules of CREST, and to any provisions of or governing the Deposited Securities, in each case as in effect at the time thereof.

Upon satisfaction of each of the conditions specified above, the Depositary (i) shall promptly cancel the ADSs Delivered to it (and, if applicable, this ADR(s) evidencing the ADSs so Delivered), (ii) shall direct the Registrar to record the cancellation of the ADSs so Delivered on the books maintained for such purpose, and (iii) shall direct the Custodian to Deliver, or cause the Delivery of, in each case, without unreasonable delay, the Deposited Securities represented by the ADSs so canceled together with any certificate or other document of title for the Deposited Securities, or evidence of the electronic transfer thereof (if available), as the case may be, to or upon the written order of the person(s) designated in the order delivered to the Depositary for such purpose, *subject however, in each case*, to the terms and conditions of the Deposit Agreement, of this ADR evidencing the ADS so canceled, of the Articles of Association of the Company, of any applicable laws and of the rules of CREST, and to the terms and conditions of or governing the Deposited Securities, in each case as in effect at the time thereof.

The Depositary shall not accept for surrender ADSs representing less than one (1) Share. In the case of Delivery to it of ADSs representing a number other than a whole number of Shares, the Depositary shall cause ownership of the appropriate whole number of Shares to be Delivered in accordance with the terms hereof, and shall, at the discretion of the Depositary, either (i) return to the person surrendering such ADSs the number of ADSs representing any remaining fractional Share, or (ii) sell or cause to be sold the fractional Share represented by the ADSs so surrendered and remit the proceeds of such sale (net of (a) applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes withheld) to the person surrendering the ADSs.

Upon receipt of satisfactory instructions from ADS Holders and payment of applicable taxes and the ADS fees and charges of the Depositary for the issuance, cancellation, and conversion of ADSs (as set forth in Section 5.9 and Exhibit B of the Deposit Agreement), the Depositary shall also, subject to the applicable terms and conditions of, and contemplated in, the Deposit Agreement and applicable law, cancel ADSs in connection with the conversion of ADSs of one series for ADSs of another series (e.g. in connection with the conversion of Restricted ADSs into freely transferable ADSs and the conversion of Partial Entitlement ADSs into Full Entitlement ADSs), in which case, (i) the number of ADSs of one series so cancelled shall equal the number of ADSs issued of the corresponding series, and (ii) the Depositary shall to the extent applicable direct the Custodian to transfer the corresponding Shares from and into the applicable custody accounts maintained for the applicable ADS series.

Notwithstanding anything else contained in this ADR or the Deposit Agreement, the Depositary may make delivery at the Principal Office of the Depositary of Deposited Property consisting of (i) any cash dividends or cash distributions, or (ii) any proceeds from the sale of any non-cash distributions, which are at the time held by the Depositary in respect of the Deposited Securities represented by the ADSs surrendered for cancellation and withdrawal. At the request, risk and expense of any Holder so surrendering ADSs represented by this ADR, and for the account of such Holder, the Depositary shall direct the Custodian to forward (to the extent permitted by law) any Deposited Property (other than Deposited Securities) held by the Custodian in respect of such ADSs to the Depositary for delivery at the Principal Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Holder, by cable, telex or facsimile transmission.

(3) **Transfer, Combination and Split-up of ADRs.** The Registrar shall promptly register the transfer of this ADR (and of the ADSs represented hereby) on the books maintained for such purpose and the Depositary shall promptly (x) cancel this ADR and execute new ADRs evidencing the same aggregate number of ADSs as those evidenced by this ADR canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs, and (z) Deliver such new ADRs to or upon the order of the person entitled thereto, if each of the following conditions has been satisfied: (i) this ADR has been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a transfer thereof, (ii) this surrendered ADR has been properly endorsed or is accompanied by proper instruments of transfer (including signature guarantees in accordance with standard securities industry practice), (iii) this surrendered ADR has been duly stamped (if required by the laws of the State of New York or of the United States), and (iv) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case*, to the terms and conditions of this ADR, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

The Registrar shall promptly register the split-up or combination of this ADR (and of the ADSs represented hereby) on the books maintained for such purpose and the Depositary shall promptly (x) cancel this ADR and execute new ADRs for the number of ADSs requested, but in the aggregate not exceeding the number of ADSs evidenced by this ADR canceled by the Depositary, (y) cause the Registrar to countersign such new ADRs, and (z) Deliver such new ADRs to or upon the order of the Holder thereof, if each of the following conditions has been satisfied: (i) this ADR has been duly Delivered by the Holder (or by a duly authorized attorney of the Holder) to the Depositary at its Principal Office for the purpose of effecting a split-up or combination hereof, and (ii) all applicable fees and charges of, and expenses incurred by, the Depositary and all applicable taxes and governmental charges (as are set forth in Section 5.9 of, and Exhibit B to, the Deposit Agreement) have been paid, *subject, however, in each case*, to the terms and conditions of this ADR, of the Deposit Agreement and of applicable law, in each case as in effect at the time thereof.

(4) **Pre-Conditions to Registration, Transfer, etc.** As a condition precedent to the execution and Delivery, the registration of issuance, transfer, split-up, combination or surrender,

of any ADS, the delivery of any distribution thereon, or the withdrawal of any Deposited Property, the Depositary or the Custodian may require (i) payment from the depositor of Shares or presenter of ADSs or of this ADR of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees and charges of the Depositary as provided in Section 5.9 and Exhibit B to the Deposit Agreement and in this ADR, (ii) the production of proof reasonably satisfactory to it as to the identity and genuineness of any signature or any other matter contemplated by Section 3.1 of the Deposit Agreement, and (iii) compliance with (A) any laws or governmental regulations relating to the execution and Delivery of this ADR or ADSs or to the withdrawal of Deposited Securities and (B) such reasonable regulations as the Depositary and the Company may establish consistent with the provisions of this ADR, if applicable, the Deposit Agreement and applicable law.

The issuance of ADSs against deposits of Shares generally or against deposits of particular Shares may be suspended, or the deposit of particular Shares may be refused, or the registration of transfer of ADSs in particular instances may be refused, or the registration of transfer of ADSs generally may be suspended, during any period when the transfer books of the Company, the Depositary, a Registrar or the Share Registrar are closed or if any such action is deemed necessary or advisable by the Depositary or the Company, in good faith, at any time or from time to time because of any requirement of law or regulation, any government or governmental body or commission or any securities exchange on which the ADSs or Shares are listed, or under any provision of the Deposit Agreement or this ADR, if applicable, or under any provision of, or governing, the Deposited Securities, or because of a meeting of shareholders of the Company or for any other reason, subject, in all cases to Section 7.8(a) of the Deposit Agreement and paragraph (25) of this ADR. Notwithstanding any provision of the Deposit Agreement or this ADR to the contrary, Holders are entitled to surrender outstanding ADSs to withdraw the Deposited Securities associated therewith at any time subject only to (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the Deposited Securities, and (iv) other circumstances specifically contemplated by Instruction I.A.(1) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time).

(5) Compliance with Information Requests. Notwithstanding any other provision of the Deposit Agreement or this ADR, each Holder and Beneficial Owner of the ADSs represented hereby agrees to comply with requests from the Company pursuant to applicable law, the rules and requirements of any stock exchange on which the Shares or ADSs are, or will be, registered, traded or listed and/or the Articles of Association of the Company, which are made to provide information, *inter alia*, as to the capacity in which such Holder or Beneficial Owner owns ADSs (and the Shares represented by such ADSs, as the case may be) and regarding the identity of any other person(s) interested in such ADSs (and the Shares represented by such ADSs, as the case may be) and the nature of such interest and various other matters, whether or not they are Holders and/or Beneficial Owners at the time of such request. The Depositary

agrees to use its commercially reasonable efforts to forward, upon the request of the Company and at the Company's expense, any such request from the Company to the Holders and to forward to the Company, as promptly as practicable, any such responses to such requests received by the Depositary.

(6) **Ownership Restrictions.** Notwithstanding any other provision contained in this ADR or of the Deposit Agreement to the contrary, the Company may restrict transfers of the Shares where such transfer might result in ownership of Shares exceeding limits imposed by applicable law or the Articles of Association of the Company. The Company may also restrict, in such manner as it deems appropriate, transfers of the ADSs where such transfer may result in the total number of Shares represented by the ADSs owned by a single Holder or Beneficial Owner to exceed any such limits. The Company may, in its sole discretion but subject to applicable law, instruct the Depositary to take action with respect to the ownership interest of any Holder or Beneficial Owner in excess of the limits set forth in the preceding sentence, including but not limited to, the imposition of restrictions on the transfer of ADSs, the removal or limitation of voting rights or the mandatory sale or disposition on behalf of a Holder or Beneficial Owner of the Shares represented by the ADSs held by such Holder or Beneficial Owner in excess of such limitations, if and to the extent such disposition is permitted by applicable law and the Articles of Association of the Company. Nothing herein or in the Deposit Agreement shall be interpreted as obligating the Depositary or the Company to ensure compliance with the ownership restrictions described herein or in Section 3.5 of the Deposit Agreement.

(7) **Reporting Obligations and Regulatory Approvals.** Notwithstanding any provision of the Deposit Agreement or of the ADRs and without limiting the foregoing, by being a Holder or Beneficial Owner of an ADS, each such Holder or Beneficial Owner agrees to provide such information as the Company may request in a disclosure notice (a "Disclosure Notice") given pursuant to the U.K. Companies Act 2006 (as amended from time to time and including any statutory modification or reenactment thereof, the "Companies Act") or the Articles of Association of the Company. By accepting or holding an ADS, each Holder and Beneficial Owner acknowledges that it understands that failure to comply with a Disclosure Notice may result in the imposition of sanctions against the holder of the Shares in respect of which the noncomplying person is or was, or appears to be or has been, interested as provided in the Companies Act and the Articles of Association. The Company reserves the right to instruct Holders and Beneficial Owners to deliver their ADSs for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder and Beneficial Owner thereof as a holder of Shares and Holders agree to comply with such instructions. The Depositary agrees to cooperate with the Company in its efforts to inform Holders and Beneficial Owners of the Company's exercise of its rights under this paragraph and agrees to consult with, and provide reasonable assistance without risk, liability or expense on the part of the Depositary, to the Company on the manner or manners in which it may enforce such rights with respect to any Holder or Beneficial Owner. Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners of ADSs, to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners of ADSs are solely responsible for determining and complying with such

reporting requirements and obtaining such approvals. Each Holder and each Beneficial Owner hereby agrees to make such determination, file such reports, and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. Neither the Depositary, the Custodian, the Company or any of their respective agents or Affiliates shall be required to take any actions whatsoever on behalf of Holders or Beneficial Owners to determine or satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

(8) Liability for Taxes and Other Charges. Any tax or other governmental charge payable by the Custodian or by the Depositary with respect to any Deposited Property, ADSs or this ADR shall be payable by the Holders and Beneficial Owners to the Depositary. The Company, the Custodian and/or the Depositary may withhold or deduct from any distributions made in respect of Deposited Property held on behalf of such Holder and/or Beneficial Owner, and may sell for the account of a Holder and/or Beneficial Owner any or all of such Deposited Property and apply such distributions and sale proceeds in payment of, any taxes (including applicable interest and penalties) or charges that are or may be payable by Holders or Beneficial Owners in respect of the ADSs, Deposited Property and this ADR, the Holder and the Beneficial Owner hereof remaining liable for any deficiency. The Custodian may refuse the deposit of Shares and the Depositary may refuse to issue ADSs, to deliver ADRs, register the transfer of ADSs, register the split-up or combination of ADRs and (subject to paragraph (25) of this ADR and Section 7.8(a) of the Deposit Agreement) the withdrawal of Deposited Property until payment in full of such tax, charge, penalty or interest is received. Every Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian, and any of their agents, officers, employees and Affiliates for, and to hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from (i) any ADS held by such Holder and/or owned by such Beneficial Owner, (ii) the Deposited Property represented by the ADSs, and (iii) any transaction entered into by such Holder and/or Beneficial Owner in respect of the ADSs and/or the Deposited Property represented thereby. Notwithstanding anything to the contrary contained in the Deposit Agreement or any ADR, the obligations of Holders and Beneficial Owners under Section 3.2 of the Deposit Agreement shall survive any transfer of ADSs, any cancellation of ADSs and withdrawal of Deposited Securities, and the termination of the Deposit Agreement.

(9) Representations and Warranties on Deposit of Shares. Each person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that (i) such Shares and the certificates therefor are duly authorized, validly issued, fully paid, non-assessable (i.e., not subject to call for payment of further capital) and legally obtained by such person, (ii) all preemptive (and similar) rights, if any, with respect to such Shares have been validly waived or exercised, (iii) the person making such deposit is duly authorized so to do, (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, (v) the Shares presented for deposit are not, and the ADSs issuable upon such deposit will not be, Restricted Securities (except as contemplated in Section 2.14 of the Deposit Agreement), and (vi) the Shares presented for deposit have not been stripped of any rights or entitlements. Such representations and warranties shall survive the deposit and withdrawal of Shares, the issuance and cancellation of ADSs in respect thereof and the transfer

of such ADSs. If any such representations or warranties are false in any way, the Company and the Depositary shall be authorized, at the cost and expense of the person depositing Shares, to take any and all actions necessary to correct the consequences thereof.

(10) Proofs, Certificates and Other Information. Any person presenting Shares for deposit, any Holder and any Beneficial Owner may be required, and every Holder and Beneficial Owner agrees, from time to time to provide to the Depositary and the Custodian such proof of citizenship or residence, taxpayer status, payment of all applicable taxes or other governmental charges, exchange control approval, legal or beneficial ownership of ADSs and Deposited Property, compliance with applicable laws, the terms of the Deposit Agreement or this ADR evidencing the ADSs and the provisions of, or governing, the Deposited Property, to execute such certifications and to make such representations and warranties, and to provide such other information and documentation (or, in the case of Shares in registered form presented for deposit, such information relating to the registration on the books of the Company or of the Share Registrar) as the Depositary or the Custodian may deem necessary or proper or as the Company may reasonably require by written request to the Depositary consistent with its obligations under the Deposit Agreement and this ADR and the Holder or Beneficial Owner is legally able to provide. The Depositary and the Registrar, as applicable, may, and at the request of the Company, shall, to the extent practicable, withhold the execution or delivery or registration of transfer of any ADR or ADS or the distribution or sale of any dividend or distribution of rights or of the proceeds thereof or, to the extent not limited by paragraph (25) and Section 7.8(a) of the Deposit Agreement, the delivery of any Deposited Property until such proof or other information is filed or such certifications are executed, or such representations and warranties are made, or such other documentation or information provided, in each case to the Depositary's, the Registrar's and the Company's satisfaction (whether or not the Holder or Beneficial Owner is legally able to provide it). The Depositary shall provide the Company, in a timely manner, with copies or originals if necessary and appropriate of (i) any such proofs of citizenship or residence, taxpayer status, or exchange control approval or copies of written representations and warranties which it receives from Holders and Beneficial Owners, and (ii) any other information or documents which the Company may reasonably request and which the Depositary shall request and receive from any Holder or Beneficial Owner or any person presenting Shares for deposit or ADSs for cancellation, transfer or withdrawal. Nothing herein shall obligate the Depositary to (i) obtain any information for the Company if not provided by the Holders or Beneficial Owners, or (ii) verify or vouch for the accuracy of the information so provided by the Holders or Beneficial Owners.

(11) ADS Fees and Charges. The following ADS fees (some of which may be cumulative) are payable under the terms of the Deposit Agreement:

- (i) ADS Issuance Fee: by any person for whom ADSs are issued (*e.g.*, an issuance upon a deposit of Shares, upon a change in the ADS(s)-to-Share(s) ratio, ADS conversions, or for any other reason), excluding issuances as a result of distributions described in paragraph (iv) below, a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) issued under the terms of the Deposit Agreement;

- (ii) ADS Cancellation Fee: by any person for whom ADSs are being cancelled (e.g., a cancellation of ADSs for Delivery of deposited shares, upon a change in the ADS(s)-to-Share(s) ratio, ADS conversions, upon termination of the Deposit Agreement, or for any other reason), a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) cancelled;
- (iii) Cash Distribution Fee: by any Holder of ADSs, a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) held for the distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements);
- (iv) Stock Distribution /Rights Exercise Fee: by any Holder of ADS(s), a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) held for the distribution of ADSs pursuant to (a) stock dividends or other free stock distributions, or (b) an exercise of rights to purchase additional ADSs;
- (v) Other Distribution Fee: by any Holder of ADS(s), a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) held for the distribution of financial instruments, including, without limitation, securities, other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares and contingent value rights);
- (vi) Depository Services Fee: by any Holder of ADS(s), a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depository;
- (vii) Registration of ADS Transfer Fee: by any Holder of ADS(s) being transferred or by any person to whom ADSs are transferred, a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) transferred (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and *vice versa*, or for any other reason); and
- (viii) ADS Conversion Fee: by any Holder of ADS(s) being converted or by any person to whom the converted ADSs are delivered, a fee not in excess of U.S. \$5.00 per 100 ADSs (or fraction thereof) converted from one ADS series to another ADS series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs into freely transferrable ADSs, and *vice versa*) or conversion of ADSs for unsponsored American Depositary Shares (e.g., upon termination of the Deposit Agreement).

The Company, Holders, Beneficial Owners, persons depositing Shares or withdrawing Deposited Securities in connection with ADS issuances and cancellations, and persons for whom

ADSs are issued or cancelled shall be responsible for the following ADS charges (some of which may be cumulative) under the terms of the Deposit Agreement:

- (a) taxes (including applicable interest and penalties) and other governmental charges;
- (b) such registration fees as may from time to time be in effect for the registration of Shares or other Deposited Securities on the share register and applicable to transfers of Shares or other Deposited Securities to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;
- (c) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Deposited Property or of the Holders and Beneficial Owners of ADSs;
- (d) in connection with the conversion of Foreign Currency, the fees, expenses, spreads, taxes and other charges of the Depositary and/or conversion service providers (which may be a division, branch or Affiliate of the Depositary). Such fees, expenses, spreads, taxes and other charges shall be deducted from the Foreign Currency;
- (e) any reasonable and customary out-of-pocket expenses incurred in such conversion and/or on behalf of the Holders and Beneficial Owners in complying with currency exchange control or other governmental requirements;
- (f) the fees, charges, costs and expenses incurred by the Depositary, the Custodian, or any nominee in connection with the ADR program; and
- (g) the amounts payable to the Depositary by any party to the Deposit Agreement pursuant to any ancillary agreement to the Deposit Agreement in respect of the ADR program, the ADSs and the ADRs.

All ADS fees and charges so payable may, at any time and from time to time, be changed by agreement between the Depositary and Company but, in the case of ADS fees and charges payable by Holders and Beneficial Owners, any such change may be made only in the manner contemplated by paragraph (23) of this ADR and as contemplated in Section 6.1 of the Deposit Agreement. The Depositary shall provide, without charge, a copy of its latest ADS fee schedule to anyone upon request.

ADS fees and charges for (i) the issuance of ADSs and (ii) the cancellation of ADSs will be payable by the person for whom the ADSs are so issued by the Depositary (in the case of ADS issuances) and by the person for whom ADSs are being cancelled (in the case of ADS cancellations). In the case of ADSs issued by the Depositary into DTC or presented to the

Depository via DTC, the ADS issuance and cancellation fees and charges will be payable by the DTC Participant(s) receiving the ADSs from the Depository or the DTC Participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the Beneficial Owner(s) and will be charged by the DTC Participant(s) to the account(s) of the applicable Beneficial Owner(s) in accordance with the procedures and practices of the DTC Participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are payable by Holders as of the applicable ADS Record Date established by the Depository. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, the applicable Holders as of the ADS Record Date established by the Depository will be invoiced for the amount of the ADS fees and charges and such ADS fees may be deducted from distributions made to Holders. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC Participants in accordance with the procedures and practices prescribed by DTC from time to time and the DTC Participants in turn charge the amount of such ADS fees and charges to the Beneficial Owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series (which may entail the cancellation, issuance and transfer of ADSs and the conversion of ADSs from one series to another series), the applicable ADS issuance, cancellation, transfer and conversion fees will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

The Depository may reimburse the Company for certain expenses incurred by the Company in respect of the ADR program established pursuant to the Deposit Agreement, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depository agree from time to time. The Company shall pay to the Depository such fees and charges, and reimburse the Depository for such out-of-pocket expenses, as the Depository and the Company may agree from time to time. Responsibility for payment of such fees, charges and reimbursements may from time to time be changed by agreement between the Company and the Depository. Unless otherwise agreed, the Depository shall present its statement for such fees, charges and reimbursements to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depository.

The obligations of Holders and Beneficial Owners to pay ADS fees and charges shall survive the termination of the Deposit Agreement. As to any Depository, upon the resignation or removal of such Depository as described in Section 5.4 of the Deposit Agreement, the right to collect ADS fees and charges shall extend for those ADS fees and charges incurred prior to the effectiveness of such resignation or removal.

(12) Title to ADRs. Subject to the limitations contained in the Deposit Agreement and in this ADR, it is a condition of this ADR, and every successive Holder of this ADR by accepting or holding the same consents and agrees, that title to this ADR (and to each

Certificated ADS evidenced hereby) shall be transferable upon the same terms as a certificated security under the laws of the State of New York, provided that, in the case of Certificated ADSs, this ADR has been properly endorsed or is accompanied by proper instruments of transfer. Notwithstanding any notice to the contrary, the Depositary and the Company may deem and treat the Holder of this ADR (that is, the person in whose name this ADR is registered on the books of the Depositary) as the absolute owner thereof for all purposes. Neither the Depositary nor the Company shall have any obligation nor be subject to any liability under the Deposit Agreement or this ADR to any holder of this ADR or any Beneficial Owner unless, in the case of a holder of ADSs, such holder is the Holder of this ADR registered on the books of the Depositary or, in the case of a Beneficial Owner, such Beneficial Owner, or the Beneficial Owner's representative, is the Holder registered on the books of the Depositary.

(13) Validity of ADR. The Holder(s) of this ADR (and the ADSs represented hereby) shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose against the Depositary or the Company unless this ADR has been (i) dated, (ii) signed by the manual or facsimile signature of a duly-authorized signatory of the Depositary, (iii) countersigned by the manual or facsimile signature of a duly-authorized signatory of the Registrar, and (iv) registered in the books maintained by the Registrar for the registration of issuances and transfers of ADRs. An ADR bearing the facsimile signature of a duly-authorized signatory of the Depositary or the Registrar, who at the time of signature was a duly authorized signatory of the Depositary or the Registrar, as the case may be, shall bind the Depositary, notwithstanding the fact that such signatory has ceased to be so authorized prior to the delivery of such ADR by the Depositary.

(14) Available Information; Reports; Inspection of Transfer Books. The Company is subject to the periodic reporting requirements of the Exchange Act and, accordingly, is required to file or furnish certain reports with the Commission. These reports can be retrieved from the Commission's website (www.sec.gov) and can be inspected and copied at the public reference facilities maintained by the Commission located (as of the date of the Deposit Agreement) at 100 F Street, N.E., Washington D.C. 20549. The Depositary shall make available for inspection by Holders at its Principal Office any reports and communications, including any proxy soliciting materials, received from the Company which are both (a) received by the Depositary, the Custodian, or the nominee of either of them as the holder of the Deposited Property and (b) made generally available to the holders of such Deposited Property by the Company. The Depositary shall also provide or make available to Holders copies of such reports when furnished by the Company pursuant to Section 5.6 of the Deposit Agreement.

The Registrar shall keep books for the registration of ADSs which at all reasonable times shall be open for inspection by the Company and by the Holders of such ADSs, provided that such inspection shall not be, to the Registrar's knowledge, for the purpose of communicating with Holders of such ADSs in the interest of a business or object other than the business of the Company or other than a matter related to the Deposit Agreement or the ADSs.

The Registrar may close the transfer books with respect to the ADSs, at any time or from time to time, when deemed necessary or advisable by it in good faith in connection with the

performance of its duties hereunder, or at the reasonable written request of the Company subject, in all cases, to paragraph (25) and Section 7.8(a) of the Deposit Agreement.

Dated:

CITIBANK, N.A.
Transfer Agent and Registrar

CITIBANK, N.A.
as Depositary

By: _____
Authorized Signatory

By: _____
Authorized Signatory

The address of the Principal Office of the Depositary is 388 Greenwich Street, New York, New York 10013, U.S.A.

[FORM OF REVERSE OF ADR]

SUMMARY OF CERTAIN ADDITIONAL PROVISIONS
OF THE DEPOSIT AGREEMENT

(15) **Dividends and Distributions in Cash, Shares, etc.** (a) ***Cash Distributions:*** Upon the timely receipt by the Depositary of a notice from the Company that it intends to make a distribution of a cash dividend or other cash distribution, the Depositary shall establish the ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement. Upon confirmation of the receipt of (x) any cash dividend or other cash distribution in respect of any Deposited Property (whether from the Company or otherwise), or (y) proceeds from the sale of any Deposited Property held in respect of the ADSs under the terms of the Deposit Agreement, the Depositary will (i) if any amounts are received in a Foreign Currency, promptly convert or cause to be converted such cash dividend, distribution or proceeds into Dollars (subject to the terms and conditions described in Section 4.8 of the Deposit Agreement), (ii) if applicable and unless previously established, establish the ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement, and (iii) distribute promptly the amount thus received (net of (a) the applicable fees and charges set forth in the Fee Schedule attached as Exhibit B to the Deposit Agreement and (b) applicable taxes withheld) to the Holders entitled thereto as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Holder a fraction of one cent, and any balance not so distributed shall be held by the Depositary (without liability for interest thereon) and shall be added to and become part of the next sum received by the Depositary for distribution to Holders of ADSs outstanding at the time of the next distribution. If the Company, the Custodian or the Depositary is required to withhold and does withhold from any cash dividend or other cash distribution in respect of any Deposited Securities, or from any cash proceeds from the sales of Deposited Property, an amount on account of taxes, duties or other governmental charges, the amount distributed to Holders on the ADSs shall be reduced accordingly. Such withheld amounts shall be forwarded by the Company, the Custodian or the Depositary to the relevant governmental authority. Evidence of payment thereof by the Company shall be forwarded by the Company to the Depositary upon request. The Depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable Holders and Beneficial Owners of ADSs until the distribution can be effected or the funds that the Depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.1 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.1 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.1 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

(b) **Share Distributions:** Upon the timely receipt of such notice from the Company, the Depositary shall establish the ADS Record Date upon the terms described in Section 4.9 of the Deposit Agreement. Upon receipt of confirmation from the Custodian of the receipt of the Shares so distributed by the Company, the Depositary shall either (i) subject to Section 5.9 of the Deposit Agreement, distribute to the Holders as of the ADS Record Date in proportion to the number of ADSs held as of the ADS Record Date, additional ADSs, which represent in the aggregate the number of Shares received as such dividend, or free distribution, subject to the other terms of the Deposit Agreement (including, without limitation, (a) the applicable fees and charges of, and expenses incurred by, the Depositary and (b) taxes), or (ii) if additional ADSs are not so distributed, take all actions necessary so that each ADS issued and outstanding after the ADS Record Date shall, to the extent permissible by law, thenceforth also represent rights and interests in the additional integral number of Shares distributed upon the Deposited Securities represented thereby (net of (a) the applicable fees and charges of, and reasonable expenses incurred by, the Depositary and (b) taxes). In lieu of delivering fractional ADSs, the Depositary shall sell the number of Shares or ADSs, as the case may be, represented by the aggregate of such fractions and distribute the net proceeds upon the terms described in Section 4.1 of the Deposit Agreement.

In the event that the Depositary determines that any distribution in property (including Shares) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, or, if the Company in the fulfillment of its obligation under Section 5.7 of the Deposit Agreement, has furnished an opinion of U.S. counsel determining that Shares must be registered under the Securities Act or other laws in order to be distributed to Holders (and no such registration statement has been declared effective), the Depositary may dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable, and the Depositary shall distribute the net proceeds of any such sale (after deduction of (a) taxes and (b) fees and charges of, and the expenses incurred by, the Depositary) to Holders entitled thereto upon the terms of Section 4.1 of the Deposit Agreement. The Depositary shall hold and/or distribute any unsold balance of such property in accordance with the provisions of the Deposit Agreement. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.2 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.2 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.2 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

(c) **Elective Distributions in Cash or Shares:** Upon the timely receipt of a notice indicating that the Company wishes an elective distribution in cash or Shares to be made available to Holders of ADSs upon the terms described in the Deposit Agreement, the Company and the Depositary shall determine in accordance with the Deposit Agreement whether such distribution is lawful and reasonably practicable. The Depositary shall make such elective distribution available to Holders only if (i) the Company shall have timely requested that the

elective distribution be made available to Holders, (ii) the Depositary shall have determined that such distribution is reasonably practicable and (iii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement. If the above conditions are satisfied, the Depositary shall, subject to the terms and conditions of the Deposit Agreement, establish the ADS Record Date upon the terms of Section 4.9 of the Deposit Agreement and establish procedures to enable the Holder hereof to elect to receive the proposed distribution in cash or in additional ADSs. If a Holder elects to receive the distribution in cash, the distribution shall be made as in the case of a distribution in cash. If the Holder hereof elects to receive the distribution in additional ADSs, the distribution shall be made as in the case of a distribution in Shares upon the terms described in the Deposit Agreement. If such elective distribution is not reasonably practicable or if the Depositary did not receive satisfactory documentation set forth in the Deposit Agreement, the Depositary shall establish an ADS Record Date upon the terms of Section 4.9 of the Deposit Agreement and, to the extent permitted by law, distribute to Holders, on the basis of the same determination as is made in England and Wales in respect of the Shares for which no election is made, either (x) cash upon the terms described in Section 4.1 of the Deposit Agreement or (y) additional ADSs representing such additional Shares, in each case, upon the terms described in Section 4.2 of the Deposit Agreement. Nothing herein or in the Deposit Agreement shall obligate the Depositary to make available to the Holder hereof a method to receive the elective distribution in Shares (rather than ADSs). There can be no assurance that the Holder hereof will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of Shares. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed distribution provided for in Section 4.3 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.3 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.3 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

(d) ***Distribution of Rights to Purchase Additional ADSs***: Upon the timely receipt by the Depositary of a notice indicating that the Company wishes rights to subscribe for additional Shares to be made available to Holders of ADSs, the Depositary upon consultation with the Company, shall determine, whether it is lawful and reasonably practicable to make such rights available to the Holders. The Depositary shall make such rights available to Holders only if (i) the Company shall have timely requested that such rights be made available to Holders, (ii) the Depositary shall have received satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement, and (iii) the Depositary shall have determined that such distribution of rights is reasonably practicable. If such conditions are not satisfied or if the Company requests that the rights not be made available to Holders of ADSs, the Depositary shall sell the rights as described Section 4.4(b) of the Deposit Agreement. In the event all conditions set forth above are satisfied, the Depositary shall establish the ADS Record Date (upon the terms described in Section 4.9 of the Deposit Agreement) and establish procedures to (x) distribute rights to purchase additional ADSs (by means of warrants or otherwise), (y) enable the Holders to exercise such rights (upon payment of the subscription price and of the applicable (a) fees and charges of, and expenses

incurred by, the Depositary and (b) taxes), and (z) deliver ADSs upon the valid exercise of such rights. The Company shall assist the Depositary to the extent necessary in establishing such procedures. Nothing herein or in the Deposit Agreement shall obligate the Depositary to make available to the Holders a method to exercise rights to subscribe for Shares (rather than ADSs). If (i) the Company does not timely request the Depositary to make the rights available to Holders or requests that the rights not be made available to Holders, (ii) the Depositary fails to receive satisfactory documentation within the terms of Section 5.7 of the Deposit Agreement or determines it is not reasonably practicable to make the rights available to Holders, or (iii) any rights made available are not exercised and appear to be about to lapse, the Depositary shall determine whether it is lawful and reasonably practicable to sell such rights, in a riskless principal capacity, at such place and upon such terms (including public and private sale) as it may deem practicable. The Company shall assist the Depositary to the extent necessary to determine such legality and practicability. The Depositary shall, upon such sale, convert and distribute proceeds of such sale (net of applicable (a) fees and charges of, and reasonable expenses incurred by, the Depositary and (b) taxes) upon the terms hereof and of Section 4.1 of the Deposit Agreement. If the Depositary is unable to make any rights available to Holders upon the terms described in Section 4.4(a) of the Deposit Agreement or to arrange for the sale of the rights upon the terms described in Section 4.4(b) of the Deposit Agreement, the Depositary shall allow such rights to lapse. The Depositary shall not be liable for (i) any failure to accurately determine whether it may be lawful or practicable to make such rights available to Holders in general or any Holders in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale or exercise, or (iii) the content of any materials forwarded to the Holders on behalf of the Company in connection with the rights distribution.

Notwithstanding anything herein or in Section 4.4 of the Deposit Agreement to the contrary, if registration (under the Securities Act or any other applicable law) of the rights or the securities to which any rights relate may be required in order for the Company to offer such rights or such securities to Holders and to sell the securities represented by such rights, the Depositary will not distribute such rights to the Holders (i) unless and until a registration statement under the Securities Act (or other applicable law) covering such offering is in effect or (ii) unless the Company furnishes the Depositary opinion(s) of counsel for the Company in the United States and counsel to the Company in any other applicable country in which rights would be distributed, in each case reasonably satisfactory to the Depositary, to the effect that the offering and sale of such securities to Holders and Beneficial Owners are exempt from, or do not require registration under, the provisions of the Securities Act or any other applicable laws. In the event that the Company, the Depositary or the Custodian shall be required to withhold and does withhold from any distribution of Deposited Property (including rights) an amount on account of taxes or other governmental charges, the amount distributed to the Holders of ADSs shall be reduced accordingly. In the event that the Depositary determines that any distribution of Deposited Property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charges which the Depositary is obligated to withhold, the Depositary may dispose of all or a portion of such Deposited Property (including Shares and rights to subscribe therefor) in such amounts and in such manner, including by public or private sale, as the Depositary deems necessary and practicable to pay any such taxes or charges.

There can be no assurance that Holders generally, or any Holder in particular, will be given the opportunity to receive or exercise rights on the same terms and conditions as the holders of Shares or be able to exercise such rights. Nothing herein or in the Deposit Agreement shall obligate the Company to file any registration statement in respect of any rights or Shares or other securities to be acquired upon the exercise of such rights.

(e) ***Distributions other than Cash, Shares or Rights to Purchase Shares***: Upon receipt of a notice indicating that the Company wishes property other than cash, Shares or rights to purchase additional Shares to be made to Holders of ADSs, the Depositary shall determine whether such distribution to Holders is lawful and reasonably practicable. The Depositary shall not make such distribution unless (i) the Company shall have requested the Depositary to make such distribution to Holders, (ii) the Depositary shall have received satisfactory documentation contemplated in Section 5.7 of the Deposit Agreement, and (iii) the Depositary shall have determined that such distribution is reasonably practicable. Upon satisfaction of such conditions, the Depositary shall distribute the property so received to the Holders of record, as of the ADS Record Date, in proportion to the number of ADSs held by them respectively and in such manner as the Depositary may deem practicable for accomplishing such distribution (i) upon receipt of payment or net of the applicable fees and charges of, and expenses incurred by, the Depositary, and (ii) net of any taxes withheld. The Depositary may dispose of all or a portion of the property so distributed and deposited, in such amounts and in such manner (including public or private sale) as the Depositary may deem practicable or necessary to satisfy any taxes (including applicable interest and penalties) or other governmental charges applicable to the distribution.

If the conditions above are not satisfied, the Depositary shall sell or cause such property to be sold in a public or private sale, at such place or places and upon such terms as it may deem practicable and shall (i) cause the proceeds of such sale, if any, to be converted into Dollars and (ii) distribute the proceeds of such conversion received by the Depositary (net of applicable (a) fees and charges of, and expenses incurred by, the Depositary and (b) taxes) to the Holders as of the ADS Record Date upon the terms hereof and Section 4.1 of the Deposit Agreement. If the Depositary is unable to sell such property, the Depositary may dispose of such property for the account of the Holders in any way it deems reasonably practicable under the circumstances.

Neither the Depositary nor the Company shall be responsible for (i) any failure to determine whether it is lawful or practicable to make the property described in Section 4.5 of the Deposit Agreement available to Holders in general or any Holders in particular, nor (ii) any loss incurred in connection with the sale or disposal of such property.

(16) **Redemption**. If the Company intends to exercise any right of redemption in respect of any of the Deposited Securities, the Company shall give notice thereof to the Depositary at least forty-five (45) days (or such other number of days as mutually agreed to in writing by the Depositary and the Company) prior to the intended date of redemption which notice shall set forth the particulars of the proposed redemption. Upon timely receipt of (i) such notice and (ii) satisfactory documentation given by the Company to the Depositary within the terms of Section 5.7 of the Deposit Agreement, and only if after consultation between the Depositary and the Company, the Depositary shall have determined that such proposed

redemption is practicable, the Depositary shall provide to each Holder a notice setting forth the intended exercise by the Company of the redemption rights and any other particulars set forth in the Company's notice to the Depositary. The Depositary shall instruct the Custodian to present to the Company the Deposited Securities in respect of which redemption rights are being exercised against payment of the applicable redemption price. Upon receipt of confirmation from the Custodian that the redemption has taken place and that funds representing the redemption price have been received, the Depositary shall convert, transfer, and distribute the proceeds (net of applicable (a) fees and charges of, and the reasonable expenses incurred by, the Depositary, and (b) taxes), retire ADSs and cancel ADRs, if applicable, upon delivery of such ADSs by Holders thereof and the terms set forth in Sections 4.1 and 6.2 of the Deposit Agreement. If less than all outstanding Deposited Securities are redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as may be determined by the Depositary after consultation with the Company. The redemption price per ADS shall be the dollar equivalent of the per share amount received by the Depositary (adjusted to reflect the ADS(s)-to-Share(s) ratio) upon the redemption of the Deposited Securities represented by ADSs (subject to the terms of Section 4.8 of the Deposit Agreement and the applicable fees and charges of, and expenses incurred by, the Depositary, and taxes) multiplied by the number of Deposited Securities represented by each ADS redeemed. Notwithstanding anything contained in the Deposit Agreement to the contrary, in the event the Company fails to give the Depositary timely notice of the proposed redemption provided for in Section 4.7 of the Deposit Agreement, the Depositary agrees to use commercially reasonable efforts to perform the actions contemplated in Section 4.7 of the Deposit Agreement, and the Company, the Holders and the Beneficial Owners acknowledge that the Depositary shall have no liability for the Depositary's failure to perform the actions contemplated in Section 4.7 of the Deposit Agreement where such notice has not been so timely given, other than its failure to use commercially reasonable efforts, as provided herein.

(17) Fixing of ADS Record Date. Whenever (a) the Depositary shall receive notice of the fixing of a record date by the Company for the determination of holders of Deposited Securities entitled to receive any distribution (whether in cash, Shares, rights or other distribution), (b) for any reason the Depositary causes a change in the number of Shares that are represented by each ADS, (c) the Depositary shall receive notice of any meeting of, or solicitation of consents or proxies of, holders of Shares or other Deposited Securities, or (d) the Depositary shall find it necessary or convenient in connection with the giving of any notice, solicitation of any consent or any other matter, the Depositary shall fix the record date (the "ADS Record Date") for the determination of the Holders of ADS(s) who shall be entitled to receive such distribution, to give instructions for the exercise of voting rights at any such meeting, to give or withhold such consent, to receive such notice or solicitation or to otherwise take action, or to exercise the rights of Holders with respect to such changed number of Shares represented by each ADS. The Depositary shall make commercially reasonable efforts to establish the ADS Record Date as closely as practicable to the applicable record date for the Deposited Securities (if any) set by the Company in England and Wales and shall not announce the establishment of any ADS Record Date prior to the relevant corporate action having been made public by the Company (if such corporate action affects the Deposited Securities). Subject to applicable law, the terms and conditions of this ADR and Sections 4.1 through 4.8 of the Deposit Agreement, only the Holders of ADSs at the close of business in New York on such ADS Record Date shall

be entitled to receive such distribution, to give such voting instructions, to receive such notice or solicitation, or otherwise take action.

(18) Voting of Deposited Securities. As soon as practicable after receipt of notice of any meeting at which the holders of Deposited Securities are entitled to vote, or of solicitation of consents or proxies from holders of Deposited Securities, the Depositary shall fix the ADS Record Date in respect of such meeting or solicitation of consent or proxy in accordance with Section 4.9 of the Deposit Agreement. The Depositary shall, if requested by the Company in writing in a timely manner (the Depositary having no obligation to take any further action if the request shall not have been received by the Depositary at least thirty (30) days prior to the date of such vote or meeting), at the Company's expense and provided no U.S. legal prohibitions exist, distribute to Holders as of the ADS Record Date: (a) such notice of meeting or solicitation of consent or proxy, (b) a statement that the Holders at the close of business on the ADS Record Date will be entitled, subject to any applicable law, the provisions of the Deposit Agreement, the Articles of Association of the Company and the provisions of or governing the Deposited Securities (which provisions, if any, shall be summarized in pertinent part by the Company), to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by such Holder's ADSs, and (c) a brief statement as to the manner in which such voting instructions may be given.

Notwithstanding anything contained in the Deposit Agreement or any ADR, with the Company's prior written consent, the Depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the Depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of Deposited Securities, distribute to the Holders a notice that provides Holders with, or otherwise publicizes to Holders, instructions on how to retrieve such materials or receive such materials upon request (e.g., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

The Depositary has been advised by the Company that under the Articles of Association of the Company as in effect on the date of the Deposit Agreement, voting at any meeting of shareholders of the Company is by poll.

Voting instructions may be given only in respect of a number of ADSs representing an integral number of Deposited Securities. Upon the timely receipt from a Holder of ADSs as of the ADS Record Date of voting instructions in the manner specified by the Depositary, the Depositary shall endeavor, insofar as practicable and permitted under applicable law, the provisions of the Deposit Agreement, the Articles of Association of the Company and the provisions of the Deposited Securities, to vote, or cause the Custodian to vote, the Deposited Securities (in person or by proxy) represented by such Holder's ADSs in accordance with such voting instructions.

Deposited Securities represented by ADSs for which no timely voting instructions are received by the Depositary from the Holder shall not be voted (except as otherwise contemplated herein). Neither the Depositary nor the Custodian shall under any circumstances exercise any discretion as to voting and neither the Depositary nor the Custodian shall vote, attempt to

exercise the right to vote, or in any way make use of, for purposes of establishing a quorum or otherwise, the Deposited Securities represented by ADSs, except pursuant to and in accordance with the voting instructions timely received from Holders or as otherwise contemplated in the Deposit Agreement or herein. If the Depositary timely receives voting instructions from a Holder which fail to specify the manner in which the Depositary is to vote the Deposited Securities represented by such Holder's ADSs, the Depositary will deem such Holder (unless otherwise specified in the notice distributed to Holders) to have instructed the Depositary to vote in favor of the items set forth in such voting instructions.

Notwithstanding anything else contained herein, the Depositary shall, if so requested in writing by the Company, represent all Deposited Securities (whether or not voting instructions have been received in respect of such Deposited Securities from Holders as of the ADS Record Date) for the sole purpose of establishing quorum at a meeting of shareholders.

Notwithstanding anything else contained in the Deposit Agreement or this ADR, the Depositary shall not have any obligation to take any action with respect to any meeting, or solicitation of consents or proxies, of holders of Deposited Securities if the taking of such action would violate the laws of the U.S. or England and Wales. The Company agrees to take any and all actions reasonably necessary and as permitted by the laws of the U.S. and England and Wales to enable Holders and Beneficial Owners to exercise the voting rights accruing to the Deposited Securities and to deliver to the Depositary an opinion of U.S. counsel addressing any actions requested to be taken if reasonably requested by the Depositary. There can be no assurance that Holders generally or any Holder in particular will receive the notice described above with sufficient time to enable the Holder to return voting instructions to the Depositary in a timely manner, provided that the Depositary will nonetheless take commercially reasonable efforts to deliver the notice described above to Holders as soon as practicable after receipt of the notice from Company.

(19) Changes Affecting Deposited Securities. Upon any change in nominal value, sub-division, cancellation, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets affecting the Company or to which it is a party, any property which shall be received by the Depositary or the Custodian in exchange for, or in conversion of, or replacement of, or otherwise in respect of, such Deposited Securities shall, to the extent permitted by law, be treated as new Deposited Property under the Deposit Agreement, and this ADR shall, subject to the provisions of the Deposit Agreement, this ADR evidencing such ADSs and applicable law, represent the right to receive such additional or replacement Deposited Property. In giving effect to such change, sub-division, cancellation, consolidation or other reclassification of Deposited Securities, recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets, the Depositary may, with the Company's approval, and shall, if the Company shall so request, subject to the terms of the Deposit Agreement (including, without limitation, (a) the applicable fees and charges of, and expenses incurred by, the Depositary, and (b) taxes) and receipt of an opinion of counsel to the Company reasonably satisfactory to the Depositary that such actions are not in violation of any applicable laws or regulations, (i) issue and deliver additional ADSs as in the case of a stock dividend on the Shares, (ii) amend the Deposit

Agreement and the applicable ADRs, (iii) amend the applicable Registration Statement(s) on Form F-6 as filed with the Commission in respect of the ADSs, (iv) call for the surrender of outstanding ADRs to be exchanged for new ADRs, and (v) take such other actions as are appropriate to reflect the transaction with respect to the ADSs. The Company agrees to, jointly with the Depository, amend the Registration Statement on Form F-6 as filed with the Commission to permit the issuance of such new form of ADRs. Notwithstanding the foregoing, in the event that any Deposited Property so received may not be lawfully distributed to some or all Holders, the Depository may, with the Company's approval, and shall, if the Company requests, subject to receipt of an opinion of Company's counsel reasonably satisfactory to the Depository that such action is not in violation of any applicable laws or regulations, sell such Deposited Property at public or private sale, at such place or places and upon such terms as it may deem proper and may allocate the net proceeds of such sales (net of (a) fees and charges of, and expenses incurred by, the Depository and (b) taxes) for the account of the Holders otherwise entitled to such Deposited Property upon an averaged or other practicable basis without regard to any distinctions among such Holders and distribute the net proceeds so allocated to the extent practicable as in the case of a distribution received in cash pursuant to Section 4.1 of the Deposit Agreement. The Depository shall not be responsible for (i) any failure to determine that it may be lawful or practicable to make such Deposited Property available to Holders in general or to any Holder in particular, (ii) any foreign exchange exposure or loss incurred in connection with such sale, or (iii) any liability to the purchaser of such Deposited Property.

(20) Exoneration. Notwithstanding anything contained in the Deposit Agreement or any ADR, neither the Depository nor the Company shall be obligated to do or perform any act which is inconsistent with the provisions of the Deposit Agreement or incur any liability (to the extent not limited by paragraph (25) hereof and Section 7.8(b) of the Deposit Agreement) (i) if the Depository, the Custodian, the Company or their respective agents shall be prevented or forbidden from, hindered or delayed in, doing or performing any act or thing required or contemplated by the terms of the Deposit Agreement and this ADR, by reason of any provision of any present or future law or regulation of the United States, England and Wales or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of potential criminal or civil penalties or restraint, or by reason of any provision, present or future, of the Articles of Association of the Company or any provision of or governing any Deposited Securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, fire, flood, earthquake, tornado, hurricane, tsunami, explosion, or other natural disaster, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, act of war (whether declared or not) or terrorism, revolution, rebellion, embargo, computer failure, failure of public infrastructure (including communication or utility failure), failure of common carriers, nuclear, cyber or biochemical incident, any pandemic, epidemic or other prevalent disease or illness with an actual or probable threat to human life, any quarantine order or travel restriction imposed by a governmental authority or other competent public health authority, or the failure or unavailability of the United States Federal Reserve Bank (or other central banking system) or DTC (or other clearing system)), (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement or in the Articles of Association of the Company or provisions of or governing Deposited Securities, (iii) for any action or inaction in reliance upon the advice of or information

from legal counsel, accountants, any person presenting Shares for deposit, any Holder, any Beneficial Owner or authorized representative thereof, or any other person believed by it in good faith to be competent to give such advice or information, (iv) for the inability by a Holder or Beneficial Owner to benefit from any distribution, offering, right or other benefit which is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Holders of ADSs, (v) for any action or inaction of any clearing or settlement system (any participant thereof) for the Deposited Property or the ADSs, or (vi) for any consequential or punitive damages (including lost profits) for any breach of the terms of the Deposit Agreement. The Depositary, its controlling persons, its agents, any Custodian and the Company, its controlling persons and its agents may rely and shall be protected in acting upon any written notice, request or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(21) Standard of Care. The Company and the Depositary assume no obligation and shall not be subject to any liability under the Deposit Agreement or this ADR to any Holder(s) or Beneficial Owner(s), except that the Company and the Depositary agree to perform their respective obligations specifically set forth in the Deposit Agreement or this ADR without negligence or bad faith. Without limitation of the foregoing, neither the Depositary, nor the Company, nor any of their respective controlling persons, or agents, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Property or in respect of the ADSs, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required (and no Custodian shall be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depositary).

The Depositary and its agents shall not be liable for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any vote is cast or the effect of any vote, provided that any such action or omission is in good faith and without negligence and in accordance with the terms of the Deposit Agreement. The Depositary shall not incur any liability for any failure to accurately determine that any distribution or action may be lawful or reasonably practicable, for the content of any information submitted to it by the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Property, for the validity or worth of the Deposited Property, for the value of any Deposited Property or any distribution thereon, for any interest on Deposited Property, for any financial transaction entered into by any person in respect of the ADSs or any Deposited Property, for any tax consequences that may result from the ownership of, or any transaction involving, ADSs or Deposited Property, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement, for the failure or timeliness of any notice from the Company, or for any action of or failure to act by, or any information provided or not provided by, DTC or any DTC Participant.

The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in

connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary.

(22) Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of resignation delivered to the Company, such resignation to be effective on the earlier of (i) the 90th day after delivery thereof to the Company (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2 of the Deposit Agreement), or (ii) the appointment by the Company of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by written notice of such removal, which removal shall be effective on the later of (i) the 90th day after delivery thereof to the Depositary (whereupon the Depositary shall be entitled to take the actions contemplated in Section 6.2 of the Deposit Agreement), or (ii) upon the appointment by the Company of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. In case at any time the Depositary acting hereunder shall resign or be removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, the City of New York. Every successor depositary shall be required by the Company to execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depositary, without any further act or deed (except as required by applicable law), shall become fully vested with all the rights, powers, duties and obligations of its predecessor (other than as contemplated in Sections 5.8 and 5.9 of the Deposit Agreement). The predecessor depositary, upon payment of all sums due it and on the written request of the Company shall (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than as contemplated in Sections 5.8 and 5.9 of the Deposit Agreement), (ii) duly assign, transfer and deliver all of the Depositary's right, title and interest to the Deposited Property to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADSs and such other information relating to ADSs and Holders thereof as the successor may reasonably request. Any such successor depositary shall promptly provide notice of its appointment to such Holders. Any entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

(23) Amendment/Supplement. Subject to the terms and conditions of this paragraph 23, and Section 6.1 of the Deposit Agreement and applicable law, this ADR and any provisions of the Deposit Agreement may at any time and from time to time be amended or supplemented by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable without the prior written consent of the Holders or Beneficial Owners. Any amendment or supplement which shall impose or increase any fees or charges (other than charges in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses), or which shall otherwise materially prejudice any substantial existing right of Holders or Beneficial Owners, shall not, however, become effective as to outstanding ADSs until the expiration of thirty (30) days after notice of

such amendment or supplement shall have been given to the Holders of outstanding ADSs. Notice of any amendment to the Deposit Agreement or any ADR shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (e.g., upon retrieval from the Commission's, the Depository's or the Company's website or upon request from the Depository). The parties hereto agree that any amendments or supplements which (i) are reasonably necessary (as agreed by the Company and the Depository) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs to be settled solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to materially prejudice any substantial existing rights of Holders or Beneficial Owners. Every Holder and Beneficial Owner at the time any amendment or supplement so becomes effective shall be deemed, by continuing to hold such ADSs, to consent and agree to such amendment or supplement and to be bound by the Deposit Agreement and this ADR, if applicable, as amended or supplemented thereby. In no event shall any amendment or supplement impair the right of the Holder to surrender such ADS and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law. Notwithstanding the foregoing, if any governmental body should adopt new laws, rules or regulations which would require an amendment of, or supplement to, the Deposit Agreement to ensure compliance therewith, the Company and the Depository may amend or supplement the Deposit Agreement and this ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement and this ADR in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance with such laws, rules or regulations.

(24) Termination. The Depository shall, at any time at the written direction of the Company, terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination. If (i) ninety (90) days shall have expired after the Depository shall have delivered to the Company a written notice of its election to resign, or (ii) ninety (90) days shall have expired after the Company shall have delivered to the Depository a written notice of the removal of the Depository, and, in either case, a successor depository shall not have been appointed and accepted its appointment as provided in Section 5.4 of the Deposit Agreement, the Depository may terminate the Deposit Agreement by distributing notice of such termination to the Holders of all ADSs then outstanding at least thirty (30) days prior to the date fixed in such notice for such termination. The date so fixed for termination of the Deposit Agreement in any termination notice so distributed by the Depository to the Holders of ADSs is referred to as the "Termination Date". Until the Termination Date, the Depository shall continue to perform all of its obligations under the Deposit Agreement, and the Holders and Beneficial Owners will be entitled to all of their rights under the Deposit Agreement. If any ADSs shall remain outstanding after the Termination Date, the Registrar and the Depository shall not, after the Termination Date, have any obligation to perform any further acts under the Deposit Agreement, except that the Depository shall, subject, in each case, to the terms and conditions of the Deposit Agreement,

continue to (i) collect dividends and other distributions pertaining to Deposited Securities, (ii) sell Deposited Property received in respect of Deposited Securities, (iii) deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any other Deposited Property, in exchange for ADSs surrendered to the Depositary (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (iv) take such actions as may be required under applicable law in connection with its role as Depositary under the Deposit Agreement. At any time after the Termination Date, the Depositary may sell the Deposited Property then held under the Deposit Agreement and shall after such sale hold un-invested the net proceeds of such sale, together with any other cash then held by it under the Deposit Agreement, in an un-segregated account and without liability for interest, for the pro rata benefit of the Holders whose ADSs have not theretofore been surrendered. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement except (i) to account for such net proceeds and other cash (after deducting, or charging, as the case may be, in each case, the fees and charges of, and expenses incurred by, the Depositary, and all applicable taxes or governmental charges for the account of the Holders and Beneficial Owners, in each case upon the terms set forth in Section 5.9 of the Deposit Agreement), and (ii) as may be required at law in connection with the termination of the Deposit Agreement. After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement, except for its obligations to the Depositary under Sections 5.8, 5.9 and 7.6 of the Deposit Agreement. The obligations under the terms of the Deposit Agreement of Holders and Beneficial Owners of ADSs outstanding as of the Termination Date shall survive the Termination Date and shall be discharged only when the applicable ADSs are presented by their Holders to the Depositary for cancellation under the terms of the Deposit Agreement (except as specifically provided in the Deposit Agreement).

Notwithstanding anything contained in the Deposit Agreement or any ADR, in connection with the termination of the Deposit Agreement, the Depositary may, with the consent of the Company, and shall, at the instruction of the Company, distribute to all Holders in a mandatory exchange for, and upon a mandatory cancellation of, their ADSs the corresponding Deposited Securities, upon such terms and conditions as the Depositary may deem reasonably practicable and appropriate, subject however, in each case, to receipt by the Depositary of (i) confirmation of satisfaction of the applicable registration requirements under the Securities Act and the Exchange Act, and (ii) payment of the applicable fees and charges of, and reimbursement of the applicable expenses incurred by, the Depositary. In the event of such mandatory exchange and cancellation of ADSs for Deposited Securities, the Depositary shall give notice thereof to the Holders of ADSs at least thirty (30) calendar days prior the termination of the Deposit Agreement, shall require the Holders of ADSs to surrender their ADSs (and, if applicable, the ADRs representing such ADSs) in exchange for the corresponding Deposited Securities and shall cancel all ADSs (and, if applicable, the ADRs representing such ADSs) received in exchange for the corresponding Deposited Securities.

(25) Compliance with, and No Disclaimer under, U.S. Securities Laws. (a) Notwithstanding any provisions in this ADR or the Deposit Agreement to the contrary, the withdrawal or delivery of Deposited Securities will not be suspended by the Company or the Depositary except as would be permitted by Instruction I.A.(1) of the General Instructions to the Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

(b) Each of the parties to the Deposit Agreement (including, without limitation, each Holder and Beneficial Owner) acknowledges and agrees that no provision of the Deposit Agreement or any ADR shall, or shall be deemed to, disclaim any liability under the Securities Act or the Exchange Act, in each case to the extent established under applicable U.S. laws.

(26) No Third Party Beneficiaries/Acknowledgements. The Deposit Agreement is for the exclusive benefit of the parties hereto (and their successors) and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person, except to the extent specifically set forth in the Deposit Agreement. Nothing in the Deposit Agreement shall be deemed to give rise to a partnership or joint venture among the parties nor establish a fiduciary or similar relationship among the parties. The parties hereto acknowledge and agree that (i) Citibank and its Affiliates may at any time have multiple banking relationships with the Company, the Holders, the Beneficial Owners, and their respective Affiliates, (ii) Citibank and its Affiliates may own and deal in any class of securities of the Company and its Affiliates and in ADSs, and may be engaged at any time in transactions in which parties adverse to the Company, the Holders, the Beneficial Owners or their respective Affiliates may have interests, (iii) the Depositary and its Affiliates may from time to time have in their possession non-public information about the Company, the Holders, the Beneficial Owners, and their respective Affiliates, (iv) nothing contained in the Deposit Agreement shall (a) preclude Citibank or any of its Affiliates from engaging in such transactions or establishing or maintaining such relationships, or (b) obligate Citibank or any of its Affiliates to disclose such information, transactions or relationships, or to account for any profit made or payment received in such transactions or relationships, (v) the Depositary shall not be deemed to have knowledge of any information any other division of Citibank or any of its Affiliates may have about the Company, the Holders, the Beneficial Owners, or any of their respective Affiliates, and (vi) the Company, the Depositary, the Custodian and their respective agents and controlling persons may be subject to the laws and regulations of jurisdictions other than the U.S., England and Wales, and the authority of courts and regulatory authorities of such other jurisdictions, and, consequently, the requirements and the limitations of such other laws and regulations, and the decisions and orders of such other courts and regulatory authorities, may affect the rights and obligations of the parties to the Deposit Agreement.

(27) Governing Law / Waiver of Jury Trial. The Deposit Agreement, the ADRs and the ADSs shall be interpreted in accordance with, and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, the laws of the State of New York applicable to contracts made and to be wholly performed in that State. Notwithstanding anything contained in the Deposit Agreement to the contrary, any ADR or any present or future provisions of the laws of the State of New York, the rights of holders of Shares and of any other Deposited Securities and the obligations and duties of the Company in respect of the holders of Shares and

other Deposited Securities, as such, shall be governed by the laws of England and Wales (or, if applicable, such other laws as may govern the Deposited Securities).

EACH OF THE PARTIES TO THE DEPOSIT AGREEMENT (INCLUDING, WITHOUT LIMITATION, EACH HOLDER AND BENEFICIAL OWNER) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING AGAINST THE COMPANY AND/OR THE DEPOSITARY ARISING OUT OF, OR RELATING TO, THE DEPOSIT AGREEMENT, ANY ADR AND ANY TRANSACTIONS CONTEMPLATED THEREIN (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR OTHERWISE).

(ASSIGNMENT AND TRANSFER SIGNATURE LINES)

FOR VALUE RECEIVED, the undersigned Holder hereby sell(s), assign(s) and transfer(s) unto _____ whose taxpayer identification number is _____ and whose address including postal zip code is _____, the within ADR and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney-in-fact to transfer said ADR on the books of the Depository with full power of substitution in the premises.

Dated: _____ Name: _____
By: _____
Title: _____

NOTICE: The signature of the Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

If the endorsement be executed by an attorney, executor, administrator, trustee or guardian, the person executing the endorsement must give his/her full title in such capacity and proper evidence of authority to act in such capacity, if not on file with the Depository, must be forwarded with this ADR.

SIGNATURE GUARANTEED

All endorsements or assignments of ADRs must be guaranteed by a member of a Medallion Signature Program approved by the Securities Transfer Association, Inc.

Legends

[The ADRs issued in respect of Partial Entitlement American Depositary Shares shall bear the following legend on the face of the ADR: “This ADR evidences ADSs representing 'partial entitlement' Shares of the Company and as such do not entitle the holders thereof to the same per-share entitlement as other Shares (which are 'full entitlement' Shares) issued and outstanding at such time. The ADSs represented by this ADR shall entitle holders to distributions and entitlements identical to other ADSs when the Shares represented by such ADSs become 'full entitlement' Shares.”]

EXHIBIT B

FEE SCHEDULE

ADS FEES AND RELATED CHARGES

All capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Deposit Agreement. Except as otherwise specified herein, any reference to ADSs herein includes Partial Entitlement ADSs, Full Entitlement ADSs, Certificated ADSs, Uncertificated ADSs, and Restricted ADSs.

I. ADS Fees

The following ADS fees (some of which may be cumulative) are payable under the terms of the Deposit Agreement:

Service	Rate	By Whom Paid
(1) Issuance of ADSs (e.g., an issuance upon a deposit of Shares, upon a change in the ADS(s)-to-Share(s) ratio, ADS conversions, or for any other reason), excluding issuances as a result of distributions described in paragraph (4) below.	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) issued.	Person for whom ADSs are issued.
(2) Cancellation of ADSs (e.g., a cancellation of ADSs for Delivery of deposited Shares, upon a change in the ADS(s)-to-Share(s) ratio, ADS conversions, upon termination of the Deposit Agreement, or for any other reason).	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) cancelled.	Person for whom ADSs are being cancelled.
(3) Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements).	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.

(4) Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) an exercise of rights to purchase additional ADSs.	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
(5) Distribution of financial instruments, including, without limitation, securities, other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares and contingent value rights).	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
(6) ADS Services.	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depositary.	Person holding ADSs on the applicable record date(s) established by the Depositary.
(7) Registration of ADS Transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and <i>vice versa</i> , or for any other reason).	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) transferred.	Person for whom or to whom ADSs are transferred.
(8) Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs into freely transferable ADSs, and <i>vice versa</i>) or conversion of ADSs for unsponsored American Depositary Shares (e.g., upon termination of the Deposit Agreement).	Up to U.S. \$5.00 per 100 ADSs (or fraction thereof) converted.	Person for whom ADSs are converted or to whom the converted ADSs are delivered.

II. Charges

The Company, Holders, Beneficial Owners, persons depositing Shares or withdrawing Deposited Securities in connection with ADS issuances and cancellations, and persons for whom ADSs are issued or cancelled shall be responsible for the following ADS charges (some of which may be cumulative) under the terms of the Deposit Agreement:

- (i) taxes (including applicable interest and penalties) and other governmental charges;
- (ii) such registration fees as may from time to time be in effect for the registration of Shares or other Deposited Securities on the share register and applicable to transfers of Shares or other Deposited Securities to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;
- (iii) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Deposited Property or of the Holders and Beneficial Owners of ADSs;
- (iv) in connection with the conversion of Foreign Currency, the fees, expenses, spreads, taxes and other charges of the Depositary and/or conversion service providers (which may be a division, branch or Affiliate of the Depositary). Such fees, expenses, spreads, taxes, and other charges shall be deducted from the Foreign Currency;
- (v) any reasonable and customary out-of-pocket expenses incurred in such conversion and/or on behalf of the Holders and Beneficial Owners in complying with currency exchange control or other governmental requirements;
- (vi) the fees, charges, costs and expenses incurred by the Depositary, the Custodian, or any nominee in connection with the ADR program; and
- (vii) the amounts payable to the Depositary by any party to the Deposit Agreement pursuant to any ancillary agreement to the Deposit Agreement in respect of the ADR program, the ADSs and the ADRs.

The above fees and charges may at any time and from time to time be changed by agreement between the Company and the Depositary only in the manner contemplated in Section 6.1 of the Deposit Agreement and the above fees and charges may be assessed cumulatively based on cumulative functions of services rendered.

**DESCRIPTION OF RIGHTS OF EACH CLASS OF SECURITIES REGISTERED
UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

Set forth below is a summary of certain information concerning the share capital of Arm Holdings plc (the “Company,” “we,” “us” or “our”) as well as a description of provisions of our articles of association (the “Articles”), which are filed as Exhibit 1.1 to our Annual Report on Form 20-F for the year ended March 31, 2024 (the “Annual Report”), the deposit agreement for our American depositary shares (“ADSs”), each of which represents the right to receive one ordinary share, nominal value £0.001 per share (a “ordinary share”), of the Company, which deposit agreement is filed as Exhibit 2.1 to the Annual Report (the “deposit agreement”), and relevant provisions of English law. Because the following is only a summary, it does not contain all of the information that may be important to you. The summary includes certain references to and descriptions of material provisions of the Articles, the deposit agreement and English law in effect as of the date of the Annual Report. The summary below does not purport to be complete and is qualified in its entirety by reference to applicable English law, the Articles and the deposit agreement.

Ordinary Shares

The following summarizes the rights of holders of our ordinary shares:

- each holder of our ordinary shares is entitled to one vote per ordinary share on all matters to be voted on by shareholders generally;
- the holders of our ordinary shares are entitled to receive notice of, attend, speak and vote at our general meetings, provided that we may determine that only those persons entered into the register of members at the close of business on a day decided by us (being no more than 21 clear days before the day that notice of the meeting is sent) will be entitled to receive such notice; and
- the holders of our ordinary shares are entitled to receive such dividends as are recommended by our directors and declared in accordance with the Articles.

See also “—Articles of Association” below.

Register of members

We are required by the U.K. Companies Act 2006 (the “Companies Act”) to keep a register of our shareholders. Under English law, the ordinary shares are deemed to be issued when the name of the shareholder is entered in the register of members. The register of members therefore is prima facie evidence of the identity of our shareholders, and the shares that they hold. The register of members generally provides limited, or no, information regarding the ultimate beneficial owners of our ordinary shares. Our register of members is maintained by our registrar, Computershare Investor Services Plc.

Holders of the ADSs will not be treated as our shareholders and their names will therefore not be entered in our register of members. The depositary for our ADSs (the “depositary”), the custodian or their nominees will be the holder of the ordinary shares underlying the ADSs. Pursuant to the terms of the deposit agreement, holders of the ADSs have a right to receive the ordinary shares underlying their ADSs. For discussion on the ADSs and ADS holder rights, see “Description of American Depositary Shares” below.

Under the Companies Act, we must enter an allotment of shares in our statutory books as soon as practicable and in any event within two months of the allotment. We are required by the Companies Act to register a transfer of shares (or give the transferee notice of and reasons for refusal as the transferee may reasonably request) as soon as practicable and in any event within two months of receiving notice of the transfer.

We, any of our shareholders or any other affected person may apply to the court for rectification of the register of members if:

- the name of any person, without sufficient cause, is wrongly entered in or omitted from our register of members; or
- there is a default or unnecessary delay in entering on the register the fact of any person having ceased to be a member.

Preemptive Rights

English law generally provides shareholders with statutory preemptive rights when new shares are issued for cash; however, it is possible for a company's articles of association, or shareholders at a general meeting representing at least 75% of the ordinary shares present (in person or by proxy) and voting at that general meeting, to disapply these preemptive rights. Such a disapplication of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, or from the date of the shareholder resolution, if the disapplication is by shareholder resolution. In either case, the disapplication would need to be renewed by the company's shareholders upon its expiration (i.e., at least every five years). On August 25, 2023, our shareholders approved the disapplication of preemptive rights for a period ending August 25, 2028, which disapplication will need to be renewed upon expiration (i.e., at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or for any shorter period).

Articles of Association

Below is a summary of certain provisions of the Articles. The summary below is not a complete copy of the terms of the Articles and is qualified in its entirety by reference to the Articles.

Voting Rights

Subject to any rights or restrictions attached to any shares from time to time, the general voting rights attaching to shares are as follows:

- any resolution put to the vote at a general meeting must be decided exclusively on a poll; on a poll, every shareholder who is present in person or by proxy or corporate representative will have one vote for each share of which they are the holder. A shareholder entitled to more than one vote on a poll need not, if they vote, use all their votes or cast all the votes in the same way; and
- if two or more persons are joint holders of a share, then in voting on any question the vote of the senior shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names of the holders stand in the register of members.

Restrictions on Voting

Unless the Board of Directors of the Company (the "Board of Directors") decides otherwise, no shareholder will be entitled to vote at any general meeting or at any separate class meeting in respect of any share held by them unless all calls or other sums payable by them in respect of that share have been paid.

The Board of Directors may from time to time make calls upon the shareholders in respect of any money unpaid on their shares and each shareholder must (subject to at least 14 clear days' notice specifying the time or times and place of payment) pay at the time or times so specified the amount called on their shares.

If any shareholder, or any other person interested in shares, has been served with a notice under section 793 of the Companies Act and is in default for a period of 14 days in supplying to us the information required by that notice, then, unless the Board of Directors otherwise determines, in respect of those shares held by such shareholder, such shareholder will not be entitled to vote personally or by proxy at a general meeting or exercise any other right in relation to a general meeting.

Dividends

We may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution of the shareholders of the Company declare final dividends out of profits available for distribution in accordance with the respective rights of shareholders, but no such dividend may exceed the amount recommended by the Board of Directors.

The Board of Directors may from time to time pay shareholders such interim dividends as appears to the Board of Directors to be justified by the profits available for distribution (including any dividends at a fixed rate).

The Board of Directors may retain all or part of any dividend or other sum payable on or in respect of a share on which the Company has a lien in respect of which the Board of Directors are entitled to issue an enforcement notice. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares.

Subject to any special rights attaching to or the terms of issue of any share, no dividend or other moneys payable by us on or in respect of any share will bear interest against us. Any dividend unclaimed after a period of 12 years from the date such dividend became due for payment will be forfeited and will revert to us.

Dividends may be declared or paid in any currency and the Board of Directors may decide the rate of exchange for any currency conversions that may be required, and how any costs involved are to be met.

The Board of Directors may, by ordinary resolution of the shareholders of the Company, offer to shareholders the right to elect to receive an allotment of ordinary shares credited as fully paid in lieu of the whole or part of a dividend.

The Board of Directors may, by ordinary resolution of the shareholders of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, including in particular of paid up shares or debentures of any other company.

Depository Arrangements

The Articles provide for depository arrangements and allow for the operation of the deposit agreement with the depository, as well as to facilitate the acquisition of shares through ADSs, including a requirement to vote on a poll.

Change of Control

There is no specific provision in the Articles that would have the effect of delaying, deferring or preventing a change of control.

Variation of Rights

All or any of the rights and restrictions attached to any class of shares issued may be varied or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares held as treasury shares) or by special resolution passed at a separate general meeting of the holders of such shares, subject to the Companies Act and the terms of their issue. The Companies Act provides a right to object to the variation of the share capital by the shareholders who did not vote in favor of the variation. Should an aggregate of not less than 15% of the shareholders of the issued shares in question apply to the court to have the variation cancelled, the variation will have no effect unless and until it is confirmed by the court.

Alteration of Share Capital

We may, by ordinary resolution of the shareholders of the Company, consolidate all or any of our share capital into shares of larger amount than our existing shares, or sub-divide our shares or any of them into shares of a smaller amount. We may, by special resolution of the shareholders of the Company, confirmed by the court, reduce our share capital or any capital redemption reserve or any share premium account in any manner authorized by the Companies Act. We may redeem or purchase all or any of our shares as described in “—Other Relevant English Law Considerations—Purchase of Own Shares.”

Allotment of Shares and Preemption Rights

Subject to the Companies Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as we may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as our Board of Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at our option or the holder of such shares).

In accordance with section 551 of the Companies Act, the Board of Directors may be generally and unconditionally authorized to exercise for each prescribed period of up to five years all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorizing such allotment.

The provisions of section 561 of the Companies Act (which confer on shareholders rights of preemption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied for a period of up to five years by special resolution of the shareholders of the Company.

Lien and Forfeiture

The Company will have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board of Directors determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within the due date for payment. Subject to the terms of the allotment, the Board of Directors may from time to time make calls on the members in respect of any moneys unpaid on their shares.

Each member must (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his or her shares. If a call or any installment of a call remains unpaid in whole or in part after it has become due and payable, the Board of Directors may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice must name the place where payment is to be made and must state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

Transfer of Shares

Any shareholder holding shares in certificated form may transfer all or any of their shares by an instrument of transfer in any usual or common form or in any other manner which is permitted by the Companies Act and approved by the Board of Directors. Any written instrument of transfer must be signed by or on behalf of the transferor and, in the case of a share which is not fully paid up, the transferee.

All transfers of uncertificated shares must be made in accordance with and subject to the provisions of the Uncertificated Securities Regulations 2001 (the “Uncertificated Securities Rules”) and the facilities and requirements of its relevant system. The Uncertificated Securities Rules permit shares to be issued and held in uncertificated form and transferred by means of a computer-based system.

The Board of Directors may, in its absolute discretion, decline to register any transfer of any share in certificated form unless:

- it is for a share which is fully paid up;
- it is for a share upon which the Company has no lien;
- it is only for one class of share;
- it is in favor of a single transferee or no more than four joint transferees;
- it is duly stamped (if this is required); and
- it is lodged at our registered office or such other place as the Board of Directors may decide, accompanied by the certificate for shares to which it relates or such other evidence (if any) as the Board of Directors may reasonably require to prove the title of the transferor or, if the transfer is executed by some other person on their behalf, the authority of that person to do so.

Directors

Subject to the Articles and the Companies Act, the Company may by ordinary resolution appoint a person who is willing to act as a director and the Board of Directors has the power at any time to appoint any person who is willing to act as a director, in both cases either to fill a vacancy or as an addition to the existing Board of Directors, provided the total number of directors may not exceed any maximum number imposed in accordance with the Articles.

Under the shareholder governance agreement (the “Shareholder Governance Agreement”) we entered into with SoftBank Group Corp. (“SoftBank Group”), SoftBank Group has the right to designate a certain number of candidates for election to our Board of Directors based on its and its affiliates’ ownership of our outstanding ordinary shares, provided that a certain number of such candidates must be “independent” under law or stock exchange rules applicable to our directors at the time of such nomination. SoftBank Group’s designation rights are as follows:

Ownership of our outstanding ordinary shares:	Number of SoftBank Group candidates for election to our Board of Directors:	Number of SoftBank Group candidates that must be independent:
Greater than 70%	7	3
Less than or equal to 70% and greater than 60%	6	2
Less than or equal to 60% and greater than 50%	5	1
Less than or equal to 50% and greater than 40%	4	0
Less than or equal to 40% and greater than 30%	3	0
Less than or equal to 30% and greater than 20%	2	0
Less than or equal to 20% and greater than 5%	1	0

SoftBank Group’s rights to nominate candidates for election to our Board of Directors are based on an eight-member board, including our Chief Executive Officer, and pursuant to the Shareholder Governance Agreement, will be modified ratably to reflect any change in the number of directors on our Board of Directors.

Additionally, for so long as SoftBank Group and its controlled affiliates own more than 70% of our outstanding ordinary shares, SoftBank Group will have the right to increase the size of our Board of Directors to nine directors and appoint a director, who need not be independent, to Board of Directors to fill the newly created vacancy. If such right is exercised, SoftBank Group will have the right to nominate up to eight candidates for election to our Board of Directors for as long as it and its controlled affiliates hold more than 70% of our outstanding ordinary shares.

Our Board of Directors will make determinations with respect to each director's independence. To the extent SoftBank Group nominates a director as an independent director that our Board of Directors, upon advice of counsel, determines does not meet the applicable independence standards, SoftBank Group will be required to propose a new nominee.

Borrowing Powers

Subject to the Articles and the Companies Act, the Board of Directors may exercise all the powers to borrow money, provide any indemnity or guarantee, mortgage or charge our undertaking, property and uncalled capital, issue debentures and other securities and to give security, whether outright or as collateral security for any debt, liability or obligation of us or of any third party.

Capitalization of Profits

The directors may, if they are so authorized by an ordinary resolution of the shareholders of the Company, decide to capitalize any undistributed profits of the Company not required for paying any preferential dividend, or any sum standing to the credit of the Company's share premium account, capital redemption reserve or other undistributable reserve. To the extent a capitalized sum is appropriated from profits available for distribution it may also be applied in or towards paying up any amounts unpaid on existing shares held by the entitled members, or in paying up new debentures of the Company which are allotted credited as fully paid to the entitled members (or a combination of the two).

Indemnity

So far as permitted by applicable law, every director or other officer of our group shall be indemnified against all costs, charges, expenses, losses and liabilities sustained or incurred by them in connection with that director's or officer's duties or powers in relation to the Company or other members of our group.

Other Relevant English Law Considerations

Application of the U.K. City Code on Takeovers and Mergers

The U.K. City Code on Takeovers and Mergers (the "Takeover Code") applies to all offers for companies which have their registered office in the U.K., the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a U.K. regulated market or a U.K. multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for public companies which have their registered office in the U.K., the Channel Islands or the Isle of Man if they are considered by the Panel on Takeovers and Mergers (the "Takeover Panel") to have their place of central management and control in the U.K., the Channel Islands or the Isle of Man. This is known as the "residency test." In determining whether the residency test is satisfied, the Takeover Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

Although our registered office is in the U.K., the Takeover Code does not currently apply to us because our shares are not admitted to trading on a regulated market or multilateral trading facility in the U.K. or any stock exchange in the Channel Islands or the Isle of Man, and the Takeover Panel confirmed to us that, on the basis of the residency of our directors as at the date of our final prospectus filed on September 14, 2023 with the U.S. Securities and Exchange Commission (the "SEC") pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended (the "Securities Act"), relating to our Registration Statement on Form F-1, we did not have our place of central

management and control in the U.K., the Channel Islands or the Isle of Man. Our place of central management and control remains outside of the U.K. for the purposes of the Takeover Code.

As a result, our shareholders are not currently entitled to the benefit of certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids and, therefore, holders of ADSs will not benefit from these protections.

In the event that this changes, or if the interpretation and application of the Takeover Code by the Takeover Panel changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the U.K., the Channel Islands or the Isle of Man), the Takeover Code may apply to us in the future.

The Takeover Code provides a framework within which takeovers of companies are regulated and conducted. The following is a brief summary of some of the most important rules of the Takeover Code:

- Under Rule 9 of the Takeover Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares of a company which, taken together with shares in which such person is already interested, and in which persons acting in concert with such person are interested, carry 30% or more of the voting rights in such company, such person and, depending upon the circumstances, persons acting in concert with such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3 and 9.5 of the Takeover Code, to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.
- The offer must be in cash (or accompanied by a cash alternative) at not less than the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with such person during the 12 months prior to the announcement of the offer.
- A similar obligation to make such a cash offer also arises when any person that (together with any persons acting in concert) is already interested in shares which in the aggregate carry 30% or more of the voting rights of a company but does not hold shares which carry more than 50% of such voting rights acquires an interest in any other shares of such company which increase the percentage of shares carrying voting rights in which such person is interested.
- Under the Takeover Code, “persons acting in concert” comprise persons who, pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company and “control” means an interest or interests, in shares carrying in the aggregate 30% or more of the voting rights of a company, irrespective of whether the holding or holdings give de facto control.

For so long as SoftBank Group and any person acting in concert with it hold shares carrying more than 50% of the voting rights of the Company, subject to the Takeover Code applying, the rules relating to mandatory bids under the Takeover Code will not apply to any acquisitions of shares made by SoftBank Group or its concert parties.

Squeeze-out provisions

Under sections 979 to 982 of the Companies Act, where a takeover offer has been made for us and the offeror has acquired, or unconditionally contracted to acquire, not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining 10%. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is

not one to which section 943(1) of the Companies Act applies (being an offer subject to the Takeover Code), the period of six months beginning with the date of the offer.

The squeeze-out of the minority shareholders can be completed at the end of six weeks from the date the notice has been given, at which time the offeror must send a copy of the notice to the Company together with an instrument of transfer executed on behalf of the outstanding shareholder(s) by a person appointed by the offeror of the shares to which the notice relates, and pay the consideration to us to be held in trust for the outstanding minority shareholders. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer. A dissenting shareholder may object to the transfer on the basis that the offeror is not entitled and bound to acquire shares or to specify terms of acquisition different from those in the offer by applying to court within six weeks of the date on which notice of the transfer was given.

Sell Out

Sections 983 to 985 of the Companies Act also gives our minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for all of our shares. The holder of shares to which the offer relates, and who has not otherwise accepted the offer, may require the offeror to acquire their shares if, prior to the expiration of the acceptance period for such offer, (a) the offeror has acquired or unconditionally agreed to acquire not less than 90% in value of all of our shares; and (b) not less than 90% of the voting rights carried by those shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out that is not less than three months after the end of the acceptance period, or if longer a period of three months from the date of the notice. If a shareholder exercises their rights to be bought out, the offeror is required to acquire those shares on the terms of the offer or on such other terms as may be agreed.

Disclosure of Interest in Shares

Pursuant to Part 22 of the Companies Act and the Articles, we are empowered by notice in writing to require any person whom we know or have reasonable cause to believe to be interested in our shares, or at any time during the three years immediately preceding the date on which the notice is issued has been so interested, within a reasonable time to disclose to us details of that person's interest and (so far as is within his or her knowledge) details of any other interest that subsists or subsisted in those shares.

Under the Articles, if a person defaults in supplying us with the required disclosures in relation to the shares in question (the "default shares") within the prescribed period of 14 days, our directors may by notice direct that:

- in respect of the default shares and any other shares held by such person, the relevant shareholder shall not be entitled to vote (either in person or by representative or proxy) at any general meeting or to exercise any other right conferred by a shareholding in relation to general meetings; and
- where the default shares represent at least 0.25% in nominal value of the issued shares of their class, (a) any dividend or other money payable in respect of the default shares shall be retained by us without liability to pay interest and/or (b) no transfers by the relevant shareholder of any shares may be registered (unless the shareholder himself or herself is not in default and the shareholder provides a certificate, in a form satisfactory to the directors, to the effect that after due and careful enquiry the shareholder is satisfied that none of the shares to be transferred are default shares), provided that, where shares are uncertificated, any refusal to transfer such shares can only be made in accordance with and subject to the provisions of the Uncertificated Securities Rules.

Purchase of Own Shares

Under the laws of England and Wales, a public limited company may purchase its own shares out of the distributable profits of the company or the proceeds of a fresh issue of shares made for the purpose of financing the purchase, subject to complying with procedural requirements under the Companies Act (including that the purchase

be approved by the company's shareholders) and provided that the company's articles of association do not restrict the company's ability to purchase its own shares. Our Articles do not prohibit us from purchasing our own shares. Therefore, subject to the Companies Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par). A limited company may not purchase its own shares if, as a result of the purchase, there would no longer be any issued shares of the company other than redeemable shares or shares held as treasury shares. Shares must be fully paid in order to be repurchased.

Any such purchase will be either a "market purchase" or an "off market purchase," each as defined in the Companies Act. A "market purchase" is a purchase made on a "recognized investment exchange" (other than an overseas exchange) as defined in the U.K. Financial Services and Markets Act 2000, as amended (the "FSMA"). An "off market purchase" is a purchase that is not made on a "recognized investment exchange." Both "market purchases" and "off market purchases" require prior shareholder approval by way of an ordinary resolution. In the case of an "off market purchase," a company's shareholders, other than the shareholders from whom the company is purchasing shares, must approve the terms of the contract to purchase shares and in the case of a "market purchase," the shareholders must approve the maximum number of shares that can be purchased and the maximum and minimum prices to be paid by the company. Both resolutions authorizing "market purchases" and "off-market purchases" must specify a date, not later than five years after the passing of the resolution, on which the authority to purchase is to expire.

A share buy-back by a company of its shares will give rise to U.K. stamp duty (and may give rise to stamp duty reserve tax) at the rate of 0.5% of the amount or value of the consideration payable by the company (rounded up to the next £5.00), and such stamp duty (or stamp duty reserve tax) will be paid by the company. The charge to stamp duty reserve tax will be cancelled or, if already paid, repaid (generally with interest), where a transfer instrument for stamp duty purposes has been duly stamped within six years of the charge arising (either by paying the stamp duty or by claiming an appropriate relief) or if the instrument is otherwise exempt from stamp duty.

The Nasdaq Global Select Market is an "overseas exchange" for the purposes of the Companies Act and accordingly does not fall within the definition of a "recognized investment exchange" for the purposes of the FSMA, as modified by the Companies Act, and any purchase made by us would need to comply with the procedural requirements under the Companies Act that regulate "off market purchases."

Distributions and Dividends

Under the Companies Act, before a company can lawfully make a distribution or dividend, it must ensure that it has sufficient distributable reserves (on a non-consolidated basis). The basic rule is that a company's profits available for the purpose of making a distribution are its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made. The requirement to have sufficient distributable reserves before a distribution or dividend can be paid applies to us and to each of our subsidiaries that has been incorporated under the laws of England and Wales.

It is not sufficient that we, as a public company, have made a distributable profit for the purpose of making a distribution. An additional capital maintenance requirement is imposed on us to ensure that the net worth of the Company is at least equal to the amount of its capital. A public company can only make a distribution:

- if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and undistributable reserves; and
- if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of its net assets to less than that total.

Shareholder Rights

Certain rights granted under the Companies Act, including the right to requisition a general meeting or require a resolution to be put to shareholders at the annual general meeting, are only available to our shareholders. For English law purposes, our shareholders are the persons who are registered as the owners of the legal title to the shares and whose names are recorded in our register of members. If a person who holds their ADSs in the depositary wishes to exercise certain of the rights granted under the Companies Act, they will be required to first take steps to withdraw their ADSs from the settlement system operated by the depositary and become the registered holder of the shares in our register of members. A withdrawal of shares from depositary may have tax implications.

Requisitioning Shareholder Meetings

If any shareholder or shareholders representing at least 5% of the paid-up capital of the Company carrying voting rights requests, in accordance with the provisions of the Companies Act, us to (a) call a general meeting for the purposes of bringing a resolution before the meeting, or (b) give notice of a resolution to be proposed at a general meeting, such request must among other things (in addition to any other statutory requirements):

- set forth the name and address of the requesting person and equivalent details of any person associated with it or him (in the manner contemplated by the Articles), together with details of all interests held by such person (and their associated persons) in us;
- if the request relates to any business the member proposes to bring before the meeting, set forth a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, the text of the proposal (including the complete text of any proposed resolutions) and, in the case of any proposal to amend the Articles, the complete text of the proposed amendment;
- set forth, as to each person (if any) whom the shareholder proposes to nominate for appointment to the Board of Directors, all information that would be required to be disclosed by us in connection with the election of directors, and such other information as we may require to determine the eligibility of such proposed nominee for appointment to the Board of Directors.

Exchange Controls

There are no governmental laws, decrees, regulations or other legislation in the U.K. that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of our ordinary shares or ADSs representing our ordinary shares, other than withholding tax requirements. There is no limitation imposed by the laws of England and Wales or in the Articles on the right of non-residents to hold or vote shares.

Differences in Corporate Law

The applicable provisions of the Companies Act differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the Companies Act applicable to us and the General Corporation Law of the State of Delaware relating to shareholders' rights and

protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and the laws of England and Wales.

	England and Wales	Delaware
<i>Number of Directors</i>	Under the Companies Act, a public limited company must have at least two directors and the number of directors may be fixed by or in the manner provided in the company's articles of association.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors may be made only by amendment of the certificate of incorporation.
<i>Removal of Directors</i>	Under the Companies Act, shareholders may remove a director without cause by an ordinary resolution (which is passed by a simple majority of those voting in person or by proxy at a general meeting) irrespective of any provisions of any service contract the director has with the company, provided 28 clear days' notice of the resolution has been given to the company and its shareholders. On receipt of notice of an intended resolution to remove a director, the company must forthwith send a copy of the notice to the director concerned. Certain other procedural requirements under the Companies Act must also be followed, such as allowing the director to make representations against his or her removal either at the meeting or in writing.	Under Delaware law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (a) unless the certificate of incorporation provides otherwise, in the case of a corporation whose board of directors is classified, stockholders may effect such removal only for cause; or (b) in the case of a corporation having cumulative voting, if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he or she is a part.
<i>Vacancies on the Board of Directors</i>	The procedure by which directors, other than a company's initial directors, are appointed is generally set out in a company's articles of association, provided that where two or more persons are appointed as directors of a public limited company by resolution of the shareholders, resolutions appointing each director must be voted on individually.	Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless (a) otherwise provided in the certificate of incorporation or bylaws of the corporation; or (b) the certificate of incorporation directs that a particular class of stock or series thereof is to elect such director, in which case a majority of the other directors elected by such class or series, or a sole remaining director elected by such class or series, will fill such vacancy.

	England and Wales	Delaware
<i>Annual General Meeting</i>	Under the Companies Act, a public limited company must hold an annual general meeting in each six-month period following its annual accounting reference date.	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.
<i>General Meeting</i>	<p>Under the Companies Act, a general meeting of the shareholders of a public limited company may be called by the directors.</p> <p>Shareholders holding at least 5% of the paid-up capital of the company carrying voting rights at general meetings (excluding any paid up capital held as treasury shares) can require the directors to call a general meeting and, if the directors fail to do so within a certain period, may themselves (or any of them representing more than one half of the total voting rights of all of them) convene a general meeting.</p>	Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
<i>Notice of General Meetings</i>	Subject to a company's articles of association providing for a longer period, under the Companies Act, at least 21 clear days' notice must be given for an annual general meeting and any resolutions to be proposed at the meeting. Subject to a company's articles of association providing for a longer period, at least 14 clear days' notice is required for any other general meeting. In addition, certain matters, such as the removal of directors or auditors, require special notice, which is 28 clear days' notice. The shareholders of a company may in all cases consent to a shorter notice period, the proportion of shareholders' consent required being 100% of those entitled to attend and vote in the case of an annual general meeting and, in the case of any other general meeting, a majority in number of the members having a right to attend and vote at the meeting, being a majority who together hold not less than 95% in nominal value of the shares giving a right to attend and vote at the meeting.	Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than 10 days nor more than 60 days before the date of the meeting and shall specify the place, date, hour, the means of remote communications by which stockholders and proxy holders may be deemed present and may vote at the meeting, the record date for determining stockholders entitled to vote at the meeting (if different than the record date for determining stockholders entitled to notice) and, if the meeting is a special meeting, the purpose or purposes of the meeting.

	England and Wales	Delaware
<i>Quorum</i>	Subject to the provisions of a company’s articles of association, the Companies Act provides that two shareholders present at a meeting (in person, by proxy or authorized representative under the Companies Act) shall constitute a quorum for companies with more than one member.	The certificate of incorporation or bylaws may specify the number of shares, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum, but in no event shall a quorum consist of less than one third of the shares entitled to vote at the meeting. In the absence of such specification in the certificate of incorporation or bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders.
<i>Proxy</i>	Under the Companies Act, at any meeting of shareholders, a shareholder may designate another person to attend, speak and vote at the meeting on their behalf by proxy.	Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A director of a Delaware corporation may not issue a proxy representing the director’s voting rights as a director.
<i>Preemptive Rights</i>	Under the Companies Act, “equity securities,” being (a) shares in the company other than shares that, with respect to dividends and capital, carry a right to participate only up to a specified amount in a distribution, referred to as “ordinary shares,” or (b) rights to subscribe for, or to convert securities into, ordinary shares, proposed to be allotted for cash must be offered first to the existing holders of equity shares in the company in proportion to the respective nominal value of their holdings, unless an exception applies or a special resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise in each case in accordance with the provisions of the Companies Act.	Under Delaware law, stockholders have no preemptive rights to subscribe to additional issues of stock or to any security convertible into such stock unless, and except to the extent that, such rights are expressly provided for in the certificate of incorporation.

	England and Wales	Delaware
<i>Authority to Allot</i>	Under the Companies Act, the directors of a company must not allot shares or grant rights to subscribe for or to convert any security into shares unless an exception applies or an ordinary resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise in each case in accordance with the provisions of the Companies Act.	Under Delaware law, the board of directors or, if the certificate of incorporation so provides, the stockholders have the power to authorize the issuance of stock. It may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation or any combination thereof. It may determine the amount of such consideration by approving a formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration is conclusive.
<i>Liability of Directors and Officers</i>	<p>Under the Companies Act, any provision, whether contained in a company's articles of association or any contract or otherwise, that purports to exempt a director of a company, to any extent, from any liability that would otherwise attach to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void.</p> <p>Any provision by which a company directly or indirectly provides an indemnity, to any extent, for a director of the company or of an associated company against any liability attaching to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he or she is a director is also void except as permitted by the Companies Act, which provides exceptions for the company to (a) purchase and maintain insurance against such liability; (b) provide a "qualifying third party indemnity" (being an indemnity against liability incurred by the director to a person other than the company or an associated company or criminal proceedings in which he or she is convicted); and (c) provide a "qualifying pension scheme indemnity" (being an indemnity against liability incurred in connection with activities as trustee of an occupational pension plan).</p>	<p>Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for monetary damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for:</p> <ul style="list-style-type: none"> • any breach of the director's duty of loyalty to the corporation or its stockholders; • acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; • intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or • any transaction from which the director derives an improper personal benefit.

Voting Rights

England and Wales

Unless a poll is demanded by the shareholders of a company or is required by the chairman of the meeting or the company's articles of association, shareholders shall vote on all resolutions on a show of hands. Under the Companies Act, a poll may be demanded by (a) not fewer than five shareholders having the right to vote on the resolution; (b) any shareholder(s) representing not less than 10% of the total voting rights of all the shareholders having the right to vote on the resolution (excluding any voting rights attaching to treasury shares); or (c) any shareholder(s) holding shares in the company conferring a right to vote on the resolution (excluding any voting rights attaching to treasury shares) being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right. A company's articles of association may provide more extensive rights for shareholders to call a poll.

Under the laws of England and Wales, an ordinary resolution is passed on a show of hands if it is approved by a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present, in person or by proxy, who, being entitled to vote, vote on the resolution.

On a show of hands, special resolutions require the affirmative vote of not less than 75% of the votes cast by shareholders present, in person or by proxy, at the meeting. If a poll is demanded, a special resolution is passed if it is approved by holders representing not less than 75% of the total voting rights of shareholders present in person or by proxy who, being entitled to vote, vote on the resolution.

Delaware

Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.

Shareholder Vote on Certain Transactions

England and Wales

The Companies Act provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholders or creditors and used in certain types of reconstructions, amalgamations, capital reorganizations, or takeovers. These arrangements require:

- the approval at a shareholders' or creditors' meeting convened by order of the court, of a majority in number of shareholders or creditors or a class thereof representing 75% in value of the capital held by, or debt owed to, the class of shareholders or creditors, or class thereof, respectively, present and voting, either in person or by proxy; and
- the approval of the court.

Delaware

Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires:

- the approval of the board of directors; and
- approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.

Standard of Conduct for Directors

Under the laws of England and Wales, a director owes various statutory and fiduciary duties to a company, including:

- to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its 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

Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders.

Directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its stockholders. The duty of care generally requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of all material information reasonably available regarding a significant transaction.

England and Wales

desirability to maintain a reputation for high standards of business conduct, and (f) the need to act fairly as between members of the company;

- to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly conflicts, with the interests of the company;
- to act in accordance with our constitution and only exercise his or her powers for the purposes for which they are conferred;
- to exercise independent judgment;
- to exercise reasonable care, skill, and diligence;
- not to accept benefits from a third party conferred by reason of his or her being a director or doing, or not doing, anything as a director; and
- a duty to declare any interest that he or she has, whether directly or indirectly, in a proposed or existing transaction or arrangement with the company.

Delaware

The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. In general, but subject to certain exceptions, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation.

In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the stockholders.

Shareholder Litigation

England and Wales

Under the laws of England and Wales, generally, the company, rather than its shareholders, is the proper claimant in an action in respect of a wrong done to the company or where there is an irregularity in the company's internal management.

Notwithstanding this general position, the Companies Act provides that (a) a court may allow a shareholder to bring a derivative claim (that is, an action in respect of and on behalf of the company) in respect of a cause of action arising from a director's negligence, default, breach of duty or breach of trust; and (b) a shareholder may bring a claim for a court order where the company's affairs have been or are being conducted in a manner that is unfairly prejudicial to some of its shareholders.

Delaware

Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must:

- state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff's shares thereafter devolved on the plaintiff by operation of law; and
- allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or
- state the reasons for not making the effort.

Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

American Depositary Shares

Citibank, N.A. ("Citibank") has agreed to act as the depository for the ADSs. Citibank's depository offices are located at 388 Greenwich Street, New York, New York 10013. ADSs represent ownership interests in securities that are on deposit with the depository. ADSs may be represented by certificates that are commonly known as American depositary receipts ("ADRs"). The depository typically appoints a custodian to safe keep the securities on deposit. In this case, the custodian is Citibank, N.A., London Branch, located at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.

We have appointed Citibank as depository pursuant to the deposit agreement.

Below is a customary summary description of the material terms of the ADSs and of the material rights of holders of ADSs. Summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, one ordinary share that is on deposit with the depository and/or custodian. An ADS also represents the right to receive, and to

exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary may agree to change the ADS-to-ordinary share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will, under the terms of the deposit agreement, be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as an owner of ADSs and those of the depositary. As an ADS holder, you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of England and Wales, which may be different from the laws of the U.S.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates are required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder. The manner in which you own the ADSs (e.g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and the extent to which, the depositary's services are made available to you.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the direct registration system or DRS). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company ("DTC"), the central book-entry clearing and settlement system for equity securities in the U.S. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as an ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your

name and, as such, we will refer to you as the “holder.” When we refer to “you,” we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary or the custodian will, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary or the custodian will at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Other Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction of the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of England and Wales.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the U.S. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the U.S.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary shares ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary share ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (e.g., the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide to the depositary all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depositary will not distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you;
- we fail to deliver satisfactory documents to the depositary; or
- it is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in England and Wales would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide to the depositary all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will not distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you;
- we do not deliver satisfactory documents to the depositary; or
- the depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide to the depositary all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the ordinary shares being redeemed against payment of the applicable redemption price. The depositary will convert the redemption funds received into U.S. dollars, if received in a currency other than U.S. dollars, upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as the depositary may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, subdivision, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, scheme of arrangement, consolidation or sale of assets of the Company.

If any such change were to occur, your ADSs would, to the extent permitted by law and the deposit agreement, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

The depositary may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by the legal considerations in the U.S. and in England and Wales applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- the ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained;
- all preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised;
- you are duly authorized to deposit the ordinary shares;
- the ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement);
- the ordinary shares presented for deposit have not been stripped of any rights or entitlements; and
- the deposit of shares does not violate any applicable provision of English law.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the U.S.; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADSs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges, expenses, taxes and governmental charges payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian’s offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by the legal considerations in the U.S. and in England and Wales applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depository may ask you to provide proof of identity and genuineness of any signature and such other documents as the depository may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depository receives satisfactory evidence of compliance with all applicable laws and regulations. The depository will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except as a result of:

- temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends;
- obligations to pay fees, taxes and similar charges;
- restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit; and/or
- other circumstances specifically contemplated by Section I.A.(l) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time).

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depository to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in "—Articles of Association" above.

At our request, the depository will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depository to exercise the voting rights of the ordinary shares represented by ADSs. In lieu of distributing such materials, the depository may distribute to holders of ADSs instructions on how to retrieve such materials upon request.

If the depository timely receives voting instructions from a holder of ADSs, it will endeavor to vote (or cause the custodian to vote) the securities (in person or by proxy) represented by the holder's ADSs in accordance with the voting instructions received from such holder.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated in the deposit agreement). If the depository timely receives voting instructions from a holder of ADSs which fail to specify the manner in which the depository is to vote the ordinary shares represented by such holder's ADSs, the depository will deem such holder (unless otherwise specified in the notice distributed to holders) to have instructed the depository to vote in favor of the items set forth in such voting instructions. The ability of the depository to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depository in a timely manner.

Amendments and Termination

We may agree with the depository to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and

charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

Termination

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

In connection with any termination of the deposit agreement, the depositary may, with our consent, and shall, at our instruction, distribute to owners of ADSs the deposited property in a mandatory exchange for, and upon a mandatory cancellation of, the ADSs. The ability to receive the deposited property upon termination of the deposit agreement would be subject, in each case, to receipt by the depositary of (i) confirmation of satisfaction of certain U.S. regulatory requirements and (ii) payment of applicable depositary fees. The depositary will give notice to owners of ADSs at least 30 calendar days before termination of the deposit agreement. Owners of ADSs would be required to surrender ADSs to the depositary for cancellation in exchange for the deposited property.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Transmission of Notices, Reports and Proxy Soliciting Material

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. Subject to the terms of the deposit agreement, the depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to you, including in the following ways:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.

- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and without negligence and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the creditworthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of the Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in the Articles or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary also disclaim any liability for any action or inaction of any clearing or settlement system (and any participant thereof).
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary and you as ADS holder.

Nothing in the deposit agreement precludes the depositary (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit agreement obligates the depositary to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions.

As the above limitations relate to our obligations and the depositary's obligations to you under the deposit agreement, we believe that, as a matter of construction of the deposit agreement, such limitations would likely continue to apply to ADS holders who withdraw the ordinary shares from the ADS facility with respect to obligations or liabilities incurred under the deposit agreement before the cancellation of the ADSs and the withdrawal of the ordinary shares, and such limitations would most likely not apply to ADS holders who withdraw the ordinary shares from the ADS facility with respect to obligations or liabilities incurred after the cancellation of the ADSs and the withdrawal of the ordinary shares and not under the deposit agreement.

In any event, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. In fact, you cannot waive our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs, ADRs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement, the ADRs and the ADSs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) are governed by the laws of England and Wales.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT, THE ADRs AND ADSs AGAINST US AND/OR THE DEPOSITARY.

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. However, you will not be deemed by agreeing to the terms of the deposit agreement to have waived our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

ARM HOLDINGS PLC
2023 OMNIBUS INCENTIVE PLAN
WITH
NON-EMPLOYEE SUB-PLAN
AND
THE FRANCE AND ISRAEL SUB-PLANS
ADOPTED BY THE BOARD OF DIRECTORS: AUGUST 24, 2023
APPROVED BY THE SHAREHOLDERS: AUGUST 25, 2023

1. Purposes of the Plan. The purposes of the Plan are to provide additional incentives to enhance the Company's and its Subsidiaries' ability to attract, motivate and retain persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership and other incentive opportunities, and to promote the success of the Company.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements, except as defined otherwise in an individual Award Agreement. If a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) **"Administrator"** means the Board or any Committee appointed to administer the Plan.

(b) **"ADSs"** means American Depositary Shares, representing Shares on deposit with a U.S. banking institution selected by the Company and which are registered pursuant to a Form F-6.

(c) **"Applicable Laws"** means any applicable laws, statutes, constitutions, principles of common law, resolutions, ordinances, codes, edicts, decrees, rules, listing rules, regulations, judicial decisions, rulings or requirements issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, the New York Stock Exchange, the London Stock Exchange or the Financial Industry Regulatory Authority), including without limitation: (a) the requirements relating to the administration of equity incentive plans under English, U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws and rules of any other country or jurisdiction where Awards are granted; and (b) corporate, securities, tax or

other laws, statutes, rules, requirements or regulations, whether U.S. federal, state, local, applicable in the United Kingdom, United States or any other relevant jurisdiction.

(d) “**Award**” means an Option, SAR, Dividend Equivalent Right, Restricted Share, Restricted Share Unit or Other Award granted under the Plan or a Sub-Plan.

(e) “**Award Agreement**” means the written agreement or other instrument evidencing the grant of an Award, including any amendments thereto.

(f) “**Beneficial Ownership**” has the meaning defined in Rule 13d-3 under the Exchange Act.

(g) “**Board**” means the Board of Directors of the Company.

(h) “**Cause**” means, with respect to the termination by the Company or any of its Subsidiaries of a Grantee’s Continuous Service, that such termination is for “Cause” as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Subsidiary of the Company, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee’s: (i) failure to substantially perform the Grantee’s duties (other than a failure resulting from the Grantee’s Disability); (ii) failure to carry out, or comply with any lawful directive of the Board or the Grantee’s immediate supervisor; (iii) action or failure to act that could reasonably be expected to result in (or has resulted in) the Grantee’s conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or indictable offence or crime involving fraud, dishonesty or moral turpitude (or equivalent in any jurisdiction); (iv) unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company or any of its Subsidiaries or while performing the Grantee’s duties and responsibilities for the Company or any of its Subsidiaries; (v) the Grantee’s commission of (or attempted commission of) an act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company or any of its Subsidiaries; (vi) the Grantee’s unauthorized use or disclosure of the confidential information or trade secrets of the Company or any of its Subsidiaries; or (vii) the Grantee’s material violation of any contract or agreement between the Grantee and the Company or any of its Subsidiaries or of any statutory duty owed to the Company or any of its Subsidiaries, or such Grantee’s material failure to comply with the written policies or rules of the Company or any of its Subsidiaries.

(i) “**Change in Control**” means the occurrence of any of the following events:

(i) the acquisition by any Person of Beneficial Ownership of securities possessing more than 50% of the total combined voting power of the Company’s then outstanding securities; provided, however, that for purposes of this Subsection (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition by the Company; (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries; or (3) any acquisition pursuant to a transaction which complies with clauses (A) and (B) of Subsection (ii) below; or

(ii) consummation of a Corporate Event (as defined in Section 11(b)) unless, following such Corporate Event, (A) all or substantially all of the individuals and entities that had Beneficial Ownership of the Company's outstanding securities immediately prior to such Corporate Event have Beneficial Ownership, directly or indirectly, of more than 50% of the value of the then outstanding equity securities and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation or other entity resulting from such Corporate Event (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Event, of the Company's then outstanding equity securities and the combined voting power of the then outstanding voting securities and (B) no Person (excluding any employee benefit plan or related trust of the Company, any of its Subsidiaries or a corporation or other entity resulting from such Corporate Event) beneficially owns, directly or indirectly, 50% or more of, respectively, the then outstanding shares of the corporation resulting from such Corporate Event or the combined voting power of the then outstanding voting securities of such corporation, except to the extent that such ownership of the Company existed prior to the Corporate Event.

Notwithstanding anything to the contrary, a Permitted Change in Control shall not constitute a Change in Control. With respect to Awards that are "deferred compensation" under Section 409A of the Code, to the extent necessary to avoid incurring adverse tax consequences under Section 409A of the Code with respect to such Awards, each of the foregoing events shall only be deemed to be a Change in Control for purposes of the Plan to the extent such event qualifies as a "change in control event" for purposes of Section 409A of the Code.

(j) "**Code**" means the Internal Revenue Code of 1986.

(k) "**Committee**" means the Remuneration Committee of the Board or any other committee composed of members of the Board that is appointed by the Board or the Remuneration Committee of the Board to administer the Plan and constituted in accordance with Applicable Laws. Once appointed, the Committee shall continue to serve in its designated capacity until otherwise directed by the Board or the Committee.

(l) "**Company**" means Arm Holdings plc, a public limited company organized under the laws of England and Wales, or any successor entity that adopts the Plan in connection with a Corporate Event.

(m) "**Consultant**" means any natural person and other permitted recipients under the Applicable Laws (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any of its Subsidiaries to render consulting or advisory services to the Company or such Subsidiary of the Company.

(n) "**Continuous Service**" means that the provision of services to the Company and any of its Subsidiaries in any capacity as a Service Provider is not interrupted or terminated. Continuous Service shall not be considered interrupted in the case of (i) any

approved leave of absence, (ii) transfers among the Company or any of its Subsidiaries in any capacity provided that the Grantee remains a Service Provider or recommences service with the Company or any of its Subsidiaries within 7 days following the cessation of service with the original employing entity; or (iii) any other change in status as long as the Grantee remains a Service Provider (in each case, except as otherwise provided in the Award Agreement). Except as otherwise determined by the Administrator or as required to avoid incurring taxes, penalties or interest under Section 409A, in the event of any spin-off of a Subsidiary of the Company, the Continuous Service of the Service Providers of such spun-off Subsidiary shall be deemed terminated as of the closing of the spin off for purposes of the Plan and any Award unless the Service Provider continues to provide services as an Employee, Director or Consultant of the Company or another Subsidiary following the spin-off. An approved leave of absence shall include sick leave, military leave or any other authorized personal leave. For purposes of an Incentive Stock Option, if such leave exceeds three months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then, solely for purposes of determining whether the Option qualifies as an Incentive Stock Option, employment will be deemed terminated on the first day immediately following such three-month period and the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the date that is three months and one day following such deemed termination of employment. The Administrator will determine how any change or purported change in a Grantee's Service Provider status (including a change which would result in a termination of Continuous Service under the Plan but not under the Non-Employee Sub-Plan or vice versa) affects an Award.

(o) “**Director**” means a member of the Board or the board of directors or board of managers of any of its Subsidiaries.

(p) “**Disability**” means such term (or word of like import) as defined under any long-term disability policy of the Company or any of its Subsidiaries to which a Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or any of its Subsidiaries to which the Grantee provides services does not have a long-term disability policy in place, “Disability” means that the Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than 90 consecutive days. A Grantee will not be considered to have incurred a Disability unless the Grantee furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(q) “**Distressed Share Sale**” means the realization of any Share Security in respect of Shares (or shares in a holding company of the Company) subject to such Share Security, by the sale or appropriation of such Shares for value in circumstances where the relevant Share Security has become enforceable.

(r) “**Dividend Equivalent Right**” means a right granted under the Plan entitling the Grantee to compensation measured by dividends paid to stockholders with respect to Shares.

(s) “**Effective Date**” has the meaning set forth in Section 13.

(t) “**Employee**” means any employee of the Company or any of its Subsidiaries.

(u) “**Equity Restructuring**” means any return of capital (including a share dividend), bonus issue of shares or other Company securities by way of capitalization of profits, share split, reverse share split, spin-off, rights offering, re-designation, redenomination, consolidation recapitalization through a large, nonrecurring cash dividend, or any similar equity restructuring transaction, that affects the number or class of Shares (or other Company securities) or the nominal value of Shares (or other Company securities) and causes a change in the per share value of the Shares underlying outstanding Awards. Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as an Equity Restructuring.

(v) “**Exchange Act**” means the Securities Exchange Act of 1934.

(w) “**Fair Market Value**” means, as of any date, the value of a Share determined as follows:

(i) if the Shares are listed on one or more established stock exchanges or national market systems, the closing sales price for a Share (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported);

(ii) if the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, the closing sales price for a Share as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for a Share on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported); or

(iii) in the absence of an established market for the Shares of the type described in (i) and (ii) above, the Fair Market Value shall be determined by the Administrator in good faith and in a manner consistent with Applicable Laws.

(x) “**France Sub-Plan**” means the France Sub-Plan to the Plan, as set forth in Appendix 2 (as may be amended from time to time).

(y) “**Governmental Body**” means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) United Kingdom, U.S. federal, state, local, municipal or other government; (iii) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar

powers or authority; or (iv) self-regulatory organization (including the Nasdaq Stock Market, the New York Stock Exchange, the London Stock Exchange and the Financial Industry Regulatory Authority).

(z) “**Grantee**” means a Service Provider who receives an Award under the Plan (and any permitted transferee of an Award or Shares).

(aa) “**Greater Than 10% Shareholder**” means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of equity securities of the Company or its Subsidiary corporation, as defined in Section 424 (f) of the Code.

(bb) “**Incentive Stock Option**” or “**ISO**” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(cc) “**Internal Reorganization**” means a reorganization of the structure of the Company and its Subsidiaries (or all or substantially all of the business, assets and undertakings of the Company and its Subsidiaries), such that the ultimate beneficial ownership of the Company and its Subsidiaries (or all or substantially all of the business, assets and undertakings of the Company and its Subsidiaries) does not change.

(dd) “**IPO Date**” means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Company’s ADSs, pursuant to which the ADSs are priced for the initial public offering.

(ee) “**Israel Sub-Plan**” means the Israel Sub-Plan to the Plan, as set forth in Appendix 3 (as may be amended from time to time).

(ff) “**Non-Employee Sub-Plan**” means the Non-Employee Sub-Plan to the Plan, as set forth in Appendix 1 (as may be amended from time to time).

(gg) “**Non-Qualified Stock Option**” means an Option that is not intended to, or that does not, qualify as an incentive stock option within the meaning of Section 422 of the Code.

(hh) “**Officer**” means a person who is an officer of the Company or any of its Subsidiaries within the meaning of Section 16 of the Exchange Act.

(ii) “**Option**” means an option to purchase Shares granted under the Plan.

(jj) “**Other Award**” means awards not described in Section 6 or 7 of cash, Shares or other property, including awards valued wholly or partially by reference to, or otherwise based on or settled in, cash, Shares or other property, including awards with specified dollar values that are payable in Shares and awards providing for the appreciation in value of Shares (*e.g.*, options or share rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant), that may be granted either alone or in addition to Awards provided for under Section 6 and Section 7.

(kk) “**Permitted Change in Control**” means (i) the acquisition by any Person of Beneficial Ownership of securities possessing more than 50% of the total combined voting power of SoftBank’s then outstanding securities; (ii) a Shareholder Transfer, provided that if a transferee acquires Beneficial Ownership of securities possessing more than 50% of the total combined voting power of the Company’s then outstanding securities subsequently ceases to be directly or indirectly controlled by SoftBank (including, without limitation, through ownership or control of such transferee’s manager or investment adviser), such loss of control by SoftBank shall constitute a Change in Control; (iii) any transfer of Shares by SVF to its limited partners pursuant to the terms of the limited partnership agreement constituting SVF; (iv) any Internal Reorganization; and/or (v) the grant of, or exercise of rights in relation to, any Share Security (other than a Distressed Share Sale).

(ll) “**Person**” means any natural person, entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act).

(mm) “**Plan**” means this Arm Holdings plc 2023 Omnibus Incentive Plan, as may be amended, modified or restated from time to time.

(nn) “**Prior Plans**” means (i) The Arm Limited RSU Award Plan; (ii) The Arm Non-Executive Directors RSU Award Plan; (iii) The Arm Limited All-Employee Plan 2019; and (iv) The Executive IPO Plan 2019, including the sub-plans thereto, in each case originally adopted by Arm Limited, as may be subsequently amended and/or restated from time to time and as assumed or adopted by the Company prior to the Effective Date.

(oo) “**Restricted Share**” means Shares awarded to a Grantee under Section 7 subject to certain vesting conditions and other restrictions. For clarity, references to “performance shares” (or terms of similar import) means Restricted Shares with vesting or other terms conditioned upon achieving performance-based vesting conditions.

(pp) “**Restricted Share Unit**” means an unfunded, unsecured right to receive, on the applicable settlement date, one Share (or, if specified in the Award Agreement, other consideration determined by the Administrator to be of equal value as of such settlement date), subject to certain vesting conditions and other restrictions provided that nothing contained in the Plan or any Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Grantee and the Company or any of its Subsidiaries or any other person. For clarity, references to “performance share units” (or terms of similar import) means Restricted Share Units with vesting or other terms conditioned upon achieving performance-based vesting conditions.

(qq) “**SAR**” means a share appreciation right granted under the Plan entitling the Grantee to Shares or cash or a combination thereof, as measured by appreciation in the value of a Share.

(rr) “**Section 409A**” means Section 409A of the Code.

(ss) “**Securities Act**” means the Securities Act of 1933.

(tt) “**Service Provider**” means an Employee, Director or Consultant, provided that Consultants and Directors who are not Employees are only considered “Service Providers” eligible to be granted Awards under the Non-Employee Sub-Plan.

(uu) “**Share**” means an ordinary share of GBP 0.001 each in the capital of the Company, or the equivalent number of ADSs equal to an ordinary share.

(vv) “**Share Reserve**” has the meaning given to it in Section 3(a).

(ww) “**Share Security**” means any charge, mortgage or other security interest over Shares (or shares in a holding company of the Company) granted from time to time by the holder of such shares to any Person.

(xx) “**Shareholder Transfer**” means any transfer of Shares between Kronos II LLC and SVF HoldCo (UK) Limited and/or each of such entities’ respective affiliates, provided that in the case of any transfer pursuant to which the transferee acquires Beneficial Ownership of securities possessing more than 50% of the total combined voting power of the Company’s then outstanding securities, such transferee is indirectly or directly controlled by SoftBank (including, without limitation, through ownership or control of such transferee’s manager or investment adviser).

(yy) “**SoftBank**” means SoftBank Group Corp., a corporation incorporated under the laws of Japan, or any successor entity.

(zz) “**Sub-Plan**” means any sub-plan established with respect to the Plan, including the Non-Employee Sub-Plan, the France Sub-Plan, and the Israel Sub-Plan, in each case, as may be amended from time to time.

(aaa) “**Subsidiary**” means any corporation in which the Company owns, directly or indirectly, at least 50% of the total combined voting power of all classes of stock, or any other entity (including partnerships and joint ventures) in which the Company owns, directly or indirectly, at least 50% of the combined equity thereof; provided, however, that for purposes of determining whether any individual may be a Grantee for purposes of any grant of an Incentive Stock Option, “Subsidiary” shall have the meaning ascribed to such term in Section 424(f) of the Code.

(bbb) “**Substitute Awards**” means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any of its affiliates or with which the Company or any of its affiliates combines.

(ccc) “**SVF**” means SoftBank Vision Fund L.P. (“**Vision Fund**”), SoftBank Vision Fund II-2 L.P. (“**Vision Fund II**”) or any successor fund established in relation to Vision Fund or Vision Fund II, the general partner, advisor or manager of which is a direct or indirect Subsidiary of SoftBank (or, in each case, any of their affiliates thereof, or any alternative investment vehicle or similar entity established in relation thereto).

(ddd) “**Trust**” means any employee share ownership trust which has been or may be established by the Company or any of its Subsidiaries to operate in conjunction with this Plan or any Award Agreement.

(eee) “**Trustee**” means the trustee or trustees for the time being of a Trust.

(fff) “**vest**” means, with respect to an Award other than an Option or SAR, that the Award (or portion thereof that is vested) is no longer subject to forfeiture. With respect to an Option or SAR, the term “vest” means either that the Option or SAR is exercisable or, if the Option or SAR is an “early exercise” Option or SAR that permits the exercise of the Option or SAR before the applicable vesting date or event has occurred, that the Shares issuable upon exercise of such Option or SAR are no longer subject to forfeiture. If vesting of an Award would result in vesting with respect to a fraction of a Share, Option, SAR or unit (as applicable), the amount that vests will be rounded down to the nearest whole Share, Option, SAR or unit (as applicable) and such fractional amount that does not vest will remain unvested until the next applicable vesting date or event (if any) upon which a whole Share, Option, SAR or unit (as applicable) can vest.

3. Shares Available for Awards.

(a) Number of Shares. Subject to adjustment under Section 11 and the terms of this Section 3, Awards may be made under the Plan (taking account of Awards granted under the Sub-Plans) in an aggregate amount up to 20,500,000 Shares (the “**Share Reserve**”). In addition, the Share Reserve will automatically increase on April 1st of each year commencing on April 1, 2024, and ending on (and including) April 1, 2028, in an amount equal to 2% of the total number of Shares outstanding on March 31st of the preceding fiscal year. Notwithstanding the foregoing, the Board (or, to the extent permitted by Applicable Law, the Committee) may act prior to April 1st of a given year to provide that there will be no April 1st increase in the Share Reserve for such year or that the increase in the Share Reserve for such year will be a lesser (but not a greater) number of Shares than would otherwise occur pursuant to the preceding sentence. For purposes of the Plan, to the extent the Administrator determines to make or satisfy an Award in ADSs in lieu of Shares, then references to Shares shall be read as including such ADSs.

(b) Limit Applies to Shares Issued Pursuant to Awards. For clarity, the Share Reserve is a limit on the number of Shares that may be issued pursuant to Awards and not a limit on the granting of Awards.

(c) Share Recycling. Any Shares underlying an Award (or portion of an Award) that is (A) exchanged for, or settled in, cash, forfeited, canceled or expires (whether voluntarily or involuntarily) without the issuance of Shares or (B) granted as a Substitute Award in settlement or assumption of, or in substitution for, an outstanding award pursuant to Section 3(h), shall be deemed not to have been issued for purposes of determining the maximum number of Shares that may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Restricted Shares are forfeited, such Shares shall become available for future issuance under the Plan. To the extent not prohibited by Applicable

Laws, any Shares underlying an Award that are surrendered or withheld (x) in payment of the Award's exercise or purchase price (including pursuant to the "net exercise" of an Option pursuant to Section 6(e)(iv)), or (y) in satisfaction of tax withholding obligations with respect to an Award, shall be deemed not to have been issued for purposes of determining the maximum number of Shares that may be issued under the Plan, unless otherwise determined by the Administrator. SARs payable in Shares shall reduce the maximum aggregate number of Shares which may be issued under the Plan only by the net number of actual Shares issued upon exercise of the SAR.

(d) ISO Limitation. Subject to adjustment under Section 11 and to the overall Share Reserve, no more than 20,500,000 Shares may be issued pursuant to the exercise of ISOs.

(e) Deed Poll. The Administrator may grant Awards by entering into a deed poll and, as soon as practicable after the Company has executed the deed poll, the Administrator shall enter into an Award Agreement.

(f) Type of Shares. The Shares issuable under the Plan will be new shares, treasury shares or market purchase shares.

(g) ADSs. The Administrator may determine that certain Awards will be satisfied by the transfer or issue of ADSs in lieu of Shares, and references in this Plan to Shares shall be construed accordingly.¹

(h) Substitute Awards. In connection with an entity's merger or consolidation with the Company or any of its Subsidiaries or the Company's or any of its Subsidiaries' acquisition of an entity's property or stock, the Administrator may grant Awards in substitution for any options or other equity or equity-based awards granted before such merger or consolidation by such entity or its affiliate. Such Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Subject to Applicable Laws, Substitute Awards will not count against the Share Reserve (nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan as provided above), except that Shares acquired by exercise of substitute ISOs will count against the maximum number of Shares that may be issued pursuant to the exercise of ISOs under the Plan. Additionally, in the event that a company acquired by the Company or any of its Subsidiaries or with which the Company or any of its Subsidiaries combines has shares available under a pre-existing plan not adopted in contemplation of such acquisition or combination, then, subject to Applicable Laws, shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of ordinary shares or common stock (as applicable) of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such

¹ Note to Grantees: As at the date of this Plan, each ADS represents one underlying ordinary share of the Company. ADSs are the securities that are publicly tradeable on Nasdaq. In some circumstances, ADSs may be evidenced in certificate form by American Depositary Receipts, however as at the date of this Plan, the Company's ADSs are uncertificated.

Awards shall not be added to the Shares available for Awards under the Plan as provided above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Service Providers prior to such acquisition or combination.

(i) Prior Plans. Upon the Effective Date, no further new awards may be granted over Shares under the Prior Plans.

4. Administration of the Plan.

(a) Plan Administrator. The Plan shall be administered by the Board or a Committee designated by the Board in accordance with Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. To the extent permitted by Applicable Law, the Board or Committee may also authorize one or more Officers or Employees to administer the Plan with respect to Awards to Service Providers (and to grant such Awards) and may limit such authority as the Board or Committee, as applicable, determines from time to time; provided, that in no event may an Officer or Employee grant, or have administrative discretion with respect to, his or her own Award.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

- (i) to select the Service Providers to whom Awards may be granted;
- (ii) to determine whether, when and to what extent Awards are granted;
- (iii) to determine the number of Shares or the amount of cash or other consideration underlying each

Award;

- (iv) to approve forms of Award Agreements;
- (v) to determine the terms and conditions of any Award, including the vesting schedule, forfeiture provisions, payment contingencies, purchase price and any performance criteria, and whether to waive or accelerate any such terms and conditions;

(vi) to grant Awards to Service Providers residing outside the U.S. or to otherwise adopt or administer such procedures or sub-plans on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purposes of the Plan or comply with Applicable Laws;

- (vii) to amend the terms of any outstanding Award, subject to Section 14;

(viii) to determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the Grantee or of the Administrator;

(ix) to establish one or more programs under the Plan to permit selected Grantees to exchange an Award for one or more other types of Awards on such terms and conditions as determined by the Administrator;

(x) to establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees;

(xi) to construe and interpret the terms of the Plan and Awards, including any Award Agreement;

(xii) to approve corrections in the documentation or administration of any Award;

(xiii) to delegate any or all of its powers under the Plan to the extent permitted by Applicable Laws;

(xiv) to designate whether such Awards will be satisfied by Shares or ADSs, in each case subject to the conditions and limitations in the Plan; and

(xv) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. Any decision or interpretation made, or action taken, by the Administrator in connection with the administration of the Plan shall be final, conclusive and binding on all Grantees.

5. Eligibility. Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

6. Options and Share Appreciation Rights.

(a) General. The Administrator may grant Options or SARs to Service Providers subject to the limitations in the Plan, including any limitations in the Plan that apply to ISOs. The Administrator will determine the number of Options and/or SARs, the exercise price of each Option and SAR and the conditions and limitations applicable to the exercise of each Option and SAR. Each Option will be designated in writing as an ISO or Non-Qualified Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Non-Qualified Stock Option, and the Shares purchased upon exercise of each type of Option will be separately accounted for. A SAR will entitle the Grantee (or other person entitled to exercise the SAR) to receive from the Company upon exercise of the exercisable portion of the SAR an amount determined by multiplying the excess, if any, of the Fair Market

Value of one Share on the date of exercise over the exercise price per Share of the SAR by the number of Shares with respect to which the SAR is exercised, subject to any limitations of the Plan or that the Administrator may impose and payable in cash, Shares valued at Fair Market Value or a combination of the two as the Administrator may determine or provide in the Award Agreement. A Grantee will have no rights of a shareholder with respect to Shares subject to any Option or SAR unless and until any Shares are delivered in settlement of the Option or SAR.

(b) Exercise Price. The Administrator will establish each Option's and SAR's exercise price and specify the exercise price in the Award Agreement. Subject to Section 25, the exercise price will not be less than the nominal value of a Share and for Grantees who are subject to tax in the United States not less than 100% of the Fair Market Value on the grant date of the Option or SAR. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or share appreciation right pursuant to Section 3(h) and, in respect of Grantees who are subject to tax in the United States, in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Duration. Each Option or SAR will vest and be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or SAR will not exceed ten years, subject to Section 25. Notwithstanding the foregoing and unless determined otherwise by the Company, in the event that on the last business day of the term of an Option or SAR (other than an ISO) (i) the exercise of the Option or SAR is prohibited by Applicable Laws, as determined by the Company, or (ii) Shares may not be purchased or sold by the applicable Grantee due to any Company insider trading, window period and/or dealing policy (including blackout periods), the term of the Option or SAR shall be extended until the date that is 30 days after the end of the legal prohibition, black-out period, as determined by the Company; provided, however, in no event shall the extension last beyond the original term of the applicable Option or SAR. Unless otherwise provided in an Award Agreement or otherwise determined by the Administrator, if the Grantee's Continuous Service terminates for any reason before the full vesting of the Option or SAR, the vesting of the Option or SAR shall cease immediately upon the effective date of such termination of Continuous Service and such unvested portion shall be forfeited.

(d) Exercise. Options and SARs may be exercised by delivering to the Company a written notice of exercise, in a form the Administrator approves (which may be electronic), signed by the person authorized to exercise the Option or SAR, together with, as applicable, payment in full (i) as specified in Section 6(e) for the number of Shares for which the Award is exercised and (ii) as specified in Section 10(b) for any applicable taxes. Unless the Administrator otherwise determines, an Option or SAR may not be exercised for a fraction of a Share. An Option or SAR shall be deemed exercised when written notice of such exercise has been given to the Company (or a broker pursuant to Section 6(e)(ii) in accordance with the terms of the Award by the Grantee and, if applicable, full payment for the Shares with respect to which the Option or SAR is exercised has been made (together with applicable tax withholding)).

(e) Payment Upon Exercise. Subject to the Company's or any relevant Subsidiary's insider trading, window period and/or dealing policy (including blackout periods) and Applicable Laws, the exercise price of an Option must be paid by:

(i) cash, wire transfer of immediately available funds or by cheque payable to the order of the Company, provided that the Company may limit the use of one of the foregoing payment forms if one or more of the payment forms below is permitted;

(ii) if there is a public market for Shares at the time of exercise, unless the Administrator otherwise determines, (A) delivery (including telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price, or (B) the Grantee's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a cheque sufficient to pay the exercise price; provided that such amount is paid to the Company at such time as may be required by the Administrator;

(iii) to the extent permitted by the Administrator at the time of exercise, delivery (either by actual delivery or attestation) of Shares owned by the Grantee free and clear of any liens, claims, encumbrances or security interests, which, when valued at their Fair Market Value on the exercise date, have a value sufficient to pay the exercise price, provided that (A) at the time of exercise the Shares are publicly traded, (B) any remaining balance of the exercise price not satisfied by such delivery is paid by the Grantee in cash or other permitted form of payment, (C) such delivery would not violate any Applicable Laws or agreement restricting the redemption of the Shares, (D) if required by the Administrator, any certificated Shares are endorsed or accompanied by an executed assignment separate from certificate, and (E) such Shares have been held by the Grantee for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) to the extent permitted by the Administrator at the time of exercise, by way of "net exercise" where Shares then issuable upon the Option's exercise which, when valued at their Fair Market Value on the exercise date, have a value sufficient to pay the exercise price are withheld in satisfaction of the exercise price, provided that any remaining balance of the exercise price not satisfied by such net exercise is paid by the Grantee in cash or other permitted form of payment;

(v) to the extent permitted by the Administrator at the time of exercise and by permitted Applicable Law, delivery of any other property that the Administrator determines is good and valuable consideration;

(vi) any other method approved by the Administrator; or

(vii) to the extent permitted by the Administrator, any combination of the above payment forms approved by the Administrator.

7. Restricted Shares; Restricted Share Units.

(a) General. The Administrator may grant Restricted Shares, or the right to purchase Restricted Shares, to any Service Provider, subject to the Company's right to repurchase all or part of such Shares at their issue price or other stated or formula price from the Grantee (or to require forfeiture or compulsory transfer of such Shares in such manner as the Administrator may determine) if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant to Service Providers Restricted Share Units, which may be subject to vesting, issuance and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement. The Administrator will determine and set forth in the Award Agreement the terms and conditions for each Restricted Share and Restricted Share Unit Award, subject to the conditions and limitations contained in the Plan.

(b) Duration. Each Restricted Share or Restricted Share Unit will vest at such times and as specified in the Award Agreement. Unless otherwise provided in an Award Agreement or otherwise determined by the Administrator, if, prior to the vesting date of a Restricted Share or Restricted Share Unit, the Grantee's Continuous Service terminates for any reason, including death or Disability, the vesting of the Restricted Share or Restricted Share Unit shall cease immediately upon the effective date of such termination of Continuous Service and such unvested portion shall be forfeited.

(c) Dividends and Dividend Equivalent Rights. Dividends on Restricted Shares and Dividend Equivalent Rights on Restricted Share Units may be paid or credited, as applicable, with respect to any Restricted Shares or Shares subject to Restricted Share Units, as determined (and on such terms as may be determined) by the Administrator and specified in the Award Agreement.

(d) Restricted Shares.

(i) Form of Award. The Company may require that the Grantee deposit in escrow with the Company (or its designee) any certificates issued in respect of Restricted Shares, together with a stock transfer form endorsed in blank. Unless otherwise determined by the Administrator, a Grantee will have voting and other rights as a shareholder of the Company with respect to any Restricted Shares.

(ii) Consideration. Subject to Applicable Law, Restricted Shares may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or any of its Subsidiaries, or (C) any other form of consideration (including future services) as the Administrator may determine to be acceptable and which is permissible under Applicable Laws.

(e) Restricted Share Units.

(i) Settlement. Unless otherwise provided in an Award Agreement or otherwise determined by the Administrator (including that the settlement of Restricted Share Units will be deferred, on a mandatory basis or at the Grantee's election), as soon as administratively feasible, but no later than 60 days following the date on which the Restricted Share Units vest (each, a "**Vesting Date**"), a number of Shares equal to the number of Restricted Share Units subject to the Award that vest on the applicable Vesting Date shall be issued to the Grantee, subject to any required tax or other withholding obligations. The Grantee may be required to pay the nominal value thereof.

(ii) Shareholder Rights. A Grantee will have no rights of a shareholder with respect to any Shares subject to any Restricted Share Unit unless and until the Shares are delivered in a settlement of the Restricted Share Unit.

(iii) Consideration. Unless otherwise determined by the Administrator at the time of grant, Restricted Share Units will be granted in consideration for the Grantee's services to the Company or any of its Subsidiaries, such that the Grantee will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the Award, or the issuance of any Shares pursuant to the Award. If the Administrator determines that any consideration must be paid by the Grantee (in a form other than the Grantee's services to the Company or a Subsidiary of the Company) upon the issuance of any Shares in settlement of the Award, such consideration may be paid in any form of consideration as the Administrator may determine to be acceptable and which is permissible under Applicable Laws.

8. Other Awards. Other Awards may be granted to Grantees, including awards entitling Grantees to receive cash or Shares to be delivered in the future (whether based on specified performance criteria, performance goals or otherwise), in each case subject to any conditions and limitations in the Plan. Such Other Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Grantee is otherwise entitled. Other Awards may be paid in cash, Shares or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Award, including any purchase price, performance condition, performance goal, transfer restrictions, and vesting conditions, which, to the extent applicable to the Other Award, will be set forth in the applicable Award Agreement. For clarity, Other Awards need not be subject to vesting or other conditions or restrictions.

9. Conditions upon Issuance of Shares. If the Administrator determines that the delivery of Shares with respect to an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares with respect to an Award shall be suspended until the Administrator determines that such delivery is lawful. An Incentive Stock Option may not be exercised until the Plan has been approved by the stockholders of the Company. The Company shall have no obligation to effect any registration or qualification of the Shares under Applicable Laws. A Grantee's right to exercise an Award may be suspended for a

limited period of time if the Administrator determines that such suspension is administratively necessary or desirable. In no event shall the Company issue fractional Shares.

10. Tax.

(a) Tax Liability. The taxation, social security or similar obligations that are not imposed by Applicable Law on the Company, any Subsidiary of the Company or any Trust that arise in connection with an Award or any sale or other disposition of Shares issued pursuant to an Award are the Grantee's personal responsibility, regardless of any action the Company, any Subsidiary of the Company or any Trust takes with respect to any tax or other withholding obligations that arise in connection with an Award. None of the Company, any Subsidiary of the Company or any Trust makes any representation or undertaking regarding the treatment of any tax withholding in connection with any aspect of the Award, or commits to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Withholding. The Grantee shall, no later than the date as of which taxes (including any income tax, employment tax and payroll tax), duties, social insurance, social security contributions (including anything in a jurisdiction outside the United Kingdom which, in the opinion of the Administrator, is reasonably comparable to social security contributions) or other amounts in respect of Awards or otherwise in connection with a person's participation in the Plan are required by Applicable Laws to be withheld with respect to an Award ("**Withholding Obligations**"), pay to the Company, a Subsidiary of the Company or a Trust (as applicable), or make arrangements satisfactory to the Administrator regarding payment of, the Withholding Obligations. The obligations of the Company under the Plan shall be conditional on satisfaction of applicable Withholding Obligations with respect to the Award. None of the Company, any Subsidiary of the Company or any Trust is under any obligation to arrange for any sale of Shares to satisfy any Withholding Obligations, or for a sale to be at any particular price, and any such sale may not be sufficient to satisfy a Grantee's Withholding Obligations. Accordingly, Grantees may be required to pay to the Company, a Subsidiary of the Company or a Trust (as applicable) at such time and in such manner as the Company, such Subsidiary or such Trust (as applicable) may specify, including by wire transfer, delivery of a certified check, additional payroll withholding or such other means as may be specified from time to time by the Company, such Subsidiary or such Trust (as applicable), any amount of the Withholding Obligations that is not satisfied by a sale of Shares. Without limiting the foregoing, subject to Applicable Laws, the Company, a Subsidiary or a Trust (as applicable) may satisfy any Withholding Obligations by offsetting any amounts payable to the Grantee by the Company, such Subsidiary or such Trust (as applicable), and the Administrator may require or may permit a Grantee to elect that the withholding requirement be satisfied in whole or in part, by having the Company, a Subsidiary of the Company or a Trust (as applicable) withhold or by selling or tendering to the Company, a Subsidiary of the Company or a Trust (as applicable), Shares having a Fair Market Value equal to the minimum statutory withholding with respect to an Award or such greater amount that is permitted by Applicable Law, provided such greater amount does not exceed the maximum statutory rates in the applicable jurisdictions or cause adverse accounting consequences for the Company, the Subsidiary of the Company or the Trust (as applicable). The Company, a Subsidiary of the Company or a Trust (as applicable) may also use any other method

of obtaining the necessary payment or proceeds, as permitted by Applicable Laws, to satisfy its withholding obligation with respect to an Award.

11. Adjustments For Changes in Shares and Certain Other Events.

(a) Equity Restructuring. In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Section 11(a), the Administrator will equitably adjust (i) the type, class and maximum number of Shares subject to the Plan, (ii) the type, class and maximum number of Shares that may be issued pursuant to the exercise of ISOs under Section 3(d) and (iii) each outstanding Award as it deems appropriate to reflect the Equity Restructuring, which may include adjusting the type, class and number of securities subject to each outstanding Award and/or the Award's exercise price or grant price (if applicable), granting new Awards to Grantees, and making a cash payment to Grantees. The adjustments provided under this Section 11(a) will be nondiscretionary and final and binding on the affected Grantee and the Company; provided that the Administrator will determine whether an adjustment is equitable.

(b) Corporate Events. In the event of any reorganization, merger, consolidation, combination, amalgamation, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Shares or other securities of the Company or a Change in Control (any "**Corporate Event**"), the Administrator, on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate:

(i) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Grantee's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Grantee's rights, in any case, is equal to or less than zero (as determined by the Administrator in its discretion), then the Award may be terminated without payment. In addition, such payments under this provision may, in the Administrator's discretion, be delayed to the same extent that payment of consideration to the holders of Shares in connection with the Corporate Event is delayed as a result of escrows, earn outs, holdbacks or any other contingencies;

(ii) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all Shares underlying such Award, notwithstanding anything to the contrary in the Plan or the provisions of such Award as of a date prior to the effective time of such Corporate Event as the Administrator determines (or, if the Administrator does not determine such a date, as of the date that is 5 days prior to the effective date of the Corporate Event), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Event; provided, however, that the Administrator may require Grantees to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Event, which exercise is contingent upon the effectiveness of such Corporate Event;

(iii) To provide that such Award be assumed by the successor or survivor entity, or a parent or Subsidiary thereof, or shall be substituted for by awards satisfied by equity securities of the successor or survivor entity, or a parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of shares and/or applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iv) To arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Shares issued pursuant to the Award to the surviving entity or acquiring entity (or the surviving or acquiring entity's parent company);

(v) To arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;

(vi) To replace such Award with other rights or property selected by the Administrator; and/or

(vii) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable transaction or event.

The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Grantees. The Administrator may take different actions with respect to the vested and unvested portions of an Award.

(c) Administrative Stand Still. In the event of any pending Corporate Event or other similar transaction, for administrative convenience, the Administrator may refuse to permit the exercise of any Award for up to thirty days before or after such Corporate Event or other similar transaction.

(d) General. Except as expressly provided in the Plan or the Administrator's action under the Plan, no Grantee will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class, issue, rights issue, offer or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 11(a) or the Administrator's action under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any Corporate Event or (iii) sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares. The Administrator may treat Grantees and Awards (or portions thereof) differently under this Section 11.

12. Change in Control. Subject to Section 11 and except as otherwise determined by the Administrator or provided in an Award Agreement, employment or similar agreement or in

the definitive Change in Control transaction agreement, in the event of a Change in Control, the Awards shall be treated as follows:

(a) Awards Continued or Assumed or Substituted by Surviving Entity or Acquiring Entity.

(i) If the Company is the surviving entity (in which case the Awards will continue) or if the Company is not the surviving entity or is acquired by another entity, but the surviving or acquiring entity (or a parent entity thereof) assumes an Award or substitutes for an Award another award relating to the stock of such surviving or acquiring entity (or parent thereof), such awards (the “**Continued, Assumed or Substituted Awards**”) shall remain governed by their respective terms; provided, that if on, or within 18 months following, the date of the Change in Control, the Grantee’s Continuous Service is terminated by the Company or any of its Subsidiaries without Cause, (A) the Continued, Assumed or Substituted Awards that are subject only to service-based vesting conditions held by the Grantee that were not then vested (and, with respect to Options and SARs, exercisable) shall immediately become fully vested and, if applicable, exercisable; and (B) the Continued, Assumed or Substituted Awards that are subject to vesting conditions relating to items or events other than Continuous Service (*e.g.*, performance-based vesting conditions) held by the Grantee that were not then vested (and, with respect to Options and SARs, exercisable) shall immediately become vested and, if applicable, exercisable, assuming such vesting conditions have been satisfied at the “target” (or term of similar import) performance level.

(ii) If the Company is not the surviving entity or is acquired by another entity, and the surviving or acquiring entity (or a parent entity thereof) does not assume or substitute Awards, the holders of such Awards shall be entitled to the following benefits:

(A) With respect to an Award that is subject only to service-based vesting conditions, subject to the Grantee’s Continuous Service through the consummation of the Change in Control, a pro-rata portion of such Award shall become vested as of the date of the Change in Control, which pro-rata portion shall be determined on an Award-by-Award basis by multiplying (x) the total number of Shares underlying the Award that would otherwise vest on the scheduled vesting date immediately following such Change in Control, by (y) a fraction, the numerator of which is the number of days from the last vesting date immediately prior to such Change in Control (or, if no such vesting date has occurred, the vesting commencement date specified in the Award) through and including the day on which the Change in Control occurs, and the denominator of which is the total number of days from the last vesting date immediately prior to the Change in Control (or, if no such vesting date has occurred, the vesting commencement date) through the scheduled vesting date immediately following such Change in Control; and

(B) with respect to an Award that is subject to vesting conditions relating to items or events other than Continuous Service (*e.g.*, performance-based vesting conditions), all or a portion of the Award may vest as of immediately prior to the occurrence of such Change in Control, but only to the extent (if at all) determined by the Administrator in its absolute discretion; provided, that, to the extent any Award constitutes

deferred compensation for purposes of Section 409A, if the settlement or other payment event resulting from the vesting of such Award pursuant to this Section 12(a)(ii) would not be permitted by Section 409A, such Award shall vest pursuant to this Section 12(a)(ii), but the settlement or other payment event with respect to such Award shall not be accelerated and shall instead occur when it would have occurred had the Award become Continued, Assumed or Substituted Awards pursuant to Section 12(a)(i) (or on such earlier date as is permitted under Section 409A). Any portion of the outstanding Award that is not vested pursuant to Section 12(a)(ii) shall be cancelled for no consideration. The Administrator may provide that any portion of an Award that is vested (or vests) as of the Change in Control shall be canceled in exchange for a payment in an amount equal to (A) the Fair Market Value per Share subject to the Award immediately prior to the Change in Control over the exercise or base price (if any) per Share subject to the Award multiplied by (B) the number of Shares that becomes vested pursuant to Section 12(a)(ii). For avoidance of doubt, if the Fair Market Value per Share subject to an Option or SAR immediately prior to the Change in Control is less than the exercise or base price per Share of such Award, such Awards shall be cancelled for no consideration.

(b) For the purposes of this Section 12, an Award shall be considered assumed or substituted for if immediately following the Change in Control the award is of substantially equal value, with the determination of such substantial equality of value being made by the Administrator before the Change in Control.

13. Effective Date and Term of Plan. The Plan was approved by the Board on August 24, 2023. The Plan shall become effective on the IPO Date (the “**Effective Date**”), provided the Plan is approved by the Company’s shareholders prior to the IPO Date. Unless earlier terminated by the Board, the Plan will remain in effect until the fifth anniversary of the date the Plan was approved by the Company’s shareholders, but Awards previously granted may extend beyond that date in accordance with the Plan. If the Plan is not approved by the Company’s shareholders within 12 months of the date of Board approval of the Plan, all ISOs will be treated as Non-Qualified Stock Options.

14. Amendment and Termination of the Plan and Amendment of Award Agreements. The Administrator may, at any time, amend, suspend or terminate the Plan and amend Award Agreements; provided that if the Administrator proposes an amendment that would be to the material disadvantage of any Grantees in respect of subsisting rights under the Plan or Award Agreement, then: (a) the Administrator shall invite each such disadvantaged Grantee to indicate whether or not they approve the amendment, and (b) such amendment shall only take effect if the majority (assessed by reference to the size of affected Awards) of the Grantees who respond to an invitation made in accordance with this Section 14 consent to the amendment. The Administrator shall have absolute discretion to determine which Grantees are disadvantaged by a proposed amendment. No Awards may be granted under the Plan during any suspension period or after Plan termination; however, the suspension or termination of the Plan shall not affect Awards outstanding at the time of any Plan suspension or termination. The Board will obtain shareholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

15. Clawback, Repayment or Recapture Policy. All Awards (including any proceeds, gains or other economic benefit the Grantee actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to any Company clawback, repayment or recapture policy that may be adopted from time to time to the extent such policy applies to the relevant Grantee, including any claw-back policy adopted to comply with Applicable Laws (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder) as set forth in such clawback policy or the Award Agreement, to the extent applicable and permissible under Applicable Laws. No recovery of compensation under such a claw-back policy will be an event giving rise to a Grantee's right to voluntarily terminate employment upon a "constructive termination" or any similar term under any plan of or agreement with the Company or any of its Subsidiaries.

16. Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a Director, Officer, other Employee or agent of the Company or any of its affiliates will be liable to any Grantee, former Grantee, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as an Administrator, Director, Officer, other employee or agent of the Company or any of its affiliates. As a condition to accepting an Award under the Plan, each Grantee (a) agrees to not make any claim against the Company, any affiliates thereof, or any of their respective Officers, Directors, Employees related to tax or social security liabilities arising from such Award or other compensation paid or payable by the Company or any of its Subsidiaries and (b) acknowledges that such Grantee was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax and social security consequences of the Award and has either done so or knowingly and voluntarily declined to do so. The Company will indemnify and hold harmless each Director, Officer, other Employee and agent of the Company or any of its affiliates that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

17. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, or alter any Grantee's status as an at will employee (if applicable), nor shall it interfere in any way with the Grantee's right or the right of the Company or any of its Subsidiaries to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice.

18. Right to Compensation. A Grantee shall have no right to compensation or damages in respect of any loss or potential loss arising from or in connection with the Plan or any Award, including in relation to (a) any loss or reduction of rights or expectations under the Plan in any circumstances including where such loss or potential loss arises (or is claimed to arise), in whole or in part, from the termination of the Grantee's Continuous Service or notice to terminate the Grantee's Continuous Service given by or to the Company or a Subsidiary for any

reason, and whether any such termination is lawful or unlawful; (b) any loss of opportunity to be granted future Awards; (c) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; or (d) the operation, suspension, termination or amendment of the Plan.

19. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a compensation or benefit plan, program or arrangement of the Company or any of its Subsidiaries, Awards shall not be deemed compensation for purposes of such plans, programs or arrangements. The Plan is not a “pension plan” or “welfare plan” under the Employee Retirement Income Security Act of 1974.

20. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan or an Award shall be unfunded and unsecured obligations for all purposes, including Title I of the Employee Retirement Income Security Act of 1974, and shall not be construed as creating a trust or conferring upon any Grantee any rights with respect to any Trust or other arrangement that may be used to facilitate the issuance of Shares or other aspects of such Award. None of the Company or any of its affiliates shall be required to segregate any monies from its general funds, to create any trusts, or to establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, that the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any of its affiliates and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee’s creditors in any assets of the Company or any of its affiliates or in any trust. A Grantee shall have no claim against the Company or any of its affiliates for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

21. Construction. The following rules of construction shall apply to the Plan and Award Agreements. Captions and titles are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan or Award Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the word “or” is not intended to be exclusive, unless the context clearly requires otherwise. The words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. The words “writing” and “written” and comparable words refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. Any reference to any federal, state or other statute or law shall be deemed also to refer to such statute or law as amended, and to all rules and regulations promulgated thereunder. References to “stockholders” shall be deemed to refer to “shareholders” to the extent required by Applicable Laws. References to the Company or any of its Subsidiaries shall include such entity’s successors.

22. Non-exclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval nor any provision of the

Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable.

23. Provisions for Certain Grantees.

(a) Modification. The Administrator may modify Awards granted to Grantees who are nationals of, or employed in, a jurisdiction outside the United Kingdom and the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such international jurisdictions with respect to tax, securities, currency, employee benefit or other matters, including as may be necessary or appropriate in the Administrator's discretion to grant Awards under any tax-favorable regime that may be available in any jurisdiction (provided that Administrator approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant jurisdiction).

(b) Imposition of Other Requirements. The Company reserves the right to impose requirements on the Grantee's participation in the Plan, on Awards and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(c) Section 431 Elections. Each Grantee irrevocably agrees to enter into, in respect of any Shares the Grantee may acquire on vesting of an Award, on or before the vesting of such Award, such election(s) as the Company may specify under section 431(1) or section 431(2) of the Income Tax (Earnings and Pensions) Act 2003 (including any amendment, modification, extension, consolidation, replacement or re-enactment of such provisions).

24. Section 409A. The following provisions only apply to Grantees subject to tax in the United States:

(a) General. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply, and the Plan and all Award Agreements (or other agreements affecting Awards) will be interpreted accordingly. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Grantee's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (A) exempt this Plan or any Award from Section 409A, or (B) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 24(a) or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Grantee or any other person if any Award, compensation or other benefits under the Plan are determined to

constitute noncompliant “nonqualified deferred compensation” subject to taxes, penalties or interest under Section 409A.

(b) Separation from Service. If an Award constitutes “nonqualified deferred compensation” under Section 409A, any payment or settlement of such Award upon a termination of a Grantee’s Service Provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Grantee’s “separation from service” (within the meaning of Section 409A), whether such “separation from service” occurs upon or after the termination of the Grantee’s Service Provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a “termination,” “termination of service,” “termination of employment” or like terms means a “separation from service.”

(c) Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of “nonqualified deferred compensation” required to be made under an Award to a “specified employee” (as defined under Section 409A and as the Administrator determines) due to his or her “separation from service” will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such “separation from service” (or, if earlier, until the specified employee’s death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of “nonqualified deferred compensation” under such Award payable more than six months following the Grantee’s “separation from service” will be paid at the time or times the payments are otherwise scheduled to be made.

25. 10% Shareholders. The Administrator may grant ISOs only to Employees of the Company or any of its present or future Subsidiary corporations, as defined in Section 424 (f) of the Code, and any other entities the employees of which are eligible to receive ISOs under the Code. If an ISO is granted to a Greater Than 10% Shareholder, the exercise price will not be less than 110% of the Fair Market Value on the Option’s grant date, and the term of the Option will not exceed five years. All ISOs will be subject to and construed consistently with Section 422 of the Code. By accepting an ISO, the Grantee agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired under the Option made within (a) two years from the grant date of the Option or (b) one year after the transfer of such Shares to the Grantee, specifying the date of the disposition or other transfer and the amount the Grantee realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Grantee, or any other party, if an ISO fails or ceases to qualify as an “incentive stock option” under Section 422 of the Code. Any ISO or portion thereof that fails to qualify as an “incentive stock option” under Section 422 of the Code for any reason, including becoming exercisable with respect to Shares having a fair market value exceeding the \$100,000 limitation under Treasury Regulation Section 1.422-4, will be a Non-Qualified Stock Option.

26. No Obligation to Notify or Minimize Taxes. Except as required by Applicable Laws the Company has no duty or obligation to any Grantee to advise such Grantee as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such Grantee of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax or social security consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax or social security consequences to such holder in connection with an Award.

27. Data Privacy.

(a) As a condition for receiving any Award, each Grantee acknowledges that the Company and any of its affiliates may collect, use and transfer, in electronic or other form, personal data as described in this section by and among the Company and any of its affiliates exclusively for implementing, administering and managing the Grantee's participation in the Plan. The Company (as above) may hold certain personal information about a Grantee, including the Grantee's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company (as above); and Award details, to implement, manage and administer the Plan and Awards (the "**Data**"). The Company (as above) may transfer the Data amongst themselves as necessary to implement, administer and manage a Grantee's participation in the Plan, and the Company (as above) may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Grantee's country, or elsewhere, and the Grantee's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Grantee acknowledges that such recipients may receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Grantee's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Grantee may elect to deposit any Shares. The Data related to a Grantee will be held only as long as necessary to implement, administer, and manage the Grantee's participation in the Plan. A Grantee may, at any time, view the Data that the Company holds regarding such Grantee, request additional information about the storage and processing of the Data regarding such Grantee and recommend any necessary corrections to the Data regarding the Grantee in writing, without cost, by contacting the local human resources representative.

(b) For the purpose of operating the Plan in the European Union, the United Kingdom and such other jurisdictions determined by the Administrator, the Company will collect and process information relating to Grantees in accordance with the privacy notice which is provided to each Grantee.

28. Transferability of Awards. Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the rules of intestacy, the laws of descent and distribution or similar rules or laws applicable to the Grantee in the event of death. Unless determined otherwise by the Administrator, any attempt to sell, pledge, assign, hypothecate, transfer or dispose of an

Award or any rights in respect of an Award, whether voluntarily or involuntarily, shall result in the immediate forfeiture of the Award.

29. Termination in Exceptional Circumstances. If a Grantee's Continuous Service terminates due to ill-health, injury, Disability or death, in each case, evidenced to the reasonable satisfaction of the Administrator, then the Administrator may, in its absolute discretion, vest all or a portion of such Grantee's Awards with effect from the termination date of such Grantee's Continuous Service, or make a cash payment to such Grantee (or in the case of a deceased Grantee, such Grantee's personal representatives), in recognition of the fact of the lapse of such Grantee's Awards. The quantum of such vesting and/or cash payment shall be at the absolute discretion of the Administrator.

30. Other Policies. All Awards (including any proceeds, gains or other economic benefit the Grantee actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to any relevant policy of the Company or any of its Subsidiaries to the extent such policy applies to the relevant Grantee, including but not limited to any remuneration policy and/or share retention, ownership, or holding policy that may be adopted from time to time.

31. Conformity to Applicable Laws. Grantee acknowledges that the Plan is intended to conform to the extent necessary with Applicable Laws. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in conformance with Applicable Laws. To the extent Applicable Laws permit, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Laws and may be unilaterally cancelled by the Company (with the effect that all Grantee's rights thereunder lapse with immediate effect) if the Administrator determines in its reasonable discretion that such conformity is not possible or practicable.

32. Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any of its Subsidiaries except as expressly provided in writing in such other plan or an agreement thereunder.

33. Deferrals. To the extent permitted by Applicable Laws, the Administrator, in its sole discretion, may determine that the delivery of Shares or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Grantees.

34. Trust. The Company or any of its Subsidiaries may provide money to the Trustee or any other person to enable them or him/her to acquire Shares to be held for the purposes of the Plan or any Award Agreement, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Chapter 2 of Part 18 of the Companies Act 2006 and any other Applicable Laws. Notwithstanding the foregoing or anything else to the contrary, (a) no Grantee shall have any interest in any Shares, cash or other assets of any Trust (or similar arrangement), until the Trustee transfers (or causes to be transferred) any Shares, cash or other Trust assets to such Grantee, (b) with respect to any Grantee who is subject to U.S. taxes, to the extent Shares,

cash or other assets are transferred from a Trust to such Grantee in respect of an Award, such Shares, cash or other assets shall not be acquired or otherwise held by the Trust until immediately prior to the transfer of such Shares, cash or other assets to the Grantee, and (c) in no event will Shares or other assets be set aside (directly or indirectly), acquired by, transferred to or held in, a trust (including, for clarity, any Trust or similar arrangement) located outside the United States for the purpose of paying deferred compensation or otherwise satisfying an obligation with respect to any Award that constitutes nonqualified deferred compensation plan for purpose of Section 409A if it would result in taxation under Section 409A(b)(1) of the Code.

35. Documentation. Each Award will be evidenced in an Award Agreement, which may be written or electronic, as the Administrator determines. By accepting any Award the Grantee consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Company, any of its Subsidiaries or another third party selected by the Company or any of its Subsidiaries. Each Award may contain terms and conditions in addition to (or a variation of or effecting a disapplication of) those set forth in the Plan. Any reference herein or in an Award Agreement to a “written” agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company’s or any of its Subsidiaries’ intranet (or other shared electronic medium controlled by the Company or any of its Subsidiaries to which the Grantee has access). As a condition to accepting an Award under the Plan, the Grantee agrees to execute any additional documents or instruments necessary or desirable, as determined in the Administrator’s sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Administrator’s request.

36. Discretion. Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Grantee need not be identical, and the Administrator need not treat Grantees or Awards (or portions thereof) uniformly.

37. Conditions on Delivery of Shares. The Company will not be obligated to deliver any Shares under the Plan or any Award Agreement, or remove restrictions from Shares previously delivered under the Plan or any Award Agreement, until (a) all Award conditions have been met or removed to the Company’s satisfaction, (b) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares (including payment of nominal value) have been satisfied, including any applicable securities laws and stock exchange or stock market rules and regulations, and (c) the Grantee has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy any Applicable Laws. The Company’s inability to obtain authority from any regulatory body having jurisdiction, which the Administrator determines is necessary to the lawful issuance and sale of any securities, will relieve the Company of any liability for failing to issue or sell such Shares as to which such requisite authority has not been obtained.

38. Severability. If any portion of the Plan or any Award Agreement or any action taken thereunder is held illegal or invalid for any reason, the illegality or invalidity will not affect

the remaining parts of the Plan or such Award Agreement, and the Plan and such Award Agreement will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

39. Governing Documents. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Grantee and the Company (or any of its Subsidiaries) that the Administrator has approved, the Plan will govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan will not apply. All Awards will be subject to Applicable Laws on insider trading and dealing and any specific insider trading, window period and/or dealing policy adopted by the Company.

40. Valid Issuance. If the Company is unable to obtain the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Shares upon exercise or settlement of such Awards unless and until such authority is obtained. A Grantee is not eligible for the grant of an Award or the subsequent issuance of Shares pursuant to the Award if such grant or issuance would be in violation of any Applicable Laws.

41. Governing Law and Jurisdiction. The Plan and, unless determined otherwise by the Administrator, all Awards, including any non-contractual obligations arising in connection therewith, will be governed by and interpreted in accordance with the laws of England and Wales, disregarding any jurisdiction's choice-of-law principles requiring the application of a jurisdiction's laws other than that of England and Wales and the courts of England and Wales shall have exclusive jurisdiction to hear any dispute.

APPENDIX 1

NON-EMPLOYEE SUB-PLAN

TO THE ARM HOLDINGS PLC 2023 OMNIBUS INCENTIVE PLAN

This sub-plan (the “**Non-Employee Sub-Plan**”) to the Arm Holdings plc 2023 Omnibus Incentive Plan (the “**Plan**”) governs the grant of Awards to Consultants (defined below) and Directors who are not Employees. The Non-Employee Sub-Plan incorporates all the provisions of the Plan except as modified in accordance with the provisions of this Non-Employee Sub-Plan.

Awards granted pursuant to the Non-Employee Sub-Plan are not granted pursuant to an “employees’ share scheme” for the purposes of U.K. legislation.

For the purposes of the Non-Employee Sub-Plan, the provisions of the Plan shall operate subject to the following modifications:

1. Interpretation.

In the Non-Employee Sub-Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

“**Consultant**” means any person, including any adviser, engaged by the Company or any of its Subsidiaries to render services to such entity if the consultant or adviser: (i) renders bona fide services to the Company or any of its Subsidiaries; (ii) renders services not in connection with the offer or sale of securities in a capital-raising transaction and does not directly or indirectly promote or maintain a market for the Company’s securities; and (iii) is a natural person. Notwithstanding the foregoing, a person is treated as a Consultant only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.

“**Service Provider**” means a Consultant or Director who is not an Employee.

“**Termination of Service**” means, subject to Section 3 below, the date the Grantee ceases to be a Service Provider as defined in this Non-Employee Sub-Plan.

2. Eligibility.

Service Providers are eligible to be granted Awards under the Non-Employee Sub-Plan.

3. Service Provider status and Termination of Service.

If the Administrator so determines, a Grantee who ceases to be a Service Provider for the purposes of this Non-Employee Sub-Plan and who becomes a Service Provider as defined in the Plan immediately thereafter (provided that there is no interruption or termination of the Grantee’s

service with the Company or a Subsidiary of the Company) may be considered to remain continuously a Service Provider for the purposes of the Non-Employee Sub-Plan.

Appendix 1-2

APPENDIX 2
FRANCE SUB-PLAN
TO THE ARM HOLDINGS PLC 2023 OMNIBUS INCENTIVE PLAN
AMENDED VERSION

1. **Introduction.** The Company has adopted the Plan, for the benefit of certain Service Providers, including any such Service Providers of a French Subsidiary who are French Grantees. Section 23 of the Plan authorizes the Administrator to modify the Plan to obtain favorable tax treatment for Grantees. This Appendix 2 (this “**French Sub-Plan**”) has been produced to comply with the provisions set forth in Articles L. 225-197-1 to L. 225-197-6, L. 22-10-59 and L. 22-10-60 of the French Commercial Code for the purpose of permitting Awards to qualify for special tax and social security treatment in France (“**French-Qualified Share Awards**”). The French-Qualified Share Awards could be granted to all or part of the employees of a French Subsidiary. When they are granted to all the employees of a French Subsidiary, they could be granted uniformly amongst French Grantees, or proportionally to their salary income or proportionally to their period of employment or following a combination of several of the previous criteria thus meeting the conditions of Article 217 quinquies of the French Tax Code. Capitalized terms in this French Sub-Plan that are not otherwise defined shall have the meanings set forth in the Plan.

French-Qualified Share Awards granted to French Grantees under the terms of the French Sub-Plan are granted pursuant to the Plan, as approved by the board of directors on August 24, 2023 and the shareholders on August 25, 2023. The terms of the Plan will, subject to the modifications in the following terms and conditions of this French Sub-Plan, be applicable to French-Qualified Share Awards. Where there is any conflict between the provisions of the Plan and this French Sub-Plan, the provisions of this French Sub-Plan shall prevail.

2. **Definitions.**

(a) “**Award**” means a Restricted Share Unit.

(b) “**Award Date**” means the later of: (i) the date on which the decision to grant the relevant Award is taken by the Administrator, and (ii) the date the Award is granted as set forth in the relevant Award Agreement.

(c) “**Closed Period**” means, in relation to French-Qualified Share Awards and as set forth in Article L. 22-10-59, II of the French Commercial Code, as amended:

(i) thirty calendar days before the announcement of an annual financial report or interim financial report that the Company is obligated to make public; and

(ii) for individuals holding a corporate office (*mandat social*) in at least one of the Subsidiaries, or salaried employees employed under the terms and conditions of an employment contract with a Subsidiary, the period as from the date they possess inside

information as defined by Article 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which has not been made public.

If French law or regulations are amended after adoption of this French Sub-Plan to modify the definition or applicability of the Closed Period to French-Qualified Share Awards, such amendment will become applicable to any French-Qualified Share Awards granted under this French Sub-Plan to the extent permitted or required by French law.

(d) “**Disability**” means disability as determined in categories 2 and 3 under Article L. 341-4 of the French Social Security Code, as amended, and subject to the fulfillment of related conditions.

(e) “**French Commercial Code**” means the French *code de commerce*, as amended.

(f) “**French Grantee**” means an individual who is a current salaried employee employed under the terms and conditions of an employment contract (*contrat de travail*) by a French Subsidiary or a corporate officer (*mandataire social*, i.e., *président du conseil d’administration, directeur général, directeur général délégué, membre du directoire, gérant d’une société par actions, président d’une société par actions simplifiée*) of a French Subsidiary, provided that such individual is resident in France for French tax purposes or subject to the French social security contribution regime.

(g) “**French Social Security Code**” means the French *code de la sécurité sociale*, as amended.

(h) “**Holding Period**” means a period equal to two (2) years as from the Award Date *minus* the relevant Vesting Period, provided that such difference is positive.

(i) “**Mid-Point Date**” means the following dates, provided, that if any Mid-Point Date is a Saturday, Sunday or any other day on which the stock exchange on which the Shares are admitted to trading is not ordinarily open for trading, such Mid-Point Date shall be deemed to be the next day on which such stock exchange is ordinarily open for trading:

Calendar Quarter	Mid-Point Date
Q1 (ending 31 March)	15 February
Q2 (ending 30 June)	15 May
Q3 (ending 30 September)	15 August
Q4 (ending 31 December)	15 November

(j) “**Restricted Share Unit**” means an unfunded, unsecured right to receive, on the applicable settlement date, one Share, subject to certain vesting conditions and other restrictions provided that nothing contained in the Plan or any Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a French Grantee and the Company or any of its Subsidiaries or any other person.

(k) “**Subsidiary**” means a Subsidiary, provided that the Company holds (directly or indirectly) at least 10% of the capital or voting rights of such Subsidiary.

(l) “**Vesting Period**” means the following vesting periods (*périodes d’acquisition*):

(i) with respect to annual Awards, the periods as described in Schedule 1;

(ii) with respect to new starter Awards, the periods as described in Schedule 2;

in both cases starting on the relevant Award Date.

3. Plan Limit.

(a) No French-Qualified Share Awards may be granted to any French Grantee holding more than ten per cent (10%) of the share capital of the Company at the Award Date, or to any French Grantee who would come to hold more than ten per cent (10%) of the share capital of the Company as a result of being granted a French-Qualified Share Award, taking into account, as the case may be, in each case, the French-Qualified Share Awards granted to, and/or acquired by, the relevant French Grantee.

(b) The aggregate number of French-Qualified Share Awards granted (together with any other awards granted by the Company for no consideration other than the nominal value referred to in the last sentence of Section 7(e)(i) of the Plan (where a French Grantee may be required to pay the nominal value of the shares underlying the Award if required by Applicable Laws) or the consideration referred to in the first sentence of Section 7(e)(iii) of the Plan) shall not exceed ten per cent (10%) of the share capital of the Company at the relevant Award Date (excluding Shares not delivered to the relevant French Grantee at the expiry of the Vesting Period in respect of lapsed French-Qualified Share Awards and Shares no longer subject to any Holding Period). No French-Qualified Share Awards shall be granted to any French Grantee whatsoever if, as a result of such granting, this condition would no longer be met.

4. No Consideration. Subject to the last sentence of Section 7(e)(i) of the Plan (where a French Grantee may be required to pay the nominal value of the shares underlying the Award if required by Applicable Laws) and the first sentence of Section 7(e)(iii) of the Plan, the grant of any Award to the French Grantee is free (*attribution gratuite*). As such, subject to the last sentence of Section 7(e)(i) of the Plan and the first sentence of Section 7(e)(iii) of the Plan,

the French Grantee shall not in any way be required to pay, contribute, or participate to any form of consideration or payment with respect to the grant of any Award.

5. Vesting.

(a) Subject to paragraph (d) of this Clause 5, Shares underlying the Awards will not be issued or otherwise transferred to the French Grantees before the relevant Vesting Period has expired.

(b) A French Grantee may not transfer, assign, or otherwise dispose of a French-Qualified Share Award or any rights in respect thereof until the expiry of the Vesting Period.

(c) A French Grantee will not be entitled to vote or receive dividends, and will not be entitled to any Dividend Equivalent Rights or any rights of a shareholder in respect to any Shares subject to any French-Qualified Share Award (but a conditional right to the vesting of the relevant French-Qualified Share Award to his/her benefit) unless and until the Shares are delivered in settlement of the relevant French-Qualified Share Award.

(d) Notwithstanding anything to the contrary in this Clause 5, if a French Grantee's Continuous Service terminates because of death before such French Grantee's French-Qualified Share Awards vest, the deceased French Grantee's heirs may request, within six (6) months from the French Grantee's date of death as evidenced by the death certificate of the French Grantee, the definitive allocation of the Shares in settlement of the relevant French-Qualified Share Awards, in accordance with Article L. 225-197-3, para. 2 of the French Commercial Code. The Company shall have no obligation to inform the heirs of the deceased French Grantee of the possibility for them to request the definitive allocation of the Shares. The definitive allocation of such Shares to the heirs will take place as soon as possible. In the absence of a request sent to the Company in accordance with the terms of this paragraph, the deceased French Grantee's heirs will lose all rights with respect to such Shares, which will lapse, and the Company will be released from any commitment or obligation towards the deceased French Grantee's heirs in this respect. The French-Qualified Share Awards allocated to the deceased French Grantee's heirs shall not be subject to any Holding Period. However, any transfer will be subject to the prior and unconditional adherence of the concerned deceased French Grantee's heirs to any extra statutory undertaking to which the relevant French Grantee was a party; any transfer will also be subject to the provisions of the Company's articles of association and the French Sub-Plan.

6. Holding of Shares.

(a) During the Holding Period, a French Grantee may not transfer, assign, or otherwise dispose of any of the Shares delivered in settlement of the relevant French-Qualified Share Award.

(b) The Shares delivered in settlement of any French-Qualified Share Award may not be transferred, assigned, or otherwise disposed of during any applicable Closed Period.

(c) With respect to Shares delivered in settlement of any French-Qualified Share Awards to individuals holding both a corporate office (*mandat social*) in at least one of the Subsidiaries and a corporate office at the Company, the Administrator shall either decide that such Shares may not be disposed of by such individuals before the termination of their corporate office, or set the amount of such Shares that they are required to hold in registered form until the termination of their corporate office.

(d) If, during the Holding Period, a French Grantee is affected by a Disability, the French Grantee's Shares cease to be subject to the Holding Period, in accordance with Article L. 225-197-1, I-para. 7 of the French Commercial Code.

7. Lapse. Except in the case of death, a French Grantee's Award lapses on the date on which he or she ceases to be a French Grantee for any reason whatsoever (and shall not be entitled to any form of indemnification); provided that, for the purposes of this Clause 7, a French Grantee shall not be treated as ceasing to be a French Grantee in the case of (i) any approved leave or absence; (ii) transfers among the Company or any of its Subsidiaries in any capacity provided that such French Grantee remains to be an employee or corporate officer of the Company or any of its Subsidiaries or recommences as an employee or corporate officer of the Company or any of its Subsidiaries within 7 days following the cessation as an employee or corporate officer of the original employing entity; or (iii) any other change in status as long as such French Grantee remains to be an employee or corporate officer of the Company or any of its Subsidiaries (in each case, except as otherwise provided in the Award Agreement).

8. Other Capital Transactions. If there is an event having an effect on: (i) the share capital of the Company; or (ii) the value of the Shares subject to French-Qualified Share Awards before the expiry of the Vesting Period (notably a merger, demerger or one of the operations enumerated in Article L. 225-181 of the French Commercial Code), the Administrator may adjust the number and/or class of Shares subject to French-Qualified Share Awards as it considers appropriate, but must take all necessary steps to limit the impact of such adjustments, if any, on the tax and social security treatment applicable to the French-Qualified Share Awards, in particular by satisfying, if possible, the four cumulative conditions provided for by the French tax authorities' administrative guidelines published under the reference BOI-RSA-ES-20-20-10-20-24/07/2017, no. 240. For the avoidance of doubt, Article L. 225-197-1 of the French Commercial Code and all the conditions set out in the Plan (and the French Sub-Plan), including the Vesting Period and the Holding Period, remain applicable.

9. Miscellaneous.

(a) Each French Grantee acknowledges and agrees that he/she is responsible for obtaining advice on the tax, social security, and regulatory treatment applicable to the French-Qualified Share Awards and the related Shares from his/her own independent advisor. The obligation applies from the Award Date to the date of the subsequent transfer, assignment, or disposal of such Shares.

(b) Any information relating to the tax and social security treatment applicable to any French Grantee that may be contained in this French Sub-Plan or received by

any French Grantee is of a general nature only for information purposes and shall not be considered as complete or specific. Such information does not deal with the specific situation of any French Grantee.

(c) Each French Grantee is fully responsible for the declarations, filings, and returns that must be made by him/her to the tax and social security authorities of: (i) the country of which he/she is a tax resident; and (ii) any other country where he/she would be subject to reporting obligations.

(d) Each French Grantee is personally liable for the payment, discharge or satisfaction of all his/her social security, regulatory, and tax liabilities applicable to him/her and is solely responsible for the payment, discharge or satisfaction of such liabilities to the competent authorities and without having any recourse against the Company, any parent company or Subsidiary of the Company or any other Grantee, whether or not this person is the person responsible for any withholding or deduction in respect of such liabilities.

10. Plan Administrator. The French Sub-Plan shall only be administered by the Administrator, to the exclusion of any other officers or employees.

11. Interpretation.

(a) The French-Qualified Share Awards granted under this French-Sub Plan are intended to qualify for special tax and social security treatment applicable to shares granted for no consideration under Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, and in accordance with the relevant provisions set forth by French tax and social security laws, but the Company does not undertake to maintain this status.

(b) The terms of this French Sub-Plan will be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws and relevant guidelines published by French tax, social security, or other regulatory authorities, and reporting obligations, to the extent applicable. In the event of any conflict between the provisions of this French Sub-Plan on the one hand and the Plan and/or any Award Agreement on the other hand, the provisions of this French Sub-Plan will control for any grants of Shares made hereunder to French Grantees.

Schedule 1

Vesting Period for Annual Awards

- (a) 44% of the Award shall vest on the Mid-Point Date of the earliest calendar quarter starting more than one (1) year after the Award Date; and
- (b) 8% of the Award shall vest respectively on the Mid-Point Date of each calendar quarter thereafter, such that the Award shall be 100% vested by the Mid-Point Date of the calendar quarter falling three (3) years after the Award Date (or another date as determined by the Administrator in its absolute discretion).

Schedule 2

Vesting Period for New Starter Awards

- (a) 58% of the Award shall vest on the Mid-Point Date of the earliest calendar quarter starting more than one (1) year after the Award Date; and
- (b) 6% of the Award shall vest respectively on the Mid-Point Date of each calendar quarter thereafter, such that the Award shall be 100% vested by the Mid-Point Date of the calendar quarter falling three (3) years after the Award Date.

Appendix 2-8

APPENDIX 3

ISRAEL SUB-PLAN

TO THE ARM HOLDINGS PLC 2023 OMNIBUS INCENTIVE PLAN

1. GENERAL

- 1.1 This sub-plan (the “**Israel Sub-Plan**”) to the Arm Holdings Plc 2023 Omnibus Incentive Plan shall apply only to Grantees who are tax residents of the State of Israel on the date of the grant of the Award, as defined below in Section 2, and are engaged by an Israeli resident Subsidiary of the Company (collectively, “**Israeli Grantees**”). The provisions specified hereunder shall form an integral part of the Arm Holdings Plc 2023 Omnibus Incentive Plan (hereinafter the “**Plan**”).
- 1.2 The Israel Sub-Plan is adopted pursuant to the authority of the Administrator under Section 4(b)(vi) of the Plan. The Israel Sub-Plan is to be read as a continuation of the Plan and applies to Awards granted to Israeli Grantees only to the extent necessary to comply with the requirements set by Israeli law, and in particular, with the provisions of the Ordinance. The Israel Sub-Plan does not add to or modify the Plan in respect of any other category of Grantees.
- 1.3 The Plan and the Israel Sub-Plan are complimentary to each other and shall be deemed as one. In the event of any conflict, whether explicit or implied, between the provisions of the Israel Sub-Plan and the Plan, the provisions set out in the Israel Sub-Plan shall prevail to the extent necessary to comply with the requirements set by Israeli law in general, and in particular, with the provisions of the Ordinance.
- 1.4 Any capitalized term not specifically defined in the Israel Sub-Plan shall be construed according to the interpretation given to it in the Plan.
- 1.5 For purposes of the Israel Sub-Plan, to the extent the Administrator determines to make or satisfy an Award in ADSs in lieu of Shares, then references to Shares shall be read as including such ADSs.

2. DEFINITIONS

- 2.1 “**102 Award**” means any Award intended to qualify (as determined by the Administrator and/or the Israeli Award Agreement and/or a tax ruling from the ITA) and which qualifies as an award under Section 102, issued to an Approved Israeli Grantee.
- 2.2 “**Approved Israeli Grantee**” means an Israeli Grantee who is an employee (whether contracted to work full time or part-time) or director (excluding non-executive directors) of an Employer, excluding any Controlling Share Holder of the Company.
- 2.3 “**Award**” means any Award granted under the Plan which is settled in Shares and which will not be capable of being settled in cash.

- 2.4 “**Capital Gain Award**” means a Trustee 102 Award elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) and Section 102(b)(3) of the Ordinance.
- 2.5 “**Controlling Share Holder**” shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 2.6 “**Employer**” means an Israeli resident Subsidiary of the Company which is an “employing company” within the meaning and subject to the conditions of Section 102(a) of the Ordinance.
- 2.7 “**Israeli Award Agreement**” means the Award Agreement between the Company and an Israeli Grantee that sets out the terms and conditions of an Award.
- 2.8 “**ITA**” means the Israeli Tax Authority.
- 2.9 “**Non-Trustee 102 Award**” means a 102 Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.
- 2.10 “**Ordinance**” means the Israeli Income Tax Ordinance [New Version] – 1961, as now in effect or as hereafter may be amended or replaced from time to time.
- 2.11 “**Ordinary Income Award**” means a Trustee 102 Award elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.
- 2.12 “**Rules**” means the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003.
- 2.13 “**Section 102**” means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter may be amended or replaced from time to time.
- 2.14 “**Tax**” means any applicable tax and other compulsory payments, such as any social security and health tax contributions under any Applicable Laws.
- 2.15 “**Trust Agreement**” means the agreement to be signed between the Company, an Employer and the Trustee for the purposes of Section 102.
- 2.16 “**Trustee**” means any person or entity appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance, as may be replaced from time to time.
- 2.17 “**Trustee 102 Award**” means a 102 Award granted to an Approved Israeli Grantee pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of such Approved Israeli Grantee.

2.18 “**Unapproved Israeli Grantee**” means an Israeli Grantee who is not an Approved Israeli Grantee, including a consultant, service provider or a Controlling Share Holder of the Company.

3. ISSUANCE OF AWARDS

3.1 The persons eligible for participation in the Plan as Israeli Grantees shall include Approved Israeli Grantees and Unapproved Israeli Grantees, provided, however, that only Approved Israeli Grantees may be granted 102 Awards.

3.2 The Administrator may designate Awards granted to Approved Israeli Grantees pursuant to Section 102 as Trustee 102 Awards or Non-Trustee 102 Awards.

3.3 The grant of Trustee 102 Awards shall be subject to the Israel Sub-Plan and shall not become effective prior to the lapse of 30 days from the date the Plan and the Israel Sub-Plan have been submitted for approval by the ITA and shall be conditioned upon the approval of the Plan and the Israel Sub-Plan by the ITA.

3.4 Trustee 102 Awards may either be classified as Capital Gain Awards or Ordinary Income Awards.

3.5 No Trustee 102 Award may be granted under the Israel Sub-Plan to any Approved Israeli Grantee, unless and until the Company has filed with the ITA its election regarding the type of Trustee 102 Awards, whether Capital Gain Awards or Ordinary Income Awards, that will be granted under the Plan and the Israel Sub-Plan (the “**Election**”). Such Election shall become effective beginning the first date of grant of a Trustee 102 Award under the Israel Sub-Plan and shall remain in effect at least until the end of the year following the year during which the Company first granted Trustee 102 Awards. The Election shall obligate the Company to grant *only* the type of Trustee 102 Award it has elected, and shall apply to all Israeli Grantees who are granted Trustee 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, the Election shall not prevent the Company from granting Non-Trustee 102 Awards simultaneously.

3.6 All Trustee 102 Awards must be held in trust by, or subject to the approval of the ITA, under the control or supervision of a Trustee, as described in Section 5 below.

3.7 The designation of Non-Trustee 102 Awards and Trustee 102 Awards shall be subject to the terms and conditions set forth in Section 102.

3.8 Awards granted to Unapproved Israeli Grantees shall be subject to Tax according to the provisions of the Ordinance and shall not be subject to the Trustee arrangement detailed herein.

- 3.9 Dividend Equivalent Rights granted under the Plan and credited in Shares may be treated as separate awards. Dividend Equivalent Rights granted under the Plan and credited in cash will be treated as a cash bonus for Tax purposes.
- 3.10 Despite the provisions of Section 3 of the Plan, Trustee 102 Awards shall be satisfied with newly issued Shares or treasury Shares provided that such treasury Shares were held by the Company for at least 18 months. Section 34 of the Plan shall not apply to any Trustee 102 Award.

4. 102 AWARD GRANT DATE

Each 102 Award will be deemed granted on the date determined by the Administrator, subject to the provisions of the Plan and the Israel Sub-Plan, and subject further to (i) the Israeli Grantee having signed all documents required by the Company or Applicable Laws, and (ii) with respect to any Trustee 102 Award, the Company having provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, such that if not all applicable documents are provided to the Trustee in accordance with the guidelines, such Award will be considered as granted on the date determined by the Administrator as a Non-Trustee 102 Award.

5. TRUSTEE

- 5.1 Trustee 102 Awards which shall be granted under the Israel Sub-Plan and/or any Shares allocated or issued upon the grant, vesting or exercise of a Trustee 102 Award and/or other Shares received following any realization of rights under the Plan, shall be allocated or issued to the Trustee or controlled by the Trustee, for the benefit of the Approved Israeli Grantees, in accordance with the provisions of Section 102. In the event the requirements for Trustee 102 Awards are not met, the Trustee 102 Awards may be regarded as Non-Trustee 102 Awards or as Awards which are not subject to Section 102, all in accordance with the provisions of Section 102.
- 5.2 With respect to any Trustee 102 Award, subject to the provisions of Section 102, an Approved Israeli Grantee shall not sell or release from trust any Shares received upon the grant, vesting or exercise of a Trustee 102 Award and/or any Shares received following any realization of rights, including, without limitation, stock dividends, under the Plan at least until the lapse of the period of time required under Section 102 or any shorter period of time determined by the ITA (the “**Holding Period**”). Notwithstanding the foregoing, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 shall apply to and shall be borne by such Approved Israeli Grantee.
- 5.3 Notwithstanding anything to the contrary, the Trustee shall not release or sell any Shares allocated or issued upon the grant, vesting or exercise of a Trustee 102 Award unless the Company, the Employer and the Trustee are satisfied that the full amounts of any Tax due have been paid or will be paid.

- 5.4 Upon receipt of any Trustee 102 Award, the Approved Israeli Grantee will consent to the grant of such Award under Section 102 and undertake to comply with the terms of Section 102 and the trust arrangement between the Company and the Trustee.
- 5.5 Any Award classified as a Capital Gain Award is meant to comply with the terms and conditions of Section 102 and the requirements of the ITA, therefore it is clarified that at all times the Plan and the Israel Sub-Plan are to be read such that they comply with the requirements of Section 102 and as a consequence, should any provision in the Plan or the Israel Sub-Plan disqualify the Plan, the Israel Sub-Plan and/or the Awards granted thereunder from beneficial Tax treatment pursuant to the provisions of Section 102, such provision shall be considered invalid either permanently or until the ITA provides approval of compliance with Section 102.

6. WRITTEN GRANTEE UNDERTAKING

With respect to any Trustee 102 Award, as required by Section 102 and the Rules, by virtue of the receipt of such Award, the Israeli Grantee is deemed to have provided, undertaken and confirmed the following written undertaking (and such undertaking is deemed incorporated into any documents entered into by the Israeli Grantee in connection with the grant of such Award), and which undertaking shall be deemed to apply and relate to all Trustee 102 Awards granted to the Israeli Grantee, whether under the Plan and the Israel Sub-Plan or other plans maintained by the Company, and whether prior to or after the date hereof:

- 6.1 the Israeli Grantee shall comply with all terms and conditions set forth in Section 102 with regard to the Capital Gain Awards or Ordinary Income Awards, as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;
- 6.2 the Israeli Grantee is familiar with, and understands the provisions of, Section 102 in general, and the Tax arrangement under the Capital Gain Awards or Ordinary Income Awards in particular, and its tax consequences; the Israeli Grantee agrees that the Trustee 102 Awards and any Shares that may be issued upon vesting or (if applicable) exercise of the Trustee 102 Awards (or otherwise in relation to such Awards), will be held by a Trustee appointed pursuant to Section 102 for at least the duration of the Holding Period under the Capital Gain Awards or Ordinary Income Awards, as applicable. The Israeli Grantee understands that any release of such Trustee 102 Awards or Shares from trust, or any sale of the Shares prior to the termination of the Holding Period, will result in taxation at the marginal Tax rate, in addition to deductions of any appropriate income Tax, social security, health Tax contributions or other compulsory payments; and
- 6.3 the Israeli Grantee agrees to the Trust Agreement entered into by and between the Company, the Employer and the Trustee appointed pursuant to Section 102.

7. THE AWARDS

The terms and conditions upon which an Award shall be granted, issued, vested or exercised under the Israel Sub-Plan, shall be specified in the relevant Israeli Award Agreement for such Award to be executed pursuant to the Plan and to the Israel Sub-Plan. Each Israeli Award Agreement shall provide, inter alia, the number of Shares to which the Award relates, the type of Award granted thereunder (i.e., a Capital Gain Award, Ordinary Income Award, Non-Trustee 102 Award or an Award granted to Unapproved Israeli Grantee), and any applicable vesting provisions and/or exercise price that may be payable. For the avoidance of doubt, it is clarified that there is no obligation for uniformity of treatment of Israeli Grantees and that the terms and conditions of Awards granted to Israeli Grantees need not be the same with respect to each Israeli Grantee (whether or not such Israeli Grantees are similarly situated). The grant, vesting and exercise of Awards granted to Israeli Grantees shall be subject to the terms and conditions and, with respect to exercise, the method, as may be determined by the Administrator (including the provisions of the Plan and the Israel Sub-Plan) and, when applicable, by the Trustee, in accordance with the requirements of Section 102.

ASSIGNABILITY, DESIGNATION AND SALE OF AWARDS

- 8.1 Notwithstanding any provision of the Plan, no Award subject to the Israel Sub-Plan or any right with respect thereto, whether fully paid or not, shall be assignable, transferable or given as collateral, and no right with respect to any such Award shall be given to any third party whatsoever, and during the lifetime of the Israeli Grantee, each and all of such Israeli Grantee's rights with respect to an Award shall belong only to the Israeli Grantee. Any such action made, directly or indirectly, for an immediate or future validation, shall be void.
- 8.2 As long as Awards and/or Shares issued or purchased hereunder are held by the Trustee on behalf of the Israeli Grantee, all rights of the Israeli Grantee over the Award and Shares cannot be transferred, assigned, pledged or mortgaged.

INTEGRATION OF SECTION 102 AND TAX ASSESSING OFFICER'S APPROVAL

- 9.1 With regard to Trustee 102 Awards, the provisions of the Plan, the Israel Sub-Plan and the Israeli Award Agreements shall be subject to the provisions of Section 102 and any approval issued by the ITA and the said provisions shall be deemed an integral part of the Plan, the Israel Sub-Plan and the Israeli Award Agreements.
- 9.2 Any provision of Section 102 and/or said approval issued by the ITA, which must be complied with in order to receive and/or to maintain any Tax treatment with respect to an Award pursuant to Section 102, which is not expressly specified in the Plan, the Israel Sub-Plan or the Israeli Award Agreements, shall be considered binding upon the Company, any Employer and the Israeli Grantees. Furthermore, if any provision of the Plan or Israel Sub-Plan disqualifies Awards that are intended to qualify as 102 Awards from the beneficial Tax treatment pursuant to Section 102, such provision shall not apply to the 102 Awards.

- 9.3 The exercise of options which are Trustee 102 Awards by means of “net settlement” in accordance with Section 6(e)(iv) of the Plan shall be subject to the receipt of a Tax ruling from the ITA and executed in accordance with the terms of such ruling.

TAX CONSEQUENCES; DISCLAIMER

- 10.1 Any tax consequences arising from the grant, purchase, exercise, vesting or sale of any Award issued hereunder, from the payment for or sale of Shares covered thereby or from any other event or act (of the Company, its Subsidiaries (including the Employer), the Trustee and/or the Israeli Grantee), hereunder, shall be borne solely by the Israeli Grantee. The Company, its Subsidiaries (including the Employer) and/or the Trustee shall withhold Tax according to the requirements of Applicable Laws, rules, and regulations, including withholding taxes at source. Furthermore, the Israeli Grantee agrees to indemnify the Company, its Subsidiaries (including the Employer) and/or the Trustee and hold them harmless against and from any and all liability for any such Tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such Tax from any payment made to the Israeli Grantee.
- 10.2 The Company and/or, when applicable, the Trustee shall not be required to release any Award or Shares to an Israeli Grantee until all required Tax payments have been fully made.
- 10.3 Awards that do not comply with the requirements of Section 102 shall be subject to tax under Section 3(i) or 2 of the Ordinance.
- 10.4 With respect to Non-Trustee 102 Awards, if the Israeli Grantee ceases to be employed by the Company, or any Subsidiary (including the Employer), or otherwise if so requested by the Company and/or its Subsidiaries (including the Employer), the Israeli Grantee shall extend to the Company and/or its Subsidiaries (including the Employer) a security or guarantee for the payment of Tax due at the time of the sale of Shares, in accordance with the provisions of Section 102.
- 10.5 TAX TREATMENT. NOTWITHSTANDING SECTION 5.5 ABOVE, IT IS CLARIFIED THAT THE COMPANY AND ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY AND ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS EVENTUALLY TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY DESIGNATION OF AWARDS OR TAX QUALIFICATION

INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAWS. THE COMPANY AND ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENTS OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. NO ASSURANCE IS MADE BY THE COMPANY AND ANY OF ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WILL QUALIFY AT THE TIME OF VESTING, EXERCISE OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS OF WHETHER THE COMPANY OR ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) COULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE ISRAELI GRANTEE. THE COMPANY AND ITS SUBSIDIARIES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITY, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. AWARDS THAT DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE ISRAELI GRANTEE.

ONE TIME BENEFIT

The Awards granted hereunder are extraordinary, one-time Awards granted to the Israeli Grantees, and are not and shall not be deemed a salary component for any purpose whatsoever, including but not limited to, in connection with calculating severance compensation under Applicable Laws, nor shall receipt of an Award entitle an Israeli Grantee to any future Awards.

TERM OF PLAN AND ISRAEL SUB-PLAN

Notwithstanding anything to the contrary in the Plan and in addition thereto, the Company shall obtain all approvals for the adoption of the Israel Sub-Plan or for any amendment to the Israel Sub-Plan as are necessary to comply with any Applicable Laws, applicable to Awards granted to Israeli Grantees under the Israel Sub-Plan or with the Company's incorporation documents. Any amendment of the Israel Sub-Plan shall be in accordance with Section 14 of the Plan.

GOVERNING LAW

Solely for the purpose of determining the Israeli tax treatment of Awards granted pursuant to the Israel Sub-Plan, the Israel Sub-Plan shall be governed by, construed and enforced in accordance with the laws of the State of Israel, without reference to conflicts of law principles.

* * * * *

Appendix 3-9

DATED 19 SEPTEMBER 2023

SOFTBANK GROUP CORP.

and

ARM HOLDINGS PLC

SHAREHOLDER GOVERNANCE AGREEMENT

Contents

	Page
1. Definitions	2
2. Interpretation	5
3. Board composition	6
4. Committee composition	10
5. Information rights	10
6. Matters requiring SBG consent and consultation	11
7. Pre-emption rights	12
8. Related Party Transactions	13
9. Registration rights	14
10. Subsequent listing	14
11. Remedies and waivers	14
12. Variation	15
13. Termination	15
14. Assignment and transfer	15
15. Third party rights	16
16. Notices	16
17. Announcements	16
18. Confidentiality	17
19. Costs and expenses	19
20. Counterparts	19
21. Further assurances	19
22. Invalidity	20
23. No partnership	20
24. Conflict between agreements	20
25. Governing law and jurisdiction	20
26. Agent for Service	20
Schedule 1 Registration Rights	22

THIS AGREEMENT IS MADE on 19 September 2023

PARTIES

- (1) **SOFTBANK GROUP CORP.**, a *kabushiki kaisha* domiciled in Japan whose registered office is 1-7-1 Kaigan, Minato-ku, Tokyo 105-7537, Japan (“**SBG**”); and
- (2) **ARM HOLDINGS PLC**, a public limited company incorporated under the laws of England and Wales with company number: 11299879 whose registered office is at 110 Fulbourn Road, Cambridge CB1 9NJ, United Kingdom (the “**Company**”).

WHEREAS

- (A) The Company was incorporated as a private limited company on 9 April 2018 and, following a corporate reorganisation of the Arm group of companies which was put into effect on 1 September 2023 in advance of, and to facilitate, the Company’s proposed initial public offering (the “**Initial Public Offering**”) of American Depositary Shares (the “**ADSs**”), each representing one Ordinary Share of the Company and the listing of the ADSs on the Nasdaq Global Select Market, re-registered as a public limited company under the laws of England and Wales.
- (B) Upon completion of the listing of the ADSs on the Nasdaq Global Select Market on the date hereof, SBG is expected to own directly or indirectly approximately 89.9 per cent. of the issued Ordinary Shares.
- (C) The parties have therefore agreed to enter into this Shareholder Governance Agreement (the “**Agreement**”) to manage the continuing relationship between the Company and SBG, as a controlling shareholder of the Company, on and from completion of the listing of the ADSs on the Nasdaq Global Select Market.

IT IS AGREED as follows:

1. Definitions

In this Agreement, except where a different interpretation is necessary in the context, the words and expressions set out below shall have the following meanings:

“**Act**” means the Companies Act 2006;

“**Affiliate**” means, in relation to a company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company, provided that “**Affiliates**” of SBG shall include investment funds managed by SBG’s Affiliates. For the purposes of this definition, a reference to a “**holding company**” or a “**subsidiary**” means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act;

“**Applicable Minimum**” has the meaning given to it in clause 3.13;

“**Articles of Association**” means the articles of association of the Company in effect from time to time;

“**Board**” means the board of directors of the Company as constituted from time to time;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for business in London, Tokyo and New York;

“**CEO**” means the chief executive officer of the Company from time to time;

“**CFO**” means the chief financial officer of the Company from time to time;

“**Confidential Information**” has the meaning given to it in clause 18.4;

“**Disclosure Controls and Procedures**” means controls and other procedures designed to ensure that information required to be disclosed by the Company and SBG under applicable law is recorded, processed, summarised and reported within applicable time periods, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company’s management, including the CEO and the CFO, and to SBG, as appropriate to allow timely decisions regarding required disclosure in accordance with applicable laws and regulations;

“**Equity Proportion**” means the total number of Ordinary Shares held by SBG and its Affiliates divided by the total number of Ordinary Shares issued and outstanding from time to time, expressed as a percentage;

“**Equity Share Capital**” means the equity share capital (within the meaning set out in section 548 of the Act) of the Company;

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute;

“**Existing Fund**” means a fund that is in existence at the date of this Agreement;

“**IFRS**” means International Financial Reporting Standards.

“**Independent**” means a person meeting the independence standards of Nasdaq pursuant to Rule 5605(a)(2) of the Nasdaq Listing Rules and, in the case of a member of the audit committee, the Rule 10A-3 under the Exchange Act or, in each case, any successor provision thereto;

“**Intellectual Property**” means all intellectual property rights of whatever nature including copyrights, trade and service marks, including the trademarks, trade names, rights in logos and get up, inventions, confidential information, trade secrets and know how, registered designs, design rights, Patents, all rights of whatever nature in computer software and data, all rights of privacy and all intangible rights and privileges of a nature similar or allied to any of the foregoing, in every case in any part of the world and whether or not registered, and including all granted registrations and all applications for registration in respect of any of the same;

“**Internal Control Over Financial Reporting**” means a process designed by, or under the supervision of, the CEO and the CFO and effected by the Board, Company management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (a) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the Company are being made only in accordance with authorisations of management of the Company and the Board; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements;

“**Investor Director**” means a director nominated for appointment to the Board by SBG pursuant to the rights contained in this Agreement;

“**Nasdaq**” means the Nasdaq Global Select Market;

“**Non-Independent Investor Director**” means any Investor Director who is not Independent or an Investor Director who is Independent but has been designated as a Non-Independent Investor Director by SBG pursuant to clause 3.13;

“**Non-Investor Director**” means any director of the Board who is not an Investor Director or the CEO;

“**Notice**” has the meaning given to it in clause 16.1;

“**Ordinary Shares**” means ordinary shares of £0.001 each in the capital of the Company from time to time, having the rights set out in the Articles of Association and shall include any Ordinary Shares represented by the ADSs, as the case may be;

“**Patent**” means: (a) all national, regional and international patents and patent applications, (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisional, continuations, continuations-in-part, provisionals, converted provisionals, and continued prosecution applications, (c) any and all patents that have issued or in the future issue from the foregoing patent applications, including utility models, petty patents and design patents and certificates of invention, and (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications;

“**Proceedings**” means any proceeding, suit or action arising out of or in connection with this Agreement, or the negotiation, existence, validity or enforceability of this Agreement, whether contractual or non-contractual;

“**Related Party Transaction**” has the meaning set out in Item 7.B of Form 20-F and, as used in this Agreement, “**Related Party Transactions**” refers to transactions between (i) the Company and its Subsidiaries on the one hand, and (ii) SBG and/or its Affiliates (other than the Company and its Subsidiaries) on the other;

“**SEC**” means the U.S. Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act;

“**Securities Act**” means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder;

“**Service Documents**” means a claim form, application notice, order, judgment or other document relating to any Proceedings;

“**Shareholder**” means any holder of any Ordinary Shares or other shares of the Company (but excluding the Company as a holder of any Treasury Shares);

“**Shares**” means any shares in the capital of the Company, whether ordinary shares (including the Ordinary Shares), preferred shares and any securities representing any such shares, including depositary interests, American depositary receipts, American depositary shares and/or all other interests;

“**Sign Off Procedures**” means the accounting and financial sign-off procedure for quarterly and full year financial closing communicated by the Company from time to time;

“**Subsidiary**” means any subsidiary of the Company as defined in section 1159 of the Act from time to time;

“**Tax**” means all forms of taxation whether direct or indirect and whether levied by reference to income, profits, gains, asset values, turnover, added value or other reference and statutory, governmental, supra-governmental, national, federal, state, provincial, local or municipal impositions, duties, contributions and levies in each case in the nature of taxation (including, without limitation, any social security or national insurance contributions or payroll taxes) wherever and whenever imposed, and all penalties, charges, costs and interest relating thereto; and

“**Treasury Shares**” means shares in the capital of the Company held by the Company as treasury shares within the meaning set out in section 724(5) of the Act and, for the avoidance of doubt, any reference to “**Ordinary Shares**” being issued and outstanding excludes Treasury Shares.

2. Interpretation

- 2.1 The clause and paragraph headings and the table of contents used in this Agreement are inserted for ease of reference only and shall not affect construction.
- 2.2 References to clauses, sub-clauses or schedules are to clauses or sub-clauses of and schedules to this Agreement, and references in a schedule or part of a schedule are to a paragraph of that schedule or that part of that schedule unless the context otherwise requires.
- 2.3 References to an Investor Director shall, in each case, include any alternate appointed to act in his or her place from time to time.
- 2.4 References to persons shall include bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality.
- 2.5 Reference to a party or parties is to a party or parties of the Agreement.
- 2.6 References to any English law, statute or other legislation or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction.
- 2.7 References to those of the parties that are individuals include their respective legal personal representatives.

- 2.8 References to “**writing**” or “**written**” include any non-transitory form of visible reproduction of words (including electronic mail).
- 2.9 References to the word “**include**” or “**including**” (or any similar term) are not to be construed as implying any limitation and general words introduced by the word “**other**” (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
- 2.10 Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof.
- 2.11 References to laws, statutory provisions, enactments or EC directives shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC directive (whether before or after the date of this Agreement), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC directive unless any such change imposes upon any party any liabilities or obligations which are more onerous than as at the date of this Agreement.
- 2.12 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of an Investor Director under this Agreement, if at any time an Investor Director has not been appointed or an Investor Director declares in writing to the Company and SBG that he or she considers that providing such consent gives rise or may give rise to a conflict of interest to his or her duties as a director, such action or matter shall require the consent of SBG.

3. Board composition

- 3.1 There shall be at all times eight (8) members of the Board, which shall comprise:
- (a) the CEO;
 - (b) such number of Investor Directors as shall be nominated by SBG in accordance with clause 3.4; and
 - (c) such number of Non-Investor Directors as shall be determined in accordance with clause 3.4.
- 3.2 With effect from completion of the listing of the ADSs on Nasdaq and at any time the Equity Proportion exceeds 70 per cent., SBG shall have the right to increase the size of the Board to nine (9) members and, in such scenario, to appoint an additional Investor Director, provided that there shall be a corresponding reduction to the size of Board to eight (8) members and, if SBG has appointed an additional Investor Director, SBG shall cease to be entitled to appoint such additional Investor Director under this clause 3.2 if the Equity Proportion falls below 70 per cent.
- 3.3 The Board shall at all times:
- (a) maintain at least three (3) directors that qualify as Independent; and

- (b) unless SBG shall have notified the Company at any time that such restriction shall not apply, maintain no more than one (1) director that is a resident of Japan,

and SBG shall, to the extent it chooses to exercise such rights and provided that clause 3.3(b) is applicable, exercise the director nomination, appointment and termination rights set out in this clause 3 in a manner consistent with the requirements of clause 3.3(b).

3.4 SBG shall have the following rights to nominate to the Board candidates for director (at all times subject to their election by ordinary resolution of the Shareholders at a general meeting):

- (a) at any time the Equity Proportion exceeds 70 per cent., SBG shall have the right to nominate to the Board seven (7) Investor Directors (of which at least three (3) such Investor Directors must qualify as Independent);
- (b) at any time the Equity Proportion exceeds 70 per cent. and where SBG has exercised its right to increase the size of the Board pursuant to clause 3.2, SBG shall have the right to nominate to the Board eight (8) Investor Directors (of which at least three (3) such Investor Directors must qualify as Independent); with the appointment of such additional Investor Director to the Board (who is not required to qualify as Independent) to take effect no earlier than the first meeting of the Board following completion of the listing of the ADSs on Nasdaq;
- (c) at any time the Equity Proportion exceeds 60 per cent. but is less than or equal to 70%, SBG shall have the right to nominate to the Board six (6) Investor Directors (of which at least two (2) such Investor Directors must qualify as Independent), and there shall be one (1) Non-Investor Director (who must qualify as Independent if SBG chooses to nominate no more than two (2) Investor Directors that qualify as Independent);
- (d) at any time the Equity Proportion exceeds 50 per cent. but is less than or equal to 60 per cent., SBG shall have the right to nominate to the Board five (5) Investor Directors (of which at least one (1) such Investor Director must qualify as Independent), and there shall be two (2) Non-Investor Directors (one or both of which must qualify as Independent if SBG chooses to nominate only two (2) or one (1) Investor Director(s) that qualify as Independent respectively);
- (e) at any time the Equity Proportion exceeds 40 per cent. but is less than or equal to 50%, SBG shall have the right to nominate to the Board four (4) Investor Directors, some or all of which may qualify as Independent, and there shall be three (3) Non-Investor Directors (the number of which that must qualify as Independent to be determined based on the number of Investor Directors appointed which qualify as Independent, at all times maintaining a minimum of three (3) directors on the Board that qualify as Independent);
- (f) at any time the Equity Proportion exceeds 30 per cent. but is less than or equal to 40 per cent., SBG shall have the right to nominate to the Board three (3) Investor Directors, some or all of which may qualify as Independent, and there shall be four (4) Non-Investor Directors (the number of which that must qualify as Independent to be determined based on the number of Investor Directors appointed which qualify as Independent, at all times maintaining a minimum of three (3) directors on the Board that qualify as Independent);

- (g) at any time the Equity Proportion exceeds 20 per cent. but is less than or equal to 30 per cent., SBG shall have the right to nominate to the Board two (2) Investor Directors, some or all of which may qualify as Independent, and there shall be five (5) Non-Investor Directors (the number of which that must qualify as Independent to be determined based on the number of Investor Directors appointed which qualify as Independent, at all times maintaining a minimum of three (3) directors on the Board that qualify as Independent);
 - (h) at any time the Equity Proportion exceeds 5 per cent. but is less than or equal to 20 per cent., SBG shall have the right to nominate to the Board one (1) Investor Director, which may qualify as Independent, and there shall be six (6) Non-Investor Directors (the number of which that must qualify as Independent to be determined based on the number of Investor Directors appointed which qualify as Independent, at all times maintaining a minimum of three (3) directors on the Board that qualify as Independent); and
 - (i) at any time the Equity Proportion is less than or equal to 5 per cent., SBG shall not have the right to nominate to the Board any Investor Directors, and there shall be seven (7) Non-Investor Directors (a minimum of three (3) of which that must qualify as Independent).
- 3.5 To nominate a person as an Investor Director in accordance with clause 3.3, SBG must give written notice to the Company specifying the identity of the person SBG has determined to nominate and the terms of such appointment. The notice must be accompanied by a signed written consent of that person agreeing to act as an Investor Director, including confirmation that such person shall resign as an Investor Director if required to do so by SBG.
- 3.6 The Company shall: (i) promptly after receiving notice from SBG of the nomination of an Investor Director in accordance with clause 3.5, procure that each Investor Director so nominated as a director shall be appointed as a director of the Company; (ii) if any Investor Director so nominated is required to stand for election or re-election, recommend such Investor Director for election or re-election at the next following annual general meeting of Shareholders of the Company and (iii) provide reasonable assistance in connection with any and all relevant regulatory approvals, consents or requirements relating to the appointment of each Investor Director as such.
- 3.7 SBG shall be entitled at any time after the appointment of an Investor Director to the Board in accordance with this clause 3, by written notice to the Company, to remove such Investor Director from office and to nominate another person to be an Investor Director in his or her place and SBG shall procure, in so far as it is legally possible to do so, that the relevant Investor Director resigns as a director promptly upon the service of such notice on the Company or, if a date is specified in such notice for his or her removal, on the date so specified. A notice served by SBG on the Company under this clause 3.7 to remove an Investor Director shall constitute an offer by such Investor Director to resign immediately or, if a date for his or her removal is specified in such notice, on the date so specified.
- 3.8 If, at any time after the appointment of an Investor Director to the Board in accordance with clause 3, a vacancy on the Board is created as a result of such Investor Director's death or incapacity or the resignation of an Investor Director voluntarily or pursuant to clause 3.7, SBG shall be entitled to propose to the Company a replacement for such Investor Director in accordance with clause 3.7 and the provisions of clauses 3.5 and 3.6 shall apply in relation to the appointment of such replacement Investor Director.

- 3.9 If: (i) SBG ceases to be entitled under clause 3.4 to appoint one (1) or more Investor Director(s) due to a reduction in the Equity Proportion; or (ii) SBG has appointed an additional Investor Director under clause 3.2 and it ceases to be entitled to appoint such additional Investor Director, the Company shall promptly give written notice to SBG of such fact.
- 3.10 As soon as reasonably practicable following receipt of a notice under clause 3.9, SBG shall (i) give written notice to the Company to remove the relevant Investor Director(s) and (ii) procure, in so far as it is legally possible to do so, that the relevant Investor Director(s) resigns promptly upon service of such notice on the Company. A notice served by SBG on the Company under this clause 3.10 to remove an Investor Director shall constitute an offer by such Investor Director to resign immediately. If SBG fails to give written notice to the Company to remove the relevant Investor Director(s) and/or fails to procure the resignation of the relevant Investor Director(s), the Company may, by notice in writing to SBG, immediately terminate the appointment of such number of Investor Director(s) as may be required to ensure that the number of Investor Directors remaining on the Board equals the number of Investor Directors that SBG is entitled to appoint under clause 3.4.
- 3.11 The parties agree that, subject to applicable law:
- (a) no Non-Independent Investor Director shall be under any obligation to disclose any information or opportunities to the Company except to the extent that the information or opportunity was passed to him expressly in his capacity as a director of the Company; and
 - (b) each Non-Independent Investor Director shall be at liberty from time to time to make full disclosure of any information relating to the Company to SBG, its Affiliates and to their respective directors, officers, employees and professional advisers, it being understood that any such information disclosed by it may be inside information and accordingly each Non-Independent Investor Director and any person that receives such inside information from the Non-Independent Investor Director shall agree not to deal, or permit or encourage any other person to deal, in any securities of the Company in breach of the requirements of any applicable laws, rules and regulations in relation to insider dealing or market abuse.
- 3.12 For the purposes of clause 3.4, the Board shall determine whether an Investor Director nominated by SBG as Independent qualifies as Independent. To the extent that any Investor Director is nominated by SBG as Independent and the Board, on the advice of external counsel, determines that such Investor Director does not qualify as Independent, SBG shall nominate another person to be an Independent Investor Director and the provisions of clauses 3.5 and 3.6 shall apply in relation to the appointment of such other Independent Investor Director.
- 3.13 If at any time the number of Investor Directors who qualify as Independent exceeds the applicable minimum number of Investor Directors required to qualify as Independent in accordance with clause 3.4 (the “**Applicable Minimum**”), SBG shall be entitled to designate (in its absolute discretion) by notice to the Company one or more Investor Directors who qualify as Independent above the Applicable Minimum to be Non-Independent Investor Directors for the purposes of this Agreement.

4. Committee composition

4.1 The Board has and may constitute committees of directors from time to time, including:

- (a) an audit committee which shall consist of a minimum of three (3) members. As at the date of completion of the listing of the ADSs on Nasdaq, the parties intend that the audit committee will avail itself of limited phase-in rules applicable to new public companies under Rule 10A-3(b)(1)(iv)(A) under the Exchange Act, pursuant to which the Company will not be required to have a fully independent audit committee for one year following the Initial Public Offering.
- (b) a remuneration committee which shall consist of a minimum of four (4) members. As at the date of completion of the listing of the ADSs on Nasdaq, the parties intend that the remuneration committee will consist of the following directors, subject to final confirmation by the Board:
 - (i) Masayoshi Son (who shall be appointed as chair);
 - (ii) Ron Fisher;
 - (iii) Jeff Sine; and
 - (iv) Rose Schooler.

4.2 The Company shall cause to be appointed to any committee of the Board such number of directors nominated by SBG that is proportionate (rounding up to the next whole director) to the number of directors that SBG is entitled to nominate to the Board under this Agreement, to the extent such directors are permitted to serve on such committees under the applicable rules of the SEC and Nasdaq or by any other applicable stock exchange.

5. Information rights

Accounting / financial reporting and disclosures

5.1 Until such time as SBG no longer consolidates the Company for the purposes of its consolidated financial statements or accounts for its investment in the Company under the equity method of accounting, and in any case for all financial periods commencing prior to the date of this Agreement, the Company shall (and shall procure that each of its Subsidiaries where applicable shall):

- (a) to the extent permitted by applicable law, in a timely manner provide SBG with information and data relating to the business and financial results of the Company and its Subsidiaries so as to enable SBG and its Affiliates to satisfy their respective ongoing financial reporting, audit and other legal and regulatory requirements;
- (b) to the extent permitted by applicable law, in a timely manner provide SBG with access to its auditors, personnel, data, information and systems, in each case in the same manner as it does immediately prior to the date of this Agreement and on or prior to any reasonable deadline set by SBG for receipt of such information, data or access;
- (c) maintain accounting systems and reporting formats with respect to its IFRS financial statements that are consistent with SBG's financial accounting practices in effect as

of the date of this Agreement, and shall thereafter in good faith consider any changes to such systems or reporting formats requested by SBG;

- (d) maintain Disclosure Controls and Procedures;
 - (e) maintain Internal Control Over Financial Reporting;
 - (f) in a timely manner provide quarterly certifications from its relevant officers and employees regarding Disclosure Controls and Procedures and Internal Control Over Financial Reporting, as reasonably requested by SBG for compliance by SBG with any applicable law, regulation or exchange rules, including the Japan Financial Instruments and Exchange Law; and
 - (g) maintain Sign Off Procedures;
 - (h) to the extent permitted by applicable law, inform SBG promptly of any events or developments that might reasonably be expected to materially affect the Company's financial results; and
 - (i) to the extent permitted by applicable law, consult with SBG in a timely manner (i) prior to the disclosure and filing of the Company's annual and quarterly earnings information and related periodic reports and (ii) prior to the disclosure of any information that may reasonably be considered material to SBG or in which SBG is named, in each case taking into account all of SBG's reasonable comments or advice prior to the filing thereof.
- 5.2 In connection with its provision of information to SBG pursuant to this clause 5, the Company may implement reasonable procedures to restrict access to such information to only those persons who SBG reasonably determines have a need to access such information.

Tax reporting

- 5.3 The Company shall provide SBG in a timely manner with all such information as SBG may reasonably require to facilitate the compliance by SBG and its Affiliates with their respective global legal, regulatory and Tax obligations (including, without limitation, the requirements of the Japanese controlled foreign company regime and the Global Anti-Base Erosion rules published by the Organisation for Economic Co-operation and Development on 20 December 2021 as amended or expanded in guidance and any domestic or supranational rules implementing those rules).

6. Matters requiring SBG consent and consultation

- 6.1 The rights granted to SBG under this Agreement shall be without prejudice to and in addition to the rights granted to Shareholders under English law (including under the Act) and the Articles of Association.
- 6.2 At any time (i) the Equity Proportion exceeds 50 per cent. or (ii) SBG consolidates the Company for the purposes of its consolidated financial statements, the Company shall not, and shall procure that its Subsidiaries shall not, take any action or pass any resolution in relation to the establishment of any new employee incentive plan or share scheme or expansion of any existing plan or scheme (including any share option, employee share ownership, employees' trust or other similar equity-related incentive scheme) in each case, unless the maximum number of Shares over which rights may be issued does not exceed five (5) per cent. of the issued share capital of the Company at the time of adoption or expansion

of such plan or scheme without the prior written consent of SBG, provided that such requirement for the prior written consent of SBG shall not apply to any employee incentive plan or share scheme in place at the time of completion of the listing of the ADSs on Nasdaq.

- 6.3 At any time SBG consolidates the Company for the purposes of its consolidated financial statements, in the event that the Company proposes to: (a) change its independent auditor to a firm that is outside of the professional services network commonly referred to as the “Big Four auditing firms”; or (b) make any material changes to its accounting policies applicable to its financial statements prepared in accordance with IFRS, the Company shall provide SBG with prior written notice of such proposed changes, consult with SBG in good faith regarding the rationale for such proposed changes and shall use its reasonable endeavours to resolve any disagreement and obtain SBG’s consent to such proposed changes.
- 6.4 Notwithstanding the above, in the event that SBG has not provided its consent to such proposed changes within 30 calendar days of receipt of written notice of such proposed changes and after good faith consultation by the Company, the Company may adopt such changes upon a determination by the Board that such changes are in the best interests of the Company and its shareholders as a whole.
- 6.5 At any time SBG consolidates the Company for the purposes of its consolidated financial statements, the entry by the Company into any contracts or arrangements that would bind SBG or its Affiliates where SBG or such Affiliates are not party to such contracts or arrangements or involve the use or license of the SoftBank brand name will be subject to SBG’s prior written consent in compliance with the SBG Group Company Management Regulations.
- 6.6 The Chairman, or such other Investor Director as SBG may nominate from time to time (by giving notice in writing to the Company), shall be authorised to communicate in writing the consent of SBG to any of the matters referred to in this clause 6.
- 6.7 Without prejudice to clause 6.6, SBG may provide its consent to any of the matters referred to in this clause 6 in the following ways:
- (a) a document signed (including by electronic means) by SBG or by an authorised representative of SBG; or
 - (b) an email from a designated authorised officer, specifying the title and authority of such officer, of SBG expressly giving such consent on behalf of SBG.

7. Pre-emption rights

- 7.1 Without prejudice to any rights that SBG and/or its Affiliates may have under applicable law, and for so long as the Equity Proportion is 20% or more, if the Company proposes to allot or issue any Shares, options, warrants or other securities convertible into or exercisable for Shares, other than (i) pursuant to an offer made to all holders of Ordinary Shares on the same terms; or (ii) in connection with any employee incentive plan or share option scheme otherwise approved by SBG in accordance with clause 6.2 hereof, it must first give written notice to SBG (an “**Offer Notice**”) as soon as reasonably practicable (after consent for that allotment and issue is granted by SBG in accordance with clause 6 if applicable) inviting SBG and/or its Affiliates to subscribe for such number of Shares, options, warrants or other securities convertible into or exercisable for Shares as shall enable SBG and its Affiliates to maintain the proportion of their legal and economic rights in the share capital or, as the case may be, relevant class of share capital of the Company held immediately prior to such

allotment and issue (an “Offer”) and for these purposes, in relation to an allotment or issue for the first time of any class of Share other than Ordinary Shares (“New Shares”) or of options, warrants or other securities convertible into or exercisable for a previously unissued class of New Shares, the proportion of SBG and/or its Affiliates’ legal and economic rights to such New Shares shall be deemed to be the percentage of the Equity Share Capital held by SBG and its Affiliates. SBG and/or its Affiliates may accept an Offer in whole or in part. An Offer Notice shall be sent to SBG and must specify:

- (a) the form, number and price of the Shares proposed to be issued, the price of which will be determined by the Board, acting reasonably and in good faith, taking into account the market value of the existing Shares at the time;
- (b) the period (being not less than 15 Business Days) within which the Offer (if not accepted) will be deemed to have been rejected;
- (c) the terms and conditions attaching to the Offer; and
- (d) the subscription or transfer mechanics applicable to SBG should it accept the Offer (including the account details into which any subscription price should be paid).

7.2 After the expiration of the Offer Period referred to in clause 7.1(b), to the extent that an Offer has not been accepted by SBG and/or its Affiliates, as the case may be, the Board shall be entitled to dispose of any Shares so offered and which are not accepted in such manner as the Board may determine.

8. Related Party Transactions

8.1 Notwithstanding the provisions of any policy, procedure or other internal document of the Company and/or its Subsidiaries, including the Company’s related party transaction policy to be implemented prior to the completion of the listing of the ADSs on Nasdaq, and for so long as SBG is a “related party” under such related party transaction policy, all Related Party Transactions shall be presented to the Company’s audit committee and the following process shall apply:

- (a) transactions or arrangements existing on or before the date of this Agreement (as disclosed in the Company’s registration statement on Form-1 as filed with the SEC) and including immaterial amendments of such transactions or arrangements will be exempt from the review and/or approval or ratification requirements of the Company’s related party transaction policy, provided that any extensions or material amendments to any such transactions or arrangements shall be subject to the review and/or approval or ratification of the Company’s audit committee;
- (b) transactions or arrangements in the ordinary course of the Company’s or its Subsidiaries’ business and carried out upon terms generally available to third parties will be exempt from the review and/or approval or ratification requirements of the Company’s related party transaction policy, provided that any determination required as to whether such transaction or arrangement is deemed to be in the ordinary course of the Company’s or its Subsidiaries’ business shall be made by the Company’s audit committee and provided further that any such transaction or series of transactions with a value of in excess of US\$20 million must be presented to the Board for review and approval or ratification; and
- (c) transactions or arrangements proposed to be carried out at arm’s length or upon terms generally available to third parties will be exempt from the review and/or approval or

ratification requirements of the Company's related party transaction policy, provided that any determination required as to whether such transaction or arrangement is deemed to be on arm's length terms shall be subject to the review of the Company's audit committee and provided further that such transaction or arrangement must be presented to the Board for review and approval or ratification.

- 8.2 If one or more directors on the audit committee do not qualify as Independent; all determinations required to be made by the audit committee in accordance with this clause 8 shall be made by those directors on the audit committee which qualify as Independent.
- 8.3 The Company agrees that it will at all times establish and maintain standing approvals of certain customary matters that might otherwise qualify as Related Party Transactions, including those relating to (i) employment arrangements, (ii) the compensation and indemnification of directors of the Board, (iii) matters or relationships that are *de minimis* in the context of the Company's business, (iv) charitable contributions or (v) transactions or arrangements where all Shareholders receive proportional benefits.

9. Registration rights

It is agreed that SBG shall be entitled to registration rights on the terms set out in Schedule 1.

10. Subsequent listing

If the Company seeks a subsequent listing on the London Stock Exchange, the parties shall agree in good faith any modifications required by the relevant listing rules to the rights of SBG pursuant to this Agreement, and any such modifications will be documented by an amendment and restatement of the terms hereto and in the Articles of Association.

11. Remedies and waivers

- 11.1 Each of the Company and SBG acknowledges and agrees that damages alone may not be an adequate remedy for the breach of any of the undertakings or obligations as set out in this Agreement. Accordingly, each of the Company and SBG agrees that notwithstanding any express remedies provided under this Agreement and without prejudice to any other rights and remedies which the parties may have, the remedies of injunction, order for specific performance and/or other equitable relief shall be available for any anticipated, threatened or actual breach of the terms of this Agreement. In addition, each of the Company and SBG acknowledges and agrees that it will not raise any objection to the application by or on behalf of the other party for any such remedies.
- 11.2 No failure on the part of a party to exercise, and no delay in exercising and no course of dealing with respect to, any right or remedy or power provided by law or under this Agreement or any other documents referred to in it shall affect that right, power or remedy or operate as a waiver thereof.
- 11.3 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 11.4 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

12. Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties to this Agreement.

13. Termination

13.1 This Agreement may be terminated with the prior written consent of all of the parties hereto, save that nothing in this clause shall release any party from liability for breaches of this Agreement which occurred prior to its termination.

13.2 SBG shall cease to be a party to this Agreement for the purpose of receiving benefits and enforcing its rights with effect from the date SBG and/or its Affiliates cease to hold or beneficially own less than five per cent of the outstanding Shares (but without prejudice to any benefits and rights accrued prior to such cessation).

14. Assignment and transfer

14.1 Subject to clause 14.3, this Agreement is personal to the parties and no party shall:

- (a) assign any of its rights under this Agreement;
- (b) transfer any of its obligations under this Agreement;
- (c) sub-contract or delegate any of its obligations under this Agreement; or
- (d) charge or deal in any other manner with this Agreement or any of its rights or obligations.

14.2 Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 14.1 shall be ineffective.

14.3 Subject to clause 14.4, the parties acknowledge that SBG may at all times elect to transfer its Shares to an Affiliate and SBG may, subject to applicable law, assign the whole or any part of its rights under this Agreement to any such transferee; provided, however, that SBG's rights under this Agreement may not be transferred, in whole or in part, to any Affiliate which is engaged in business or activities that reasonably could be expected to compete with the Company, provided further, however, that this will not apply to any transfer by SBG to any Existing Fund or a successor fund to an Existing Fund.

14.4 SBG agrees that, where it proposes pursuant to clause 14.3 to transfer its Shares and/or to assign the whole or any part of its rights under this Agreement to an Affiliate that is a fund and such fund is not either (i) an Existing Fund; or (ii) a successor fund to an Existing Fund, prior to any such transfer, SBG will notify the proposed transfer to, and consult in good faith with, the Board. If the Board determines, having received a written opinion of counsel from a reputable law firm that provides reasonable grounds for the Board so to determine that the identity of the investors, and their respective interests in such fund, would be reasonably expected to cause a material adverse legal or regulatory issue to the Company and its Subsidiaries, taken as a whole, SBG may not effect such transfer without the prior written consent of the Company.

14.5 For the avoidance of doubt, the restrictions on transfer of Shares and assignment of rights set out in clause 14.4 shall not apply to any change in control of SBG.

15. Third party rights

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

16. Notices

16.1 A notice or other communication (a “**Notice**”) under this Agreement shall only be effective if it is in writing.

16.2 Notices under this Agreement shall be sent to a party at its address or email address and for the attention of the individual set out below:

The Company

Address: 110 Fulbourn Road, Cambridge, Cambridgeshire CB1 9NJ, United Kingdom
E-mail address: [***]
For the attention of: Spencer Collins, Company Secretary

SBG

Address: 1-7-1 Kaigan, Minato-ku, Tokyo 105-7537, Japan
E-mail address: [***]
For the attention of: Timothy Mackey

provided that a party may change its notice details on giving notice to the other party of the change in accordance with this clause 16.2.

16.3 Any Notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

- (a) if delivered personally, on delivery;
- (b) if delivered by e-mail, at the time of transmission, provided that no automated notification of delivery failure or non-receipt has been received by the sender;
- (c) if sent by first class post, recorded delivery or registered post, two clear Business Days after the date of posting; and
- (d) in the case of registered airmail, five Business Days from the date of posting.

17. Announcements

17.1 Except in accordance with the remainder of this clause 17 or clause 18.2, the Company shall not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to this Agreement or its subject matter or any ancillary matter, without the prior written approval of SBG (to the extent permissible under applicable law).

- 17.2 Notwithstanding clause 17.1, any party may make or permit to be made an announcement concerning or relating to this Agreement or its subject matter or any ancillary matter with the prior written approval of SBG and the Board or if and to the extent required by:
- (a) applicable law;
 - (b) any securities exchange on which such party's securities are listed or traded;
 - (c) any regulatory or governmental or other authority with relevant powers to which such party is subject or submits, whether or not the requirement has the force of law; or
 - (d) any court order.
- 17.3 Notwithstanding clause 17.1, any party may make or permit to be made an announcement concerning or relating to this Agreement or its subject matter or any ancillary matter if a party or an Affiliate of a party whose securities are listed on a stock exchange reasonably determines that such announcement, in connection with an earnings presentation or other investor relations briefing, is prudent and consistent with such entity's past disclosure practices.

18. Confidentiality

- 18.1 Subject to clause 18.2, each of the parties agrees to keep secret and confidential and not to use, disclose or divulge to any third party or to enable or cause any person to become aware of (except for the purposes of the Company's business) any Confidential Information of the other party.
- 18.2 Each party shall be at liberty from time to time to make such disclosure, as applicable:
- (a) to SBG's Affiliates (other than, in the case of SBG, to the Subsidiaries of the Company) from time to time;
 - (b) as required by any tax authority in connection with its Tax affairs;
 - (c) as shall be required by law or by any regulatory authority to which SBG is subject or by the rules of any stock exchange upon which SBG's securities are listed or traded, or (ii) if a party or an Affiliate of a party whose securities are listed on a stock exchange reasonably determines that disclosure of the existence or content of any of the Confidential Information in connection with an earnings presentation or other investor relations briefing is prudent and consistent with such entity's past disclosure practices;
 - (d) to the Company's auditors and/or any other professional advisers of the Company; or
 - (e) to SBG's professional advisers and the professional advisers of SBG's Affiliates,

in relation to the business affairs and financial position of the Company as it may in its reasonable discretion think necessary for the management of its affairs, provided that the recipient is subject to an obligation to keep the disclosed Confidential Information confidential on the same basis as is required by SBG pursuant to this Agreement.

- 18.3 SBG shall procure that its Investor Director(s) shall comply with this clause 18 save that a Non-Independent Investor Director shall be at liberty from time to time to make full disclosure to SBG and its Affiliates of any information relating to the Company (provided that

the recipient is subject to an obligation to keep the disclosed Confidential Information confidential on the same basis as is required pursuant to this Agreement).

18.4 For the purposes of this clause 18, “**Confidential Information**” means any information or know-how of a secret or confidential nature relating to the Company or to SBG, including:

- (a) any financial information or trading information relating to the Company or SBG which a party may receive or obtain as a result of entering into this Agreement;
- (b) in the case of the Company, information concerning:
 - (i) its finances and financial data, business transactions, dealings and affairs, and prospective business transactions;
 - (ii) any operational model, its business plans and sales and marketing information, plans and strategies;
 - (iii) its customers, including customer lists, customer identities and contact details, and customer requirements;
 - (iv) any existing or planned product lines, services, price lists and pricing structures (including discounts, special prices or special contract terms offered to or agreed with customers);
 - (v) its technology or methodology associated with concepts, products and services including research activities and the techniques and processes used for development of concepts, products and services;
 - (vi) its computer systems, source codes and software, including software and technical information necessary for the development, maintenance or operation of websites;
 - (vii) its current and prospective Intellectual Property;
 - (viii) its directors, officers, employees and shareholders (including salaries, bonuses, commissions and the terms on which such individuals are employed or engaged, and decisions or contents of board meetings);
 - (ix) its suppliers, licensors, licensees, agents, distributors, or contractors, or any collaboration agreements with third parties, including the identity of such parties and the terms on which they do business, or participate in any form of commercial co-operation with the Company;
 - (x) information concerning or provided to third parties, in respect of which the Company owes a duty of confidence (in particular but without limitation, the content of discussions or communications with any prospective customer or prospective business partner); and

- (xi) any other information which it may reasonably be expected would be regarded by a company as confidential or commercially sensitive, but shall not include any information which:
 - (A) is, or which becomes (other than through a breach of this Agreement), available in the public domain or otherwise available to the public generally;
 - (B) is, at the time of disclosure, already known to the receiving party without restriction on disclosure;
 - (C) is, or subsequently comes, into the possession of the receiving party without violation of any obligation of confidentiality;
 - (D) is independently developed by the receiving party without breach of this Agreement;
 - (E) is explicitly approved for release by the written consent of an authorised representative of the disclosing party; or
 - (F) a party is required to disclose by law, by any securities exchange on which such party's securities are listed or traded, by any regulatory or governmental or other authority with relevant powers to which such party is subject or submits, whether or not the requirement has the force of law, or by any court order.

19. Costs and expenses

Except as provided below and as otherwise stated in this Agreement, each party shall pay its own costs, expenses, Taxes and fees in relation to the negotiation, preparation, execution and carrying into effect of this Agreement and the transactions contemplated thereby.

20. Counterparts

- 20.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
- 20.2 The exchange of a fully executed version of this Agreement (in counterparts or otherwise) by electronic transmission including DocuSign in PDF format shall be sufficient to bind the parties to the terms and conditions of this Agreement and no exchange of originals is necessary.

21. Further assurances

- 21.1 The Company: (i) shall from time to time at its own cost do or procure the doing of all such acts and/or execute or procure the execution of all documents which SBG may reasonably consider necessary for giving full effect to this Agreement and securing to SBG the full benefit of the rights, powers and remedies conferred upon SBG in this Agreement; (ii) shall procure that its Subsidiaries comply with all obligations under this Agreement which are expressed to apply in relation to such Subsidiaries; (iii) shall not propose any amendment to the Articles of Association which would be inconsistent with the provisions of this Agreement without the prior written consent of SBG; and (iv) agrees and undertakes that it will not

propose any resolution to its shareholders or adopt and/or amend its policies and procedures for the purpose of removing, restricting, reducing or impeding the implementation or exercise of the rights of SBG set out in this Agreement (including, without limitation, any resolution to remove an Investor Director otherwise than pursuant to the express terms of this Agreement)

22. Invalidity

- 22.1 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement.
- 22.2 If any provision of this Agreement is held to be illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it legal, valid and enforceable.

23. No partnership

Nothing in this Agreement is intended to or shall be construed as establishing or implying any partnership of any kind between the parties.

24. Conflict between agreements

- 24.1 Subject to any applicable law, in the event of any ambiguity or conflict between this Agreement and the Articles of Association, the terms of this Agreement shall prevail as between SBG and the Company, and in such event the Company and SBG shall procure such modification to the Articles of Association as shall be necessary.
- 24.2 The Board shall not propose an amendment to the Articles of Association of the Company which would be inconsistent with the provisions of this Agreement without the prior written consent of SBG.

25. Governing law and jurisdiction

- 25.1 This Agreement shall be governed by and construed in accordance with English law.
- 25.2 The courts of England have exclusive jurisdiction to hear and decide any suit, action, proceedings, or dispute, which may arise out of or in connection with this agreement (respectively, “**Proceedings**” and “**Disputes**”) and for these purposes, each party irrevocably submits to the jurisdiction of the courts of England. Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum.
- 25.3 Each party agrees that a final judgment against it in any action, suit or proceeding taken in the courts of England in accordance with clause 25.1 shall be conclusive and may be enforced in any jurisdiction by suit on the judgment, a certified copy of which judgment shall be conclusive evidence thereof, or by any other means provided by applicable law.

26. Agent for Service

- 26.1 SBG appoints SoftBank Group Capital Limited at 69 Grosvenor Street, London W1K 3TP, United Kingdom, to act as its agent for the receipt of Service Documents. SBG agrees that any Service Document may be effectively served on either of them in connection with

Proceedings in England and Wales by service on its agent effected in any manner permitted by the Civil Procedure Rules.

- 26.2 If the agent at any time ceases for any reason to act as such, SBG shall appoint a replacement agent having an address for service in England or Wales and shall notify the Company of the name and address of the replacement agent. Failing such appointment and notification, the Company shall be entitled by notice to SBG to appoint a replacement agent to act on behalf of SBG, provided that SBG shall be entitled, by notice to the Company, to replace its agent with a replacement agent having an address for service in England or Wales. The provisions of this clause 26.1 applying to service on an agent apply equally to service on a replacement agent.
- 26.3 A copy of any Service Document served on an agent appointed in accordance with clauses 26.1 or 26.2 shall be sent by post to SBG. Failure or delay in so doing shall not prejudice the effectiveness of service of the Service Document.

Schedule 1
Registration Rights

1. **Definitions**

For the purposes of this Schedule 1:

“**Damages**” means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the Company (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law;

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“**Form F-1**” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC, or any other form under the Securities Act which the Company is then eligible or otherwise required to use, including Form S-1;

“**Form F-3**” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC, or any other such form under the Securities Act which the Company is then eligible or otherwise required to use, including Form S-3;

“**IPO**” means the initial public offering of ADSs pursuant to an effective Registration Statement under the Securities Act consummated on 18 September 2023;

“**Permitted Assigns**” means any controlled Affiliate of SoftBank Group Corp. holding Registrable Securities other than the Company and its controlled Affiliates;

“**Registrable Securities**” means (i) the Ordinary Shares issuable or issued; (ii) any Ordinary Shares or any Ordinary Shares issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company held by SBG; and (iii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) through (iii) above; including in all cases securities representing such Ordinary Shares (including depositary interests, American depositary receipts, American depositary shares and/or other instruments); but excluding in all cases, any Registrable Securities sold by a person in a transaction in which the applicable rights under this Schedule 1 are not assigned pursuant to this Agreement; provided that, any such securities shall cease to be Registrable Securities at the time the securities may be sold pursuant to Rule 144 under the Securities Act without regard to volume or manner of sale restrictions;

“**SBG**” means SoftBank Group Corp., Kronos II LLC or any of their respective successors or Permitted Assigns; and

“**Underwritten Offering**” means a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

2. **Registration Rights**

The Company covenants and agrees as follows:

2.1 *Demand Registration*

- (a) At any time after the date of this Agreement (or such later date as is required by the terms of an applicable lock-up agreement entered into with the underwriters in connection with the IPO, provided that such later date shall not exceed 180 days after the date of pricing of the IPO, or 60 days after the date of pricing of any other public offering), if SBG makes a Demand (as hereinafter defined) (a “**Requesting Shareholder**”), it shall be entitled to make a written request of the Company (a “**Demand**”) for registration under the Securities Act of any number of Registrable Securities (a “**Demand Registration**”) and thereupon the Company will, subject to the terms of this Agreement, use its best efforts to effect the registration as promptly as practicable under the Securities Act of the Registrable Securities which the Company has been so requested to register by the Requesting Shareholder for disposition in accordance with the intended method of disposition stated in such Demand, which may be an Underwritten Offering, and to keep the registration continuously effective until the date on which all Registrable Securities subject to the Demand Registration have been sold in accordance with the plan and method of distribution disclosed in the prospectus included in the related registration statement.
- (b) The Demand shall specify: (i) the aggregate number of Registrable Securities requested to be registered in such Demand Registration, (ii) the intended method of disposition in connection with such Demand Registration, to the extent then known and (iii) the identity of the Requesting Shareholder.
- (c) SBG shall be entitled to any number of Demand Registrations, provided that the Company shall not be required to effect such registrations more than three (3) times in any twelve (12) month period.
- (d) The Demand Registrations shall be on SEC registration forms of either Form F-1 or Form F-3 (if available) (or any successor forms thereto).
- (e) The Company shall be entitled to postpone (upon written notice to the Requesting Shareholder) the filing or the effectiveness of a registration statement for any Demand Registration or suspend the use of such registration statement for a reasonable period of time not to exceed sixty (60) days in succession (but no more than twice in any period of twelve (12) consecutive months) if the Board determines in good faith (including such determination by all directors of the Board who qualify as Independent) and in its reasonable judgment based on advice of external counsel that the filing or effectiveness of the registration statement relating to such Demand Registration would cause the disclosure of material, non-public information that the Company has a bona fide business purpose for preserving as confidential. In the event of a postponement by the Company of the filing or effectiveness of a registration

statement for a Demand Registration, the Requesting Shareholder shall have the right to withdraw such Demand in accordance with paragraph 2.4.

- (f) The Company shall not include any securities other than Registrable Securities in a Demand Registration, except with the written consent of the Requesting Shareholder. If, in connection with a Demand Registration involving an Underwritten Offering, the lead managing underwriter reasonably advises the Company, in writing, that, in its reasonable opinion, the inclusion of all of the securities, including securities of the Company that are not Registrable Securities, sought to be registered in connection with such Demand Registration would adversely affect the marketability of the Registrable Securities sought to be sold pursuant thereto, then the Company shall include in such registration statement only such securities as the Company is advised by such underwriter can be sold without such adverse effect as follows and in the following order of priority: (i) first, up to the number of Registrable Securities requested to be included in such Demand Registration by the Requesting Shareholder, which, in the reasonable opinion of the underwriter can be sold without adversely affecting the marketability of the offering; (ii) second, securities the Company proposes to sell; and (iii) third, all other securities of the Company duly requested to be included in such registration statement, pro rata on the basis of the number of such other securities requested to be included or such other method determined by the Company.
- (g) Any investment bank(s) that will serve as an underwriter with respect to such Demand Registration or, if such Demand Registration is not an Underwritten Offering, any investment bank(s) engaged in connection therewith, shall be selected by the Requesting Shareholder.

2.2 *Piggyback Registration*

- (a) Subject to the terms and conditions hereof, whenever the Company proposes to register any of its equity securities under the Securities Act (other than a registration by the Company (x) on a registration statement on Form S-4 or (y) on a registration statement on Form S-8 (or in any of the cases of (x) or (y) on any successor forms thereto))(each a “**Piggyback Registration**”), whether for its own account or for the account of others, the Company shall give SoftBank Group Corp. prompt written notice thereof (but not less than ten (10) Business Days prior to the filing by the Company with the SEC of any registration statement with respect thereto or, in the case of an offering of equity securities from an existing registration statement, prior to the anticipated pricing date). Such notice (a “**Piggyback Notice**”) shall specify, at a minimum, the number of equity securities proposed to be registered, the proposed date of filing of such registration statement with the SEC (or anticipated date of pricing, as applicable), the proposed means of distribution, the proposed managing underwriter or underwriters (if any and if known) and a good faith estimate by the Company of the proposed minimum offering price of such equity securities. Upon the written request of SBG (who shall now be deemed a “**Piggyback Seller**”) (which such written request shall specify the number of Registrable Securities then presently intended to be disposed of by the Piggyback Seller), given within five (5) Business Days after such Piggyback Notice is received by SoftBank Group Corp., the Company, subject to the terms and conditions of this Agreement, shall use its best efforts to cause all such Registrable Securities held by the Piggyback Seller with respect to which the Company has received such written requests for inclusion to be included in such Piggyback Registration on the same terms and conditions as the Company’s equity securities being sold in such Piggyback Registration.

- (b) If, in connection with a Piggyback Registration that is an Underwritten Offering, the lead managing underwriter reasonably advises the Company in writing that, in its reasonable opinion, the inclusion of all the equity securities sought to be included in such Piggyback Registration by (i) the Company, (ii) the Piggyback Seller and (iii) any other proposed sellers of equity securities of the Company (such persons being “**Other Proposed Sellers**”), as the case may be, would adversely affect the marketability of the equity securities sought to be sold pursuant thereto, then the Company shall include in the registration statement applicable to such Piggyback Registration only such equity securities as the Company is so advised by such underwriter can be sold without such an effect, as follows and in the following order of priority:
- (i) if the Piggyback Registration relates to an offering for the Company’s own account, then (A) first, such number of equity securities to be sold by the Company as the Company, in its reasonable judgment based on advice of external counsel and acting in good faith and in accordance with sound financial practice, shall have determined, (B) second, Registrable Securities of the Piggyback Seller, and (C) third, other equity securities held by any Other Proposed Sellers; or
 - (ii) if the Piggyback Registration relates to an offering other than for the Company’s own account, then (A) first, such number of equity securities sought to be registered by the Piggyback Seller, and (B) second, other equity securities proposed to be sold by any Other Proposed Sellers or to be sold by the Company as determined by the Company and with such priorities among them as may from time to time be determined or agreed to by the Company.

2.3 *Shelf Registration*

- (a) Subject to paragraph 2.3(d), and further subject to the availability of a registration statement on Form F-3 or a successor form, which may be an automatically effective registration statement at any time the Company is eligible, to the Company, SBG may by written notice delivered to the Company (the “**Shelf Notice**”) require the Company to (i) file as promptly as practicable (but no later than 30 days after the date the Shelf Notice is delivered), and to use best efforts to cause to be declared effective by the SEC at the earliest possible date permitted under the rules and regulations of the SEC (but no later than 90 days after such filing date), a Form F-3 (which, if the Company is eligible, shall be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act)), or (ii) use an existing Form F-3 filed with the SEC, in each case providing for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act relating to the offer and sale, from time to time, of the Ordinary Shares (including any securities representing such Ordinary Shares (including depository interests, American depository receipts, American depository shares and/or other interests) owned by SBG (the “**Shelf Registration Statement**”).
- (b) SBG shall be entitled to require the Company to file an unlimited number of Shelf Registration Statements.
- (c) Subject to paragraph 2.3(d), the Company will use best efforts to keep the Shelf Registration Statement continuously effective until the date on which all Registrable Securities covered by the Shelf Registration Statement have been sold thereunder in accordance with the plan and method of distribution disclosed in the prospectus

included in the Shelf Registration Statement, or otherwise (the “**Shelf Registration Effectiveness Period**”).

- (d) Notwithstanding anything to the contrary contained in this Agreement, the Company shall be entitled, from time to time, by providing written notice to SBG if it has elected to participate in the Shelf Registration Statement, to delay the filing of a Shelf Registration Statement or require SBG to suspend the use of any existing prospectus that forms part of an existing Shelf Registration Statement for sales of Registrable Securities under the Shelf Registration Statement for a reasonable period of time not to exceed 60 days in succession and no more than twice in any 12 month period (a “**Suspension Period**”) if the Board determines in good faith (including such determination by all directors of the Board who qualify as Independent) and in its reasonable judgment based on advice of external counsel that it is required to disclose in the Shelf Registration Statement material, non-public information that the Company has a bona fide business purpose for preserving as confidential. Immediately upon receipt of such notice, SBG shall suspend the use of the prospectus until the requisite changes to the prospectus have been made as required below. Any Suspension Period shall terminate at such time as the public disclosure of such information is made. After the expiration of any Suspension Period and without any further request from a Shareholder, the Company shall as promptly as practicable prepare a post-effective amendment or supplement to the Shelf Registration Statement or the prospectus, or any document incorporated therein by reference, or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (e) At any time, and from time-to-time, during the Shelf Registration Effectiveness Period (except during a Suspension Period), SBG may notify the Company of its intent to sell Registrable Securities covered by the Shelf Registration Statement (in whole or in part) in an Underwritten Offering (a “**Shelf Underwritten Offering**”). Such notice shall specify (x) the aggregate number of Registrable Securities requested to be registered in such Shelf Underwritten Offering and (y) the identity of the Shareholder(s) requesting such Shelf Underwritten Offering. Upon receipt by the Company of such notice, the Company shall promptly comply with the applicable provisions of this Agreement, (including without limitation paragraph 2.5 of this Schedule 1) assist in the preparation and filing with the SEC of prospectus supplements and amendments to the Shelf Registration Statement and take such other actions as necessary or appropriate to permit the consummation of such Shelf Underwritten Offering as promptly as practicable. In any Shelf Underwritten Offering, the investment bank(s) and managers that will serve as lead or co-managing underwriters with respect to the offering of such Registrable Securities shall be selected by SBG.
- (f) If SBG wishes to engage in an underwritten block trade off a Shelf Registration Statement (either through filing an automatic shelf registration statement or through a take-down from an already existing Shelf Registration Statement), then notwithstanding the time periods set forth above, SBG shall notify the Company of the block trade Shelf Underwritten Offering not less than two (2) Business Days prior to the day such offering is planned to commence.

2.4 *Withdrawal Rights*

- (a) SBG, having notified or directed the Company to include any or all of its Registrable Securities in a registration statement under the Securities Act, shall have the right to withdraw any such notice or direction with respect to any or all of the Registrable Securities designated by it for registration by giving written notice to such effect to the Company prior to the effective date of such registration statement. In the event of any such withdrawal, the Company shall not include such Registrable Securities in the applicable registration and such Registrable Securities shall continue to be Registrable Securities for all purposes of this Agreement. No such withdrawal shall affect the obligations of the Company with respect to the Registrable Securities not so withdrawn.

2.5 *Obligations of the Company*

Whenever required under this paragraph 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

- (a) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;
- (b) furnish to SBG such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as SBG may reasonably request in order to facilitate its disposition of its Registrable Securities;
- (c) use its best efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by SBG; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;
- (d) enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) and take all such other actions reasonably requested by SBG (including those reasonably requested by the lead managing underwriter, if any and including the execution and delivery of a customary “lock-up” agreement) to expedite or facilitate the disposition of such Registrable Securities, and in connection therewith, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (i) make such representations and warranties to the holders of such Registrable Securities and the underwriters, if any, with respect to the business of the Company and its Subsidiaries, the Registration Statement, the prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its best efforts to furnish to the selling holders of such Registrable Securities opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and counsels to the selling holders of the Registrable Securities), addressed to each selling holder of Registrable Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten

offerings and such other matters as may be reasonably requested by such counsel and underwriters, (iii) use its best efforts to obtain comfort letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any Subsidiary of the Company or of any business acquired or to be acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each selling holder of Registrable Securities (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in comfort letters in connection with underwritten offerings, (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures substantially to the effect set forth in paragraph 2.9 hereof with respect to all parties to be indemnified pursuant to this paragraph and (v) deliver such documents and certificates as may be reasonably requested by the holders of a majority of the Registrable Securities being sold pursuant to such Registration Statement, their counsel and the managing underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to paragraph 2.5(e)(i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder;

- (e) use its best efforts to cause its directors, officers and senior executives to support marketing of the Registrable Securities covered by the Registration Statement (including participation in “road shows”) and to otherwise cooperate with such registration, including the issuance of such certificates or other documents which the underwriters may reasonably request and the execution and delivery of customary “lock-up” agreements;
- (f) use its best efforts to ensure sufficient issuance capacity under any Form F-6 registration statement in respect of its ADSs and to procure the cooperation of the depositary bank as required to effect the offering or disposition of the Registrable Securities being sold;
- (g) use its best efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;
- (h) provide a transfer agent and registrar and depositary, if applicable, for all Registrable Securities registered pursuant to this Schedule 1 and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;
- (i) promptly make available for inspection by SBG, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by SBG, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company’s officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to

verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

- (j) notify SBG, promptly after the Company receives notice thereof of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and
- (k) after such registration statement becomes effective, notify SBG of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

2.6 *Furnish Information*

It shall be a condition precedent to the obligations of the Company to take any action pursuant to this paragraph 2 with respect to the Registrable Securities of SBG that SBG shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of SBG's Registrable Securities.

2.7 *Expenses of Registration*

All expenses incurred in connection with registrations, filings, or qualifications pursuant to this paragraph 2, including all registration, filing, and qualification fees, printers' and accounting fees and the fees and disbursements of counsel for the Company shall be borne and paid by the Company, except that SBG's internal administrative and similar costs, the fees and disbursements of its counsel and any underwriting discounts and commissions applicable to the sale of Registrable Securities will be paid by SBG; provided that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to paragraph 2.1 if the registration request is subsequently withdrawn at the request of SBG (in which case SBG shall bear such expenses); provided further that if, at the time of such withdrawal, SBG has learned of a material adverse change in the condition, business, or prospects of the Company from that known to SBG at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then SBG shall not be required to pay any of such expenses and the Company shall bear and pay such expenses instead.

2.8 *Other financing and other transactions*

The Company shall provide all information, access and support reasonably required or desired by SBG for any processes or documents in respect of other registered or unregistered financing or other transactions, including marketing, due diligence and transaction documents (including the execution of any agreements, certificates, opinions, comfort letters or other deliverables reasonably required by SBG).

2.9 *Indemnification*

If any Registrable Securities are included in a registration statement under this paragraph 2:

- (a) The Company will indemnify and hold harmless SBG, its partners, members, officers, directors, and shareholders, legal counsel and accountants for SBG; any underwriter (as defined in the Securities Act) for SBG; and each person, if any, who controls SBG, any underwriter within the meaning of the Securities Act or the Exchange Act (an "Indemnified Party"), against any Damages, and the Company will pay to SBG, underwriter, controlling person, or other aforementioned person any legal or other

expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided that the indemnity agreement contained in this paragraph 2.9(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of SBG.

- (b) Contribution. If the indemnification provided for in this paragraph 2.9 is unavailable to an indemnified party in respect of any Damages (other than in accordance with its terms), then the Company, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Damage, in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and such Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Damage as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and the Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made (or omitted) by, or relates to information supplied by, the Company or Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.
- (c) The parties hereto agree that it would not be just and equitable if contribution pursuant to this paragraph 2.9 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this paragraph 2.9, the Company shall not be required to contribute any amount in excess of the amount that the Company has otherwise been, or would otherwise be, required to pay pursuant to paragraph 2.9 by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 12(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.
- (d) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an Underwritten Public Offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall prevail.
- (e) Unless otherwise superseded by an underwriting agreement entered into in connection with an Underwritten Offering, the obligations of the Company and SBG under this paragraph 2.9 shall survive the completion of any offering of Registrable Securities in a registration under this paragraph 2, and otherwise shall survive the termination of this Agreement.

2.10 *Limitations on Subsequent Registration Rights*

From and after the date of this Agreement, the Company shall not, without the prior written consent of SBG, enter into any agreement with any holder or prospective holder of any

securities of the Company that would (i) provide to such holder the right to include securities in any registration on other than a subordinate basis after SBG has had the opportunity to include in the registration and offering all shares of Registrable Securities that it wishes to so include or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder.

2.11 *Rule 144*

- (a) At all times after the Company has filed a Registration Statement with the SEC under the Securities Act or the Exchange Act, the Company shall (i) use best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner, (ii) take such further action as any holder of Registrable Securities may reasonably request and (iii) furnish to each holder of Registrable Securities forthwith upon written request (x) a written statement by the Company as to its compliance with the applicable reporting requirements of Rule 144, the Securities Act and the Exchange Act, (y) to the extent required by Rule 144, a copy of the most recent annual or quarterly report of the Company and (z) such other reports and documents so filed by the Company as such holder may reasonably request in availing itself of Rule 144, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144. Upon the request of any holder of Registrable Securities, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements.
- (b) The foregoing provisions of this paragraph 2.11 are not intended to modify or otherwise affect any restrictions on transfers of securities contained in any other contract or agreement.

In witness whereof, this document has been executed as a deed and is delivered and takes effect on the date written at the beginning of it.

EXECUTED and **DELIVERED** as a **DEED** by **SOFTBANK GROUP CORP.**

Acting by

/s/ Yoshimitsu Goto

Title: Board Director, Corporate Officer, Senior Vice
President, CFO & CISO

[Signature Page to Shareholder Governance Agreement]

EXECUTED and DELIVERED as a DEED by ARM HOLDINGS PLC, acting by

Rene Haas, its director in the presence of:

/s/ Rene Haas

Signature of Director

/s/ Mandy King

Witness signature

Mandy King

Print name

Name: Mandy King

Address: 120 Rose Orchard Way
San Jose, CA 95134

[Signature Page to Shareholder Governance Agreement]

Arm Annual Bonus Plan Rules

Reward V4.0 – applicable from 1 April 2021 until any future revision is published

The Plan amends and restates previous versions of the Arm Annual Bonus Plan Rules.

1. Definitions

1.1 In these Rules:

“**Actual Bonus Percentage**” means the actual percentage of each Participant’s Salary payable as a Bonus Award (before adjustments and reductions) for a Plan Period, based on performance against the applicable Performance Conditions set for the applicable Plan Period;

“**Arm Group**” means any or all as the context allows of the Company and any company the majority of whose voting shares is now or hereafter owned or controlled, directly or indirectly, by the Company, as applicable. A company shall be a subsidiary of the Company only for the period during which such control exists;

“**Board**” means the board of directors of Arm Limited or a duly authorized committee thereof from time to time;

“**Bonus Award**” means any cash bonus payable to a Participant under the Plan calculated as described in Rule 3.4.4;

“**Business Unit**” means a division or business unit of any member of the Arm Group or any subdivision thereof, in each case as determined by the Committee in its sole discretion;

“**Cause**” means the termination of a Participant’s employment as a result of such Participant’s (a) being convicted of any felony or criminal offense, in each case either resulting in a custodial sentence or involving a finding of fraud or dishonesty, or (b) committing an act or omission of wilful or gross misconduct and/or gross negligence in connection with the performance of such Participant’s duties in the course of his or her employment; provided, all initial determinations whether a termination of employment is for Cause shall be made by the Committee, in its sole discretion in good faith; provided, further, for the avoidance of doubt, in the event that an employment tribunal, court or any other regulatory body of competent jurisdiction finds that such Participant’s termination was unfair and/or unlawful, whether on a procedural or substantive basis, such termination shall not be for Cause;

“**Change in Control**” means (a) the sale of all or substantially all the assets of the Company to any corporation or other entity that is not a member of the SoftBank Group; (b) any merger, consolidation or acquisition of the Company with, by or into another corporation or other entity that is not a member of the SoftBank Group; or (c) any change in the ownership outside of the SoftBank Group in one or more related transactions of more than fifty percent (50%) of the voting capital stock of the Company (including, for the avoidance of doubt, the consummation of the NVIDIA Transaction);

“**Committee**” means the Executive Committee or another duly authorized committee of the Company;

“**Company**” means Arm Limited and its successors;

“**Eligible Employee**” means an employee of a member of the Arm Group;

“**IoT Group**” means Arm Cloud Services Limited, Arm Cloud Technology, Inc., Kigen (UK) Limited, Kigen Denmark ApS, Kigen South Africa Proprietary Limited, and all present and future direct or indirect subsidiaries of any of the foregoing;

“**NVIDIA**” means NVIDIA Corporation, NVIDIA International Holdings Inc., and any of their respective subsidiaries or controlled affiliates;

“**NVIDIA Transaction**” means the transactions contemplated by the Share Purchase Agreement, dated as of 13 September 2020, by and among NVIDIA Corporation, NVIDIA International Holdings Inc., Arm Limited, Softbank Group Capital Limited and SVF Holdco (UK) Limited;

“**Participant**” means an Eligible Employee (determined as of the applicable selection date for a Bonus Award) who has been selected by the Committee to participate in the Plan pursuant to Rules 2 and 3 and who has received a Bonus Award under the Plan which has not been forfeited pursuant to the Rules or otherwise;

“**Performance Conditions**” means any condition or conditions set for a Plan Period or a fiscal year of the Company under Rule 3.3;

“**Plan**” means this plan in its present form or as amended from time to time in accordance with these Rules;

“**Plan Period**” means the period determined by the Committee by reference to which Bonus Awards may be payable under the Plan;

“**Qualifying Leaver**” means a Participant employed by any member of the Arm Group as of such Participant’s Qualifying Leaver Date (if applicable) (a) whose employment is terminated on or after 1 April 2021 by a member of the Arm Group for any reason other than (i) Cause or (ii) any dismissal by reason of redundancy or any dismissal based on employee performance, in each case in the ordinary course of business, (b) who is subject to a Transferred Employment Event (SoftBank) from employment with a member of the Arm Group and (i) who is employed by a member of the SoftBank Group as of the end of the Plan Period that includes such Transferred Employment Event (SoftBank) or (ii) whose employment is terminated on or after 1 April 2021 but prior to the end of the Plan Period that includes such Transferred Employment Event (SoftBank) for any reason other than Cause, or (c) who is not a TD/loTP Participant and who experiences a Transferred Employment Event (TD/loTP) from employment with any member of the Arm Group or the SoftBank Group;

“**Qualifying Leaver Date**” means (a) with respect to each Eligible Employee whose employment by the Arm Group commenced on or prior to 1 April 2021, 1 April 2021 and (b) with respect to each Eligible Employee whose employment by the Arm Group commenced after 1 April 2021, such later date as may be approved by the Committee, if any;

“**Rules**” means these Arm Annual Bonus Plan Rules, as amended from time to time;

“**Salary**” in relation to a Bonus Award for a Plan Period, means the actual base salary paid to a Participant during that Plan Period. The actual base salary is calculated based on pro-rated days for each different rate of annual salary in effect during the Plan Period. Changes in base annual salary or hours worked during a Plan Period will change the actual base salary. For Participants who are part-time employees, the actual base salary is the pro-rated base annual salary in effect during the Plan Period. For those Participants on approved statutory leave (for example, maternity, sickness, paternity and parental leave based on local country practice) for any part of a Plan Period, the actual base salary will be calculated based on actual base salary prior to and following the leave and the base annual salary relating to the employees’ work hours during the leave period. For other periods of approved unpaid leave, the base salary may in some circumstances be reduced in consideration of the leave period. The leave period will be calculated as the number of working days, including public holidays, for any working week affected by the absence. All periods of unapproved absence will be taken into account when calculating the actual base salary during the Plan Period;

“**SoftBank Group**” means (a) SoftBank Group Corp. and its controlled subsidiaries and other controlled affiliates and (b) SVF and any affiliate thereof, or any alternative investment vehicle or similar entity established in relation thereto, and in each case, (i) “affiliate” shall be as defined in Rule 405 under the Securities Act of 1933, as amended, and (ii) the foregoing entities shall exclude any member of the Arm Group, the TD Group, or the loTP Group;

“**SVF**” means SoftBank Vision Fund L.P. (“**Vision Fund**”), SoftBank Vision Fund II L.P. (“**Vision Fund II**”) or any successor fund established in relation to Vision Fund or Vision Fund II, the general partner, advisor or manager of which is a direct or indirect subsidiary of SoftBank Group Corp.;

“**Target Bonus Percentage**” means the target percentage of each Participant’s Salary which may be payable as a Bonus Award for a Plan Period, depending on the satisfaction of applicable Performance Conditions;

“**TD Group**” means Treasure Data, Inc., Treasure Data US LLC, and all present and future direct or indirect subsidiaries of either of the foregoing;

“**TD/loTP Participant**” means a Participant who is employed by a member of the Arm Group (other than the TD Group or the loTP Group, as applicable) who, as determined by the Committee in good faith, provides 80% or more of his/her employee services from 1 October 2020 to 31 March 2021 to, or for the primary benefit of, either the TD Group and its related business or the loTP Group and its related business;

“**Transferred Employment Event (TD/loTP)**” means, with respect to a Participant, the transfer of such Participant’s employment (whether by operation of law or by consent) to, or the assumption and/or continuation

of such Participant's employment by or with (in each case, whether directly or indirectly by virtue of a merger, consolidation, spin-off, contribution, acquisition, or other corporate transaction involving such Participant's employer), any member of the TD Group or the IoTP Group; and

"Transferred Employment Event (SoftBank)" means, with respect to a Participant, the transfer of such Participant's employment (whether by operation of law or by consent) to, or the assumption and/or continuation of such Participant's employment by or with (in each case, whether directly or indirectly by virtue of a merger, consolidation, spin-off, contribution, acquisition, or other corporate transaction involving such Participant's employer), any member of the SoftBank Group.

2. Administration

2.1 Committee

2.1.1 The Plan shall be administered by the Committee, which shall have the sole discretionary authority to interpret and administer the Plan and the Rules as it deems necessary or appropriate, and every power conferred on the Committee by these Rules may be exercised by the Committee in its sole discretion. To the extent permitted by applicable law, the Committee may delegate some or all of its authority with respect to the Plan and the Rules to any member of the Board or to an officer of the Company, with such delegation subject to the restrictions and limits that the Committee specifies at the time of such delegation or thereafter. Any action undertaken by any such member of the Board or officer of the Company in accordance with the Committee's delegation of authority will have the same force and effect as if undertaken directly by the Committee, and any reference in the Plan and the Rules to the "Committee" will, to the extent consistent with the terms and limitations of such delegation, be deemed to include a reference to each such member of the Board or officer of the Company.

2.1.2 The Committee may, in the case of any Participant or Eligible Employee, operate the Plan subject to the terms of a special schedule (if any) to the Rules adopted by the Committee or any other provisions which the Committee notifies the Participant or Eligible Employee will apply.

2.1.3 The interpretation or decision of the Board or the Committee made under, or in respect of any dispute relating to, the Plan, the Bonus Awards or the Rules will be final, conclusive, and binding on all Participants.

3. Determinations

3.1 Start of Plan Period

At the start of each Plan Period, the Committee shall determine:

- 3.1.1** whether the Plan will be operated in respect of that Plan Period;
- 3.1.2** subject to Rule 5.1, which Eligible Employees may participate in the Plan;
- 3.1.3** each such Participant's Target Bonus Percentage for such Plan Period; and
- 3.1.4** the Performance Conditions for such Plan Period,

and, in the absence of any such determination, the Plan shall not operate.

3.2 Participation

Participation in the Plan will not, in any event, require any payment or repayment from a Participant.

3.3 Performance Conditions

The Committee shall set Performance Conditions for each Plan Period for the whole Company, one or more Business Units, and/or individual Participants, as appropriate.

3.3.1 The Committee, in its sole discretion, may amend or waive the Performance Conditions in whole or in part (a) in accordance with the terms specified in the Performance Conditions or (b) if events happen which cause the Committee to consider that (i) the amended Performance Conditions would be a fairer measure of performance and would be no more difficult to satisfy than the existing Performance Conditions or (ii) the existing Performance Conditions should be waived in whole or in part.

3.3.2 The Committee reserves the right to withhold and/or reduce and/or cancel all or any part of the Bonus Award for any Participant in the event that the Committee considers that such Participant's performance or conduct during the Plan Period warrants such action.

3.4 End of Plan Period

As soon as practicable following the end of each Plan Period, the Committee shall:

3.4.1 confirm the list of Participants, considering persons who have become Eligible Employees since the start of such Plan Period or thereafter as specified in Rule 5 and any action taken by the Committee under Rule 3.3.2;

3.4.2 review the Company's, a Business Unit's and/or an individual Participant's performance, as applicable, during such Plan Period and determine whether and to what extent the applicable Performance Conditions have been satisfied;

3.4.3 determine each Participant's Actual Bonus Percentage; and

3.4.4 determine the Bonus Award payable to each Participant. The Bonus Award will be calculated using the Actual Bonus Percentage of the Participant's Salary, adjusted as the Committee considers appropriate to take into account such Participant's performance as against the Participant's defined targets for the Plan Period or another period or to take any other factor into account as the Committee may think fit. The maximum Bonus Award that can be earned is two hundred percent (200%) of the target Bonus Award (based on the Target Bonus Percentage of the Participant's Salary) plus any individual performance multiplier.

3.5 Notification of Determinations

The Committee may make such notifications as it considers appropriate in respect of its determinations.

4. Payment of Bonus Award

4.1 Notification of Bonus Award

4.1.1 Subject to the Rules, as soon as practicable after making the determinations set forth in Rule 3.4, the Committee will provide notice to each Participant of such Participant's earned Bonus Award (if any).

4.1.2 If no Bonus Award is payable to any Participant, the Committee will make the appropriate notification.

4.2 Payment

Any amount payable to a Participant in accordance with these Rules will:

4.2.1 be paid by the Company (or if the Company is not the Participant's employer, by that employer if the Company so determines) as soon as reasonably practicable and in all events, with respect to Participants who are U.S. citizens or residents, by March 15th of the calendar year following the calendar year in which the relevant Plan Period ends;

4.2.2 be paid subject to the deduction of any amount that the payer is obliged by the law of any relevant jurisdiction to deduct from any such payment or for which the payer is so obliged to account, including without limitation income tax and social security contributions;

4.2.3 not form part of the Participant's remuneration for the purpose of determining eligibility for or entitlement to any benefit of employment including any pension or retirement benefit, life assurance, permanent health insurance or other similar benefit whether existing or subsequently; and

4.2.4 be limited to such extent as the Committee may in its sole discretion determine by reason of any rule, regulation, guideline or other restriction issued by any governmental, quasi-governmental or regulatory body or anybody representing shareholders.

5. Special Provisions

5.1 General Rule - Joining

Subject to the following provisions of this Rule 5, a person who becomes an Eligible Employee during the course of a Plan Period and who the Committee determines shall become a Participant will be eligible to receive a pro-

rated Bonus Award for such Plan Period. The pro-rated Bonus Award will be calculated by determining what the Participant's full-year Bonus Award entitlement would have been under the applicable Performance Conditions and then making a pro-rata adjustment to such entitlement based on the portion of such Plan Period in which such Participant participated in the Plan.

5.2 General Rule – Changes in Plans

The Committee, in its sole discretion and at any time within a Plan Period, may evaluate Performance Conditions and make changes to a Participant's defined targets. In such case, such Participant's Bonus Award shall be calculated based on the Committee's evaluation, in its sole discretion, of what such Participant's full-year Bonus Award entitlement would have been under the original Performance Conditions and what such Participant's full-year Bonus Award entitlement would be under the new Performance Conditions, following which the Committee shall make an appropriate, holistic adjustment, as determined by the Committee in its sole discretion, to such Bonus Award based on each of the two entitlements.

5.3 General Rule - Participation in Other Bonus Plans

5.3.1 Any Participant who participates in an alternative salary-related bonus plan (for example, a sales commission plan) or arrangement with any member of the Arm Group shall not be eligible to receive a Bonus Award under this Plan for the same Plan Period.

5.3.2 No Participant shall be eligible to participate in more than one annual bonus plan at the same time for any one Plan Period. For the avoidance of doubt, if a Participant becomes eligible to participate in an annual bonus plan sponsored and maintained by a Business Unit or by any member of the TD Group, the IoTP Group, or the SoftBank Group during a Plan Period and the obligations under this Plan for such Plan Period are assumed by such annual bonus plan on substantially the same terms and conditions, effective as of such assumption, such Participant shall not be eligible to receive a Bonus Award under this Plan for such Plan Period.

5.4 General Rule – Termination of Employment

Except as otherwise provided in this Rule 5, a Participant must be continuously employed by a member of the Arm Group through the end of the applicable Plan Period in order to receive a Bonus Award for such Plan Period, and if a Participant ceases to be an Eligible Employee prior to the end of such Plan Period for any reason, such Participant shall immediately forfeit upon termination any and all entitlement to any portion of the Bonus Award for such Plan Period.

5.5 Meaning of Ceasing to be an Employee

For the purposes of this Rule 5 but subject to Rule 5.3:

5.5.1 A Participant will not be treated as ceasing to be an Eligible Employee (i) if such Participant becomes employed by another member of the Arm Group within seven days of such Participant's leaving a member of the Arm Group or (ii) if such Participant voluntarily resigns from employment with a member of the Arm Group as part of any termination-and-subsequent-rehire process implemented by the Arm Group and structured as such Participant's voluntary resignation and rehire.

5.5.2 If a Participant is a Qualifying Leaver, such Participant will not be treated as ceasing to be an Eligible Employee for purposes of eligibility for a Bonus Award with respect to the Plan Period in which such Participant became a Qualifying Leaver. In such event, such Bonus Award shall be in an amount calculated by (a) determining what such Participant's full-year Bonus Award entitlement would have been if such Participant had remained employed by a member of the Arm Group through the end of such Plan Period and then (b) making a pro-rata adjustment to such entitlement based on the portion of such Plan Period occurring before the date on which such Participant became a Qualifying Leaver and shall be payable as soon as administratively practicable following the end of such Plan Period (and in all events, with respect to Participants who are U.S. citizens or residents, by March 15th of the calendar year following the calendar year in which such Plan Period ends).

5.5.3 Except as otherwise provided in Rule 5.5.2, (a) a Participant will be treated as ceasing to be an Eligible Employee (i) upon the termination of, or voluntary resignation from, such Participant's employment by any member of the TD Group or the IoTP Group for any reason, and/or (ii) if employed by a member of either the TD Group or the IoTP Group, when such employing member of either the TD Group or the IoTP Group ceases to be a subsidiary of the Company, and (b) a TD/IoTP Participant will be treated as ceasing to be an Eligible Employee (i) upon such TD/IoTP Participant's Transferred Employment Event (SoftBank) from employment by any

member of the TD Group or the IoTP Group and/or (ii) such TD/IoTP Participant's Transferred Employment Event (TD/IoTP).

6. Change in Control

6.1 Change in Control

In the event of a Change in Control during a Plan Period, the Plan Period will end on the date of such Change in Control, and each Participant will receive a Bonus Award payment, payable as soon as administratively practicable following such Change in Control (and in all events, with respect to Participants who are U.S. citizens or residents, by March 15th of the calendar year following the calendar year of the consummation of such Change in Control) and calculated by determining what such Participant's full-year Bonus Award entitlement would have been based on deemed maximum achievement of the applicable Performance Conditions through the date of the consummation of such Change in Control and then making a pro-rata adjustment to such entitlement based on the portion of such Plan Period occurring before the date on which such Change in Control is consummated.

6.2 Special Rule for NVIDIA Transaction

Notwithstanding Rule 6.1, in the event of the consummation of the NVIDIA Transaction during a Plan Period, such Plan Period will end on the date of such consummation, and each Participant shall receive a Bonus Award payment, payable as soon as administratively practicable following the consummation of the NVIDIA Transaction (and in all events, with respect to Participants who are U.S. citizens or residents, by March 15th of the calendar year following the calendar year of the consummation of the NVIDIA Transaction). Such Bonus Award payment shall be in an amount calculated by (a) determining what such Participant's full-year Bonus Award entitlement would have been based on actual achievement of the applicable Performance Conditions through, but excluding, the date on which the NVIDIA Transaction is consummated and then (b) making a pro-rata adjustment to such entitlement based on the portion of such Plan Period occurring before the date on which the NVIDIA Transaction is consummated.

7. General

7.1 Transfers

A Participant must not transfer, pledge, encumber, assign or otherwise dispose of any Bonus Award or other benefits such Participant may expect to receive under the Plan, and in the event that a Participant purports to take such action (whether voluntarily or involuntarily), all of such Participant's rights under the Plan will be forfeited.

8. Terms of employment

8.1 For the purposes of this Rule 8, "Employee" means any Participant, any Eligible Employee or any other person.

8.2 This Rule applies:

8.2.1 whether the Company has full discretion in the operation of the Plan or whether the Company could be regarded as being subject to any obligations in the operation of the Plan;

8.2.2 during an Employee's employment or employment relationship with a member of the Arm Group, the TD Group, the IoTP Group, or the SoftBank Group; and

8.2.3 after the termination of an Employee's employment or employment relationship with a member of the Arm Group, the TD Group, the IoTP Group, or the SoftBank Group, whether the termination is lawful or unlawful.

8.3 Nothing in the Rules or the operation of the Plan forms part of the contract of employment or employment relationship of an Employee. The rights and obligations of an Employee are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to or expectation of continued employment or a continued employment relationship.

8.4 The operation of the Plan or grant of Bonus Awards on a particular basis in any year does not create any right to or expectation of the operation of the Plan or grant of Bonus Awards on the same basis, or at all, in any future year.

8.5 No Employee is entitled to participate in the Plan, or be considered for participation in it, at a particular level or at all. Participation in one operation of the Plan does not imply any right to participate or to be considered for participation in any later operation of the Plan.

8.6 Without prejudice to an Employee's right to receive cash resulting from a Bonus Award subject to and in accordance with the express terms of the Rules and the Performance Conditions, no Employee has any rights in respect of the exercise or omission to exercise any discretion, or the making or omission to make any decision, relating to the Bonus Award or the Plan. Any and all discretions, decisions or omissions relating to the Bonus Award or the Plan may operate to the disadvantage of the Employee, even if this could be regarded as capricious, or could be regarded as in breach of any implied term between the Employee and such Employee's employer, including any implied duty of trust and confidence. Any such implied term is excluded and overridden by this Rule.

8.7 No Employee has any right to compensation for any loss in relation to the Plan, including:

8.7.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);

8.7.2 any exercise of a discretion or a decision taken in relation to a Bonus Award or to the Plan, or any failure to exercise discretion or make a decision; or

8.7.3 the operation, suspension, termination or amendment of the Plan.

9. General

9.1 Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Rules, including in particular this Rule. By participating in the Plan, a Participant waives all rights under the Plan, other than the right to receive cash subject to and in accordance with the express terms of the Rules and the Performance Conditions, in consideration for, and as a condition of, participating in the Plan.

9.2 The Plan and the Rules (as varied from time to time) supersede any prior terms, term sheets, provisions of offer letters or employment contracts and any versions of the overview of the Plan or the Rules communicated to Eligible Employees or Participants.

9.3 The Plan, each Bonus Award, the Rules and any disputes or claims arising out of or in connection with it or them or its or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

9.3.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Plan, a Bonus Award, the Rules or its or their subject matter or formation (including non-contractual disputes or claims).

9.4 Nothing in this Plan, whether express or implied, shall confer any benefit, right or expectation on a person who is not a Participant. No such third party shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan except where such rights arise under any rule of the Plan for any employer or former employer of a Participant which is not a party. This does not affect any right or remedy of a third party which exists, or is available, apart from the Contracts (Rights of Third Parties) Act 1999.

9.5 Each of the provisions of these Rules is entirely separate and independent from each of the other provisions. If any provision is found to be invalid then it will be deemed never to have been part of these Rules and to the extent that it is possible to do so, this will not affect the validity or enforceability of any of the remaining provisions.

10. Amendments and Termination

10.1 Amendment of the Plan

The Board or the Committee may delete, alter or add to any of the provisions of the Plan in any respect at any time unilaterally and without the consent of any Participant.

10.2 Termination of the Plan

The Board or the Committee may terminate the Plan at any time. If the Plan is terminated during a Plan Period, such termination will not affect the operation of the Plan for the rest of such Plan Period and Bonus Awards may be determined and paid under Rules 3 and 4.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “Agreement”) dated as of November 17, 2022 (the “Date of this Agreement”) is made by and between RENE ANTHONY ANDRADA HAAS (the “Executive”) and Arm, Inc. (the “Company”) (Executive and the Company collectively, the “Parties”), and amends and restates the Key Executive Employment Agreement, dated as of February 2, 2017 by and between the Company and Executive (the “Original Agreement”).

RECITALS

WHEREAS, the Company has worldwide operations, including in the United States, with North American headquarters located at 150 Rose Orchard Way, San Jose, California 95134;

WHEREAS, Executive has been employed by the Company as EVP and President of IPG for the Company, and the Company has offered Executive a promotion to the position of Chief Executive Officer;

WHEREAS, the Company and Executive desire to amend and restate the Original Agreement, in the form and as of the date hereof, in order to, among other things, revise the positions and responsibilities of Executive, and amend certain aspects of Executive’s compensation and employment terms;

WHEREAS, Executive will continue to be employed by the Company in a capacity in which Executive will receive or have access to information which Executive and the Company acknowledge is confidential and not generally known outside of the Company, and Executive and the Company expect Executive in the discharge of his duties to the Company to develop or contribute to new ideas and improvements which will be confidential, not generally known outside of the Company, and will be proprietary information owned exclusively by the Company; and WHEREAS, Executive wishes to accept such continued employment on the terms set forth herein.

NOW, THEREFORE, based on the foregoing premises and in consideration of the mutual covenants and representations contained herein, the Parties hereto agree as follows:

1. Definitions.

(a) “Arm” shall mean Arm Limited (registered in England and Wales under no. 02557590) located at 110 Fulbourn Road, Cambridge, Cambridgeshire, CB1 9NJ, the holding company of the Company.

(b) “Arm Board” shall mean the Board of Directors of Arm (including any duly appointment committee thereof) or the directors present at a meeting of the directors of Arm at which a quorum is present but excluding Executive.

(c) “Associated Company” is defined as any related entity or division of the Company, including but not limited to its parents, predecessors, subsidiaries, affiliates and related entities, current and former employees, officers, and directors, including without limitation Arm, and SoftBank Group Corp, and any holding company parent of Arm (if any such entity is created in connection with an IPO).

(d) “Property” shall mean key, credit cards, cell phone(s), and other handheld electronic devices, laptops and other computer equipment, security access cards, all lists of clients or customers or customers, employee details, correspondence and all other documents, papers and records (including, without limitation, any records stored by electronic means), together with any codes or implements necessary to give full access to such records, system designs, software designs, software programs (in whatever media), presentations, proposals or specifications or any other property of any kind of the Company or any Associated Company which may have come into Executive’s possession, custody or control in the course of his employment, along with any Confidential Information as defined in Exhibit A.

(e) “Services Agreement” shall mean the Strategic Management Services Agreement by and between Arm Limited and the Company (as amended from time to time) dated December 1, 1999.

2. Term. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, under the terms of this Agreement. The term of this Agreement shall be for an indefinite period of time retroactively commencing as of February 8, 2022 (the “Effective Date”) subject to the termination provisions of Section 5 and the at-will nature of Executive employment with the Company. For the avoidance of doubt, this Agreement will not take effect unless and until the Arm Board, following deliberation with the Nomination and Compensation Committee of SoftBank Group Corp., has approved Executive’s Compensation and Benefits (as defined below).

3. Employment.

(a) Positions and Reporting. Executive shall be employed as Chief Executive Officer for Arm. During Executive’s term of employment, Executive shall report directly to the Company’s and Arm’s board of directors.

(b) Authority and Duties. Executive shall exercise such authority, perform such executive duties and functions and discharge such responsibilities as are reasonably associated with Executive’s position as Chief Executive Officer for the Company commensurate with the authority vested in Executive pursuant to this Agreement and consistent with the bylaws of the Company and the standards of the industry, or in such other capacity as the Company may require. Executive will be a member of ARM’s Executive Committee. Executive will carry out additional, fewer or alternative duties as may reasonably be required of him. During the period of Executive’s employment, Executive shall devote his full business time, skill and efforts to the business of the Company or any Associated Company (and shall use good faith efforts to discharge his obligations under this Agreement to the best of his ability) and shall not from the Effective Date engage in any other business activities, duties, or pursuits whatsoever, or directly or indirectly render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Arm Board (acting in accordance with the Services Agreement).

Notwithstanding the foregoing, Executive may (i) serve in any capacity with any civic, educational or charitable organization, or any trade association, without seeking or obtaining approval by the Arm Board, provided such activities and service do not materially interfere or conflict with the performance of his duties hereunder and (ii) with the approval of the Arm Board (in accordance with the Services Agreement) and the SoftBank Group Corp. Compliance Department (or any successor department or group), serve on the boards of directors of other corporations that are not involved in commercial banking or similar business activities; provided, however, Executive shall not directly or indirectly acquire, hold, or retain any beneficial interest in any business competing with or similar in nature to the business of the Company except passive shareholder investments in other financial institutions and their respective affiliates which do not exceed three percent (3%) of the outstanding voting securities in the aggregate in any single financial institution and its affiliates on a consolidated basis. Provided, however, that as to Executive’s current directorship(s) with Computacenter and Mythic, such Arm Board and SoftBank Group Corp. Compliance Department approval shall not be required (provided, however, that Executive will promptly resign from such current directorship(s) upon the written request of the Arm Board, in accordance with the Services Agreement).

(c) Other Duties. Executive (i) shall act in compliance with Arm’s and SoftBank Group Corp.’s policies and procedures and internal control framework, in conjunction with consideration to relevant obligations under prevailing law and regulation, as well as any resolutions adopted from time to time by the Arm Board, the Company’s board of directors and/or SoftBank Group Corp.’s board of directors; (ii) shall do such things as are necessary to ensure compliance by himself, the Company and any Associated Company with applicable law and regulations; and (iii) acknowledges that he has been provided with access to such laws and regulations and understands that breach of their requirements carry sanctions including criminal liability, and disciplinary action by the Company and/or by the relevant regulatory authority.

(d) Serving in Office. Executive shall (if required at any time by the Company and appointed in accordance with the Company's Articles of Association) serve as a director of the Company or any Associated Company, and hold office subject to the provisions of the applicable Articles of Association. The Arm Board (in accordance with the Services Agreement) may require Executive to resign from any office held in the Company or any Associated Company at any time by written notice, and Executive must resign as soon as reasonably practicable after any such request is made. Any resignation which is effective under this paragraph will not terminate Executive's employment under the Agreement or result in or be deemed a breach of this Agreement by the Company.

(e) Temporary Assignments. The Company may, from time to time during his term of employment, require that Executive carry out his duties at other locations of the Company, including its global headquarters in the United Kingdom, for limited periods of time. In connection with such assignments, the Company shall arrange any and all visa or work permits required by such temporary assignments. Such temporary assignments will be subject to a formal assignment letter with Executive setting forth the terms and conditions of such temporary assignments.

(f) Investment Conflicts Management. On or before the Date of this Agreement, Executive shall sign and be bound by the terms of SoftBank Group Corp.'s Investment Conflicts Management Acknowledgment that is attached hereto as Exhibit C, the terms of which are hereby incorporated by reference.

(g) Injunctive Relief. Executive hereby represents and agrees that the services to be performed hereunder are of a special, unique, unusual, extraordinary, and intellectual character that gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. Executive therefore expressly agrees that the Company, in addition to any other rights or remedies that the Company may possess, shall be entitled to injunctive and other equitable relief to prevent or remedy a breach of this Agreement by Executive.

(h) Approvals. To the extent that any action, determination, consent or approval of the Company or the Arm Board may be required in respect of any material determination related to Executive's employment with the Company: (i) such action, determination, consent or approval shall only be taken with the express prior approval of the Arm Board (acting in accordance with the Services Agreement), and (ii) Executive shall recuse himself from and take no part in the approval by the Arm Board of any such action, determination, consent or approval.

4. Compensation and Benefits.

(a) The following Base Salary, Target Bonus, and benefits set forth below in this Section 4 ("Compensation and Benefits") are subject to and expressly conditioned on the approval of the Arm Board (in accordance with the Services Agreement), following deliberation with the Nomination and Compensation Committee of SoftBank Group Corp. For the avoidance of doubt, Executive acknowledges and agrees that he is not entitled to receive any Compensation and Benefits unless, at minimum, they are duly approved by the Arm Board (in accordance with the Services Agreement) after deliberation with the Nomination and Compensation Committee of SoftBank Group Corp., and that, notwithstanding anything to the contrary, any amounts of such Compensation and Benefits shall be finally determined by the Arm Board (in accordance with the Services Agreement) after deliberation with the Nomination and Compensation Committee of SoftBank Group Corp. Executive further acknowledges and agrees that he has not accepted or declined any offer or opportunity in reliance on the exact amount of Compensation and Benefits as stated in this Agreement or draft thereof.

(b) Salary. As of the Effective Date, Executive shall receive an annual base salary of One Million, Three Hundred and Fifty Thousand United States Dollars (\$1,350,000) payable in equal semimonthly payments (the "Base Salary"). Such Base Salary shall be subject to review in the quarter prior to the start of each financial year of the Company, or during Executive's normal officer review period, for possible adjustment by the Arm Board (in accordance with the Services Agreement) based on various factors including, but not limited to, market conditions, the consolidated results of operations of the Company and the performance of Executive, but

shall in no event be decreased from the level set forth above during the Term. No such review will take place if notice has been given regarding termination of this Agreement as provided in Section 5. All payments of Base Salary shall be subject to applicable adjustments for withholding taxes, pro-rations for any partial payment periods and such other applicable payroll procedures of the Company as required under Delaware law. Where Executive's appointment begins or ends during a calendar month, the Base Salary due for that month shall be on a pro rata basis based on the number of days of employment during that pay period.

(c) Other Salary. Notwithstanding anything to the contrary in the Articles of Association of the Company or any Associated Company, Executive shall not be entitled to any other salary or fees as a director or employee of the Company or any Associated Company and Executive shall, as the Company may direct, either waive his right to any such salary or fees or account for the same to the Company.

(d) Annual Bonus.

(i) Executive will be eligible to receive annual bonuses in accordance with the rules and terms of any bonus scheme operated by the Company and/or Arm for executive-level employees of the Company. The amount of any such bonus shall be determined by the Arm Board in its discretion and in accordance with this Agreement, and may be based on various factors, including, but not limited to, performance targets set by the Arm Board (in accordance with the Services Agreement), market conditions, or the consolidated results of operations of the Company and the performance of Executive. The amount of the bonus will be based on a target bonus of approximately 125% of Executive's Base Salary (the "Target Bonus") and up to 250% of Executive's Base Salary for exceptional business performance.

(ii) Executive acknowledges that he has no right to receive a bonus and that the Company or Arm is under no obligation to operate a bonus scheme. Executive further acknowledges that he will not acquire such a right, nor shall the Company or Arm come under such an obligation, merely by virtue of Executive having received one or more bonus payments during the course of his employment as Chief Executive Officer. The Company and Arm may at any time amend the terms of any bonus payment or scheme, or withdraw the scheme in its entirety, in each case whether generally or solely in relation to Executive.

(iii) Executive shall not be entitled to receive a bonus if, on the date on which the bonus would otherwise be paid, Executive (A) is no longer with the Company; (B) is under notice of termination of employment (given by Executive or the Company); or (C) is no longer employed by the Company as Chief Executive Officer or otherwise.

(e) Salary Continuation during Disability. If Executive for any reason (except as expressly provided below) becomes temporarily or permanently disabled so that he is unable to perform the duties under this Agreement, Executive shall be paid the Base Salary otherwise payable to Executive pursuant to subparagraph 4(a) of this Agreement, reduced by the amounts received by Executive from state disability insurance, or worker's compensation or other similar insurance benefits through policies provided by the Company, for a period of six (6) months from the date of disability. For purposes of this subparagraph 4(e), "disability" shall be defined as provided in the Company's disability insurance program.

(f) Long Term Incentive Plan. Executive will be eligible to participate in such long-term incentive scheme(s) as the Arm Board and the Remuneration Committee of the Arm Board, acting in accordance with the Services Agreement and following deliberation with the SoftBank Group Corp. Nomination and Compensation Committee may approve from time to time for participation in by Executive, if any, subject to such terms as may be so approved (including, without limitation, in respect of grant amounts, vesting conditions and timing, if applicable). If Executive is at any time granted rights pursuant to any such schemes, those rights shall be subject to the rules of those schemes as in force from time to time, which rules shall not form part of this Agreement. Executive acknowledges that the making of an award to him under those schemes shall not entitle him to any further award, or to participate in any similar plan.

(g) Insurance Benefits. During his term of employment, Executive shall receive such group life, disability, and health (including medical, dental, vision and hospitalization), accident and disability insurance coverage and other benefits which the Company extends, as a matter of policy, to all of its executive employees, except as otherwise provided herein, and shall be entitled to participate in all benefit and other incentive plans of the Company, on the same basis as other like employees of the Company. Executive's spouse and dependent children shall be eligible for membership in any such health insurance benefits operated by the Company or Arm where reasonably practicable for the Company or Arm to procure such benefits. The Company or Arm shall be under no obligation to make any payment under the private health insurance scheme to Executive unless and until it has received payment from the policy provider for that purpose. The Company or Arm shall have no liability to Executive in respect of any failure or refusal by the policy provider to make any payments under the private health insurance scheme in respect of Executive and the Company or Arm shall be under no obligation to pursue such payments on behalf of Executive. In the event that Executive receives a Base Salary or benefits from the Company or Arm in respect of any period which is subsequently covered by the private health insurance scheme, the Company shall be entitled to deduct from any sums owed to Executive the amount of Base Salary and an amount in respect of the benefits provided for the relevant period. The Company and Arm reserve the right at any time to amend the terms of or withdraw the provision of any benefit under this subparagraph 4(g). No liability will accrue to the Company or Arm in the event that any of the benefits are unavailable to Executive by virtue of any conditions or restrictions imposed by the provider of the benefits. The Company or Arm shall be under no obligation to take any action to enforce the terms of or otherwise procure the provision of any benefit to Executive.

(h) Vacation. In addition to public holidays, Executive shall be entitled to his current entitlement annual vacation during his term of employment at his then existing rate of Base Salary, to be taken at such time or times as may be agreed with the Arm Board (in accordance with the Services Agreement). The Company's holiday year runs from April to March each year. Vacation will accrue subject to a maximum accrual cap of one times the annual accrual earned each year.

(i) Business Expenses. During Executive's employment, the Company shall promptly reimburse Executive for all properly documented, reasonable, ordinary and necessary business expenses incurred by Executive in the performance of his duties under this Agreement, Executive shall also be reimbursed for reasonable expenses incurred in activities associated with promoting the business of the Company, including expenses for entertainment, travel, conventions, and educational programs. All such expenses described above will be subject to compliance with applicable policies of the Company and SoftBank Group Corp. All such reimbursements shall be made upon presentation and approval of receipts, invoices or other appropriate evidence of such expense in accordance with the policies of the Company and SoftBank Group Corp. in effect from time to time. Executive acknowledges and agrees that the use of Company property (including expense reimbursement in respect thereof), including but not limited to any transportation resources, shall only be permitted for Company business purposes. To the extent, if any, that Executive is permitted to use any Company property for personal use (which use must be pre-approved and in writing), Executive hereby agrees to and shall reimburse the Company within no later than thirty (30) days of such personal use absent express written agreement to the contrary.

(j) Life Insurance. The Company shall have the right to obtain and hold a "key-man" life insurance policy on the life of Executive with the Company as beneficiary of the policy. Executive agrees to provide any information required for the issuance of such policy and submit himself to any physical examination required for such policy.

5. Termination of Employment.

(a) Termination for Cause. The Arm Board may (in accordance with the Services Agreement) terminate Executive's employment hereunder for "Cause" or without "Cause." For purposes of this Agreement termination for "Cause" shall mean the Arm Board's good faith determination that any of the following have occurred:

(i) Executive's conviction for (or pleading guilty or nolo contendere to) a felony or a crime or conduct involving moral turpitude, fraud, dishonesty, theft, or any act which is a violation of any law or

regulation protecting the rights of Executive or the commission of any act that may result in the Company being held criminally liable;

(ii) Executive engages in conduct during the performance of his duties hereunder which constitutes willful or reckless misconduct, willful or gross neglect, fraud, dishonesty, misappropriation or embezzlement;

(iii) Executive engages in other conduct that has or reasonably would bring Executive into public disrepute, contempt, scandal, or ridicule, or harm the Company's or Arm's business or professional reputation or that of the Arm Board;

(iv) Breach in any material respect of the terms and provisions of this Agreement, and/or the failure or refusal by Executive to perform his obligations under the Agreement and/or Exhibit A hereto, and failure to cure such breach within thirty (30) days following written notice from the Company specifying such breach. The final decision as to whether Executive has committed such a breach, and should therefore be terminated for Cause, shall be determined by the Arm Board (in accordance with the Services Agreement); or

(v) In the event that the employment of Executive is terminated pursuant to this subparagraph 5(a), the Company shall have no further liability to Executive other than for compensation accrued and for reimbursement of business expenses incurred through the date of termination but not yet paid. In case of such termination, Executive will not be eligible for severance pay, and no notice for such termination is required. Further, termination under this subparagraph 5(a) shall not prejudice any remedy that the Company may have at law, in equity, or under this Agreement.

(b) Termination by the Company without Cause or by Executive for Good Reason. The Arm Board, in accordance with the Services Agreement, may terminate the employment of Executive without "Cause" (as defined in subparagraph 5(a)) at any time during his term of employment by giving thirty (30) days' written notice to Executive specifying therein the effective date of termination *provided*, that the Arm Board may change the characterization of the termination for Cause within thirty (30) days before or after the effective date of termination if the Arm Board has learned of new information or otherwise upon a showing that the termination could have been for Cause. Executive shall have the right, but not the obligation, to terminate this Agreement, subject to the surviving terms of this Agreement, as set forth herein, in the event Executive has a Good Reason to terminate his employment with the Company by giving sixty (60) days' written notice to the Company and the Arm Board specifying therein the effective date of resignation. For purposes of this Agreement, and subject to the Company's opportunity to cure as provided in subparagraph 5(i) hereof, Executive shall have "Good Reason" to terminate his employment hereunder if such termination shall be the result of:

(i) a significant reduction by the Company in the authority, duties or responsibilities of Executive, or any other action by the Company which results in a significant diminution of his authority, duties, or responsibilities as Chief Executive Officer, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive; and (ii) any material reduction in Executive's annual salary, opportunity to earn annual or long-term incentives, or other monetary compensation, including but not limited to those provided in this Agreement, other than as a result of an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive. Notwithstanding any provision above or elsewhere in this Agreement to the contrary, (i) the Arm Board, in accordance with the Services Agreement, may place Executive on paid leave for up to ninety (90) days while the Arm Board is determining whether there is a basis to terminate Executive's employment for Cause, or (ii) make take the actions described in Section 5(l), neither of which actions by the Arm Board will constitute Good Reason.

(c) Termination upon Death or Permanent Disability. This Agreement shall terminate automatically upon: (i) the death of Executive, and (ii) the "permanent disability" of Executive; "permanent disability" shall mean that Executive has been deemed by a medical care provider reasonably acceptable to the

Company to indefinitely be unable to perform the essential functions of Executive's position with or without accommodation.

(i) If Executive's employment is terminated by reason of the permanent disability of Executive, the Company shall give 30-days' advance written notice to that effect to Executive or his representative. The Company and Executive shall comply with any obligations they may respectively have, under state or federal law, to interact regarding reasonable accommodations.

(ii) In the event Executive dies during his employment with the Company, (A) the Company shall pay Executive and/or Executive's designated beneficiary, if any, the Base Severance Amount (as defined in Section 5(g)(i) below) and (B) Executive and/or Executive's designated beneficiary shall have no further rights to any other compensation, bonuses, or benefits hereunder on or after the termination of employment, or any other rights hereunder, except as otherwise provided in the plans and policies of the Company or this Agreement.

(d) Change in Control. "Change in Control" means the occurrence of any of the following events:

(i) the consummation of a transaction, or a series of related transactions, in which any Person becomes the Beneficial Owner, directly or indirectly, of securities of Arm that, together with any other securities of the Company held by such Person, constitute more than 50% of the combined voting power of Arm's then outstanding securities, other than as a result of a transfer of securities by such Person to an affiliate of such Person;

(ii) the consummation of a merger or other business combination or consolidation of Arm with any other corporation or other entity, except any such merger, or other business combination or consolidation in which the shares of capital stock of Arm outstanding immediately prior to the relevant transaction(s) continue to represent, or are converted into or exchanged for voting securities that represent, immediately following such transaction(s), at least 50%, by voting power, of the voting securities of (1) the surviving or resulting entity or (2) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such transaction, the direct or indirect parent entity of such surviving or resulting entity;

(iii) any voluntary or involuntary liquidation, dissolution, bankruptcy or winding up of Arm; or

(iv) the sale or other disposition, in a single transaction or series of related transactions, by Arm of all or substantially all the assets of Arm and its subsidiaries taken as a whole, except where such sale or other disposition is to a wholly owned subsidiary of Arm;

Notwithstanding the foregoing, a transaction (or series of transactions) will not constitute a Change in Control under (i)–(iv) above if:

(A) it occurs by virtue of (1) an initial public offering of Arm's securities, (2) any merger or consolidation of Arm with or into another entity as the result of which both (x) Arm becomes subject to, or Arm becomes a wholly-owned subsidiary of an entity that is subject to, the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, and (y) in which the shares of capital stock of Arm outstanding immediately prior to the relevant transaction(s) continue to represent, or are converted into or exchanged for voting securities that represent, immediately following such transaction(s), at least 50%, by voting power, of the voting securities of (I) the surviving or resulting entity or (II) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such transaction, the direct or indirect parent entity of such surviving or resulting entity or (3) a financing of Arm for capital raising purposes that is approved by the Arm Board;

(B) its primary purpose is to change the jurisdiction of Arm's incorporation; or

(C) to the extent necessary to avoid the imposition of taxes or penalties under Section 409A, it is not a “change in the ownership or effective control of” Arm or “a change in the ownership of a substantial portion of the assets of” Arm as determined under Treasury Regulation Section 1.409A-3(i)(5).

- a. “Beneficial Owner” has the meaning defined in Rule 13d-3 under the Exchange Act.
- b. “Person” means any natural person, entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that, for purposes of subsections (i) and (ii) of the definition of “Change in Control,” such term shall not include (i) Arm or any Subsidiary, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of Arm or any Subsidiary, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation or other entity owned, directly or indirectly, by the stockholders of Arm in substantially the same proportions as their ownership of securities of Arm or (v) any natural person, entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the effective date of the Plan, is the owner, directly or indirectly, of securities of Arm representing more than 50% of the combined voting power of Arm’s then-outstanding securities (including any affiliate of any natural person, entity or group described in this clause (v)).

(e) Executive shall have the right, but not the obligation, to terminate this Agreement, subject to the surviving terms of this Agreement, as set forth herein, in the event of a Change in Control. For clarity and the avoidance of doubt, the definition of “Change of Control” herein shall not be deemed to amend or alter any change of control-related provision applicable to Executive in any Company and/or Arm long-term incentive plans.

(f) Severance Benefits. As set forth below, in the event this Agreement is terminated by the Company and/or Executive for any of the reasons set forth in subparagraph 5(b) and/or (d) above after the Effective Date, Executive shall be entitled to severance (in amounts stated in the respective subparagraphs (g) and (h) below, respectively), and such severance shall be paid in twelve (12) equal monthly installments (“Severance Period”), *provided, however*, that Executive’s right to such severance is expressly conditioned on Executive’s continued and ongoing compliance with the terms of Exhibit A of this Agreement and his execution and continued compliance with the Severance and Release Agreement in the form attached as Exhibit B to this Agreement and, in particular, his compliance with the non-competition provisions set forth in Paragraph 8 of the Exhibit B Severance and Release Agreement. Moreover, in the case of any of the severance provisions herein, in the event of a breach by Executive of Exhibit A or Exhibit B of this Agreement after the date upon which either has become effective and Executive has begun to receive severance payment and benefits hereunder or thereunder, or in the case of Executive directly or indirectly working for or otherwise providing services to a Competitor (as defined in Section 8 of Exhibit B below) at any point during the Severance Period (regardless of whether the severance period is altered or a court or arbitrator otherwise finds Executive’s conduct to be a violation of Section 8 of Exhibit B below), the Company may require and Executive shall forfeit any amounts yet to be paid, and Executive shall repay any amounts paid to date.

(g) Severance Benefits in the Event of Termination of Agreement Pursuant to subparagraph 5(b). In the event the Company terminates this Agreement pursuant to subparagraph 5(b), then so long as Executive has executed and continues to comply with the terms of Exhibit A and executes and continues to comply with Exhibit B of this Agreement, as set forth above and below and so long as no Change in Control (as defined above) has occurred prior to such termination, Executive shall be entitled to the following severance benefits:

(i) Base Severance Amount. Executive shall be entitled to receive a sum equal to Executive’s Base Salary, less applicable state and federal withholdings (the “Base Severance Amount”). The Base Severance Amount shall be payable in twelve (12) equal monthly installments in accordance with the terms set forth in Exhibit B hereto.

(h) Severance Benefits in the Event of Termination of Agreement based on a Change in Control pursuant to Subparagraph 1(d). In the event Executive exercises his option, but not obligation, to terminate this Agreement in the event of a Change in Control pursuant to subparagraph 5(d), then so long as Executive has executed and complies with the terms of Exhibit A and executes, does not revoke and complies with Exhibit B of

this Agreement, as set forth above and below, Executive (or in the instance of Executive's death prior to the completion of a contemplated Change in Control transaction, then Executive's designated beneficiary) shall be entitled to receive the Base Severance Amount as set forth in subparagraph 5(g)(i) above.

(i) Notice and Opportunity to Cure. Notwithstanding the foregoing, it shall be a condition precedent to the Company's right to terminate this Agreement under subparagraph 5(a) and Executive's right to terminate his employment for "Good Reason" that (1) the party alleging a breach shall first have given the other party written notice stating with specificity the reason for the termination and (2) if such breach is susceptible of cure or remedy, a period of 30 days from and after the giving of such notice to cure the breach. If the breach cannot reasonably be cured or remedied within 30 days, the period for remedy or cure shall be extended once for a reasonable time (not to exceed 30 days), provided the party against whom a breach is alleged has made and continues to make a diligent effort to effect such remedy or cure. As to Executive, Executive may only terminate his employment for "Good Reason" (in relation to the matter specified in the notice to the Arm Board) within the 30 day period after the applicable cure period stated above has expired.

(j) Additional Termination Obligations. If Executive's employment with the Company is terminated for any reason (or immediately, if requested by the Company during Executive's employment), Executive shall promptly without request:

(i) Inform the Company of and deliver to the Company all Property, documents and data pertaining to Executive's employment and the confidential information and/or trade secret information as defined in Exhibit A hereto, whether prepared by Executive or otherwise, in Executive's possession and/or control;

(ii) Sign the Certificate of Compliance Post Termination Certificate attached as Exhibit 2 to Exhibit A to this Agreement. Executive shall not retain any written or other tangible material containing information concerning or disclosing any confidential information and/or trade secret information as defined in Exhibit A hereto; and

(iii) Notwithstanding any prior or future provision of this Agreement or any other policy, representation, or understanding to the contrary, Executive agrees that his obligation to return Property shall apply if Executive uses any personal device, method of communication, or data source or storage, for any Company purpose, such that Executive will make available to the Company any such personal device for return or destruction, at the Company's option, of Company Property.

Following termination of Executive's employment under this Agreement, Executive also agrees that, consistent with Executive's business and personal affairs and his fiduciary duties both to the Company and to any new employer, he will (upon reasonable request by the Company) cooperate with the Company and with the Company's counsel in connection with any present and future actual or threatened litigation, administrative proceeding or investigation involving the Company that relates to events, occurrences or conduct occurring (or claimed to have occurred) during the period of Executive's employment by the Company or service to the Company (other than any litigation, administrative proceeding or investigation in which Executive and the Company or it or their affiliates are opposing parties); provided, however, that nothing in this section shall require Executive to cooperate in such a way that would materially and adversely affect his legal interests. Cooperation may include, but is not limited to:

(iv) making himself reasonably available for interviews and discussions with the Company's counsel as well as for depositions and trial testimony;

(v) if depositions or trial testimony are to occur, making himself reasonably available and cooperating in the preparation therefor, as and to the extent that the Company or the Company's counsel reasonably requests;

(vi) refraining from impeding in any way the Company's prosecution or defense of such litigation or administrative proceeding; and

(vii) cooperating in the development and presentation of the Company's prosecution or defense of such litigation or administrative proceeding.

(viii) the Company will promptly pay directly, or promptly reimburse Executive for, any expense reasonably incurred by him in connection with rendering cooperation under this Section, including (without limitation) attorneys' fees and other charges of counsel approved by the Company, which approval shall not be unreasonably withheld (if Executive reasonably determines that he should retain independent legal counsel), incurred in connection with any cooperation, consultation and advice rendered under this Agreement following receipt of appropriate documentation from Executive substantiating such expenses, and will additionally compensate Executive for his time incurred in such cooperation, consultation and advice at an appropriate rate that the Company reasonably deems consistent with his professional status and compensation levels hereunder.

(k) Executive's employment with the Company shall be "at will" at all times. Subject to this Section 5 and other relevant Agreement terms, Executive or the Arm Board (in accordance with the Services Agreement) may terminate Executive's employment with the Company at any time and with or without Cause or Good Reason (as such terms are defined above), notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company or the Arm Board relating to the employment, discipline or termination of employees. Upon and after such termination, all obligations of the Company under this agreement shall cease, except as otherwise provided herein.

(l) Executive acknowledges that the terms of this Agreement and/or any payments, plans or benefits provided in connection with his employment may need to be amended, withdrawn and/or replaced to ensure compliance with: (i) all applicable laws, regulations and regulatory guidance; and (ii) the policies and rules of any stock exchange (and/or any best practice thereof) on which Arm or any Associated Company is listed and/or admitted to trading. The Executive agrees (i) to discuss any such amendment, withdrawal or replacement in good faith with the Company and the Arm Board; and (ii) that any action taken by the Company or the Arm Board pursuant to this section shall not constitute Good Reason for the purposes of Section 5(b)(i).

6. Execution of Employer's Executive Confidentiality, Non-Disclosure, Non-Recruiting Agreement and Assignment of Interest in Inventions Agreement /Non-Disparagement.

(a) Executive agrees that in consideration for and as a condition of the Company entering into this Agreement, Executive shall execute and be bound by the Executive Confidentiality, Non-Disclosure, Non-Recruiting Agreement and Assignment of Interest in Inventions Agreement attached hereto as Exhibit A. Executive hereby agrees that the Company may notify a prospective or actual new employer of Executive about Executive's rights and obligations under such agreement, and that the Company may provide such agreement in whole or part (at its option) to any such new employer.

(b) Non-Disparagement. Executive agrees that, during his employment and at any time thereafter, Executive shall not directly or indirectly (a) make any statement, whether in commercial or non-commercial speech, disparaging, criticizing, defaming, slandering, or ridiculing in any way the Company, its parents, their affiliates or their respective officers and directors, or any products or services offered by any of these entities, or (b) engage in any other conduct or make any other statement that, in each case, should reasonably be expected to impair the goodwill or reputation of the Company, its parents, or their affiliates. The Company agrees to instruct those individuals who are current executive officers and members of the Arm Board during Executive's employment to refrain from making any statement, whether in commercial or non-commercial speech, disparaging, criticizing, defaming, slandering, or ridiculing Executive in any way, *provided, however*, that this provision shall not otherwise prohibit the Company from reviewing the performance of Executive and communicating the results of such review to Executive. Executive understands and agrees that the Company's obligations under this Section 6(b) extend only to the Company's duty to instruct its executive officers and members of the Arm Board who are current executive officers or members of the Arm Board during Executive's employment and, for the avoidance of doubt, that the Company is not responsible after each such individual is no longer an executive officer or member of the Arm Board. Notwithstanding anything herein to the contrary, nothing herein or elsewhere shall prevent either party from making disclosures or truthful statements required by law or by any court, arbitrator, governmental body or

other person with apparent authority to require such disclosures or statements, or, in the case of the Company, to make disclosures to and otherwise communicate with auditors, financial, legal or other advisors. Nothing contained in this Section 6 shall in any way limit the rights or relief that either party may have under common law or otherwise with respect to the conduct prohibited in this paragraph. Nothing in this agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful.

7. Other Provisions.

(a) Severability. If it is determined that any of the provisions of this Agreement is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

(b) Attorneys' Fees and Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

(c) Notices. Other than any notice or service of process required in connection with a legal action in court or arbitration, which is in no way waived under this Agreement, any and all notices or deliveries authorized or required pursuant to this Agreement shall be deemed to have been given when in writing, and when: (i) deposited in the U.S. mail, certified, return receipt requested, postage prepaid, or (ii) otherwise delivered by hand or by overnight delivery, against written receipt, by a common carrier or commercial courier or delivery service addressed to the parties at the following addresses or to such other addresses as either may designate in writing to the other party:

To the Company:

Arm, Inc.
150 Rose Orchard Way
San Jose, California 95134

Attn: General Counsel

With a copy (which shall not constitute notice) to:

SoftBank Group Corp.

SoftBank Group Corp., 1-7-1, Kaigan, Minato-ku, Tokyo 105-7537

Attn: Chief Legal Officer of SoftBank Group Corp.

To Executive:

Mr. Rene Anthony Andrada Haas
[***]

The Company may also give notice in writing to the Executive by email sent to the Executive's Arm email address from time to time and such notice shall be deemed to have been given at the time of transmission of the email.

(d) Entire Agreement. This agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto

(including without limitation the Original Agreement). In the event of any conflicts, this Agreement will take precedence over any other verbal or written terms and conditions of employment. Provided, however, that (as to any period prior to the Date of this Agreement), the Executive Confidentiality, Non-Disclosure, and Non-recruiting Agreement dated 2 February, 2017 by and between Executive and the Company shall remain in full force and effect in accordance with its terms).

(e) No Third-Party Beneficiaries. This Agreement and each and every provision hereof is for the exclusive benefit of the Parties and not for the benefit of any third party.

(f) Waivers and Amendments. This Agreement, including Exhibit A and B hereto, may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance; to be effective, any such written instrument signed on behalf of the Company must (a) expressly refer to this Agreement, (b) be signed by a duly authorized representative of the Company, which representative shall not be Executive, (c) be signed only with the express prior approval of the Arm Board (in accordance with the Services Agreement), and (d) be approved as required pursuant to all applicable policies of the Company and applicable law (including, if applicable, consideration and approval by the Arm Board and any applicable committees thereof). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

(g) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws principles.

(h) Directors and Officers Indemnification and Insurance. Subject to applicable law, Executive will be provided indemnification on terms determined by the Company, including, if applicable, any directors and officers insurance policies, and subject to the terms of any separate written indemnification agreement. For the avoidance of doubt, under no circumstances shall Executive be eligible for or be provided indemnification for any legal action in any forum that the Company, its parent, or affiliates (including without limitation SoftBank Corp. and SoftBank Group Corp.) pursue against Executive or that Executive pursues against the Company, its parent, or affiliates.

(i) Indemnity Agreement. Without limitation of the generality of subparagraph 7(h) above, the Company and Executive shall (as soon as practicable after the Date of this Agreement) execute and deliver the Indemnity Agreement attached hereto as Exhibit D.

(j) Assignment. This Agreement, and Executive's rights and obligations hereunder, may not be assigned by Executive; any purported assignment by Executive in violation hereof shall be null and void, in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company may assign this Agreement and its rights hereunder; provided that such assignment shall not limit the Company's liability under this Agreement to Executive.

(k) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

(l) Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

(m) Waiver of Breach. Any waiver by either party of any breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

(n) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

(o) Arbitration.

(i) Any dispute, claim or controversy (1) arising out of or relating to this Executive's Executive Confidentiality, Non-Disclosure, Non-Recruiting Agreement and Assignment of Interest in Inventions Agreement and/or claims for Executive's misappropriation of trade secrets, breach of fiduciary duty, or Executive's related tortious conduct or (2) with an amount in controversy greater than three times the combined Base Salary and Base Severance Amount (as defined above), shall (unless the Company elects arbitration) be brought and exclusively decided in the federal or state courts of the State of Delaware, where Executive expressly agrees to personal jurisdiction. All other disputes, claims or controversies between the Parties shall be determined by arbitration in Delaware before a panel of three arbitrators. The arbitration shall be administered by JAMS pursuant to its Employment Arbitration Rules & Procedures. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction. This clause shall not preclude any party from seeking provisional relief, such as injunctive or similar non-monetary equitable relief, injunctive or similar nonmonetary equitable relief in a court of competent jurisdiction.

(ii) No arbitration will be deemed commenced, nor will the time to respond to any arbitration demand begin to run unless and until a party complies with the Delaware Uniform Arbitration Act, 10 Del. C. § 5703, including but not limited to service of a notice of intent to arbitrate in the same manner as a summons or by registered or certified mail. Delivery of e-service documents through the JAMS Electronic Filing System and anything else short of formal service of process will not be considered valid and effective service.

(iii) Within 15 days after the commencement of arbitration, each party to the arbitration shall select one person to act as arbitrator, and the two so selected shall select a third arbitrator within 30 days of the commencement of the arbitration. If the arbitrators selected by the parties to the arbitration are unable or fail to agree upon the third arbitrator within the allotted time, the third arbitrator shall be appointed by JAMS in accordance with its rules. All arbitrators shall serve as neutral, independent and impartial arbitrators.

(iv) The parties shall maintain the confidential nature of the arbitration proceeding and the award rendered by the arbitrators, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

(v) For the purposes of Rule 6 of the JAMS Employment Arbitration Rules & Procedures, the parties agree that if more than one arbitration is filed with JAMS arising out of or relating to this Agreement, Exhibit A or (in each case) the breach, termination, enforcement, interpretation or validity thereof, JAMS may consolidate such Arbitrations pursuant to Rule 6(e), notwithstanding the choice of law governing each such agreement.

(p) Executive's Acknowledgment of Representation by Independent Counsel in Negotiation of this Agreement. Executive acknowledges, represents, and warrants that he has in fact been individually, fully, and adequately represented by legal counsel in negotiating with the Company the terms of this Agreement, including without limitation the venue or forum in which a controversy arising from the Agreement may be adjudicated and the choice of law to be applied.

(q) Executive Claims. Executive acknowledges and agrees that (as of the Date of this Agreement) Executive is (to the best of his knowledge) not aware of any claims or causes of action against the Company or any of its affiliates (including without limitation SoftBank Corp. and SoftBank Group Corp.) arising out of or relating to Executive's previous employment with the Company.

(r) 409A. It is intended that the terms of this Agreement comply with Section 409A of the Code and related Treasury regulations (“Section 409A”) or an exemption therefrom, and the terms of this Agreement will be interpreted accordingly; provided, however, that the Company, the Company’s affiliates, and their respective employees, officers, directors, agents and representatives (including, without limitation, legal counsel) will not have any liability to Executive with respect to any taxes, penalties, interest or other costs or expenses Executive or any related party may incur with respect to or as a result of Section 409A or for damages for failing to comply with Section 409A. Notwithstanding any provision to the contrary in this Agreement, with respect to any amounts under this Agreement that are determined to be deferred compensation for purposes of Section 409A and payable as a result of Executive’s termination of employment, Executive shall not be deemed to have terminated employment unless and until Executive has experienced a “separation from service” (as that term is used in Section 409A). Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate and distinct payment for purposes of Section 409A. Any reimbursements or in-kind benefits provided to or for the benefit of Executive that constitute deferred compensation for purposes of Section 409A shall be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv). Accordingly, (a) all such reimbursements will be made not later than the last day of the calendar year after the calendar year in which the expenses were incurred, (b) any right to such reimbursements or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (c) the amount of the expenses eligible for reimbursement, or the amount of any in-kind benefit provided, during any taxable year will not affect the amount of expenses eligible for reimbursement, or the in-kind benefits provided, in any other taxable year. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, on and after the date on which the Company’s stock becomes publicly traded on an established securities market or otherwise, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between Executive and the Company during the six month period immediately following Executive’s separation from service shall instead be paid on the first business day after the date that is six months following Executive’s separation from service (or, if earlier, Executive’s date of death).

(s) Tolling and Suspension. In the event of a breach by Executive of any restrictive covenant contained in this Agreement and Exhibits A and B hereto, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company shall receive the benefit of Executive’s compliance with the terms and conditions of this Agreement.

(t) Original Agreement. This Agreement amends and supersedes the Original Agreement in its entirety (without prejudice to rights previously accrued thereunder).

Accepted and agreed to:
Arm, Inc.

/s/ Spencer Collins
Signature

Executive:

Spencer Collins
Name

/s/ Rene Anthony Andrada Haas
RENE ANTHONY ANDRADA HAAS

EVP, Chief Legal Officer
Title

11/21/2022
Date

12/13/2022
Date

EXHIBIT A
EXECUTIVE CONFIDENTIALITY, NON-DISCLOSURE,
NON-RECRUITING, NON-COMPETITION AGREEMENT AND ASSIGNMENT OF INTEREST IN
INVENTIONS AGREEMENT

This Executive Confidentiality, Non-Disclosure, Non-Recruiting Agreement and Assignment of Interest in Inventions Agreement (hereinafter referred to as the “Agreement”) is entered into by and between Arm, Inc. (the “Company”) and RENE ANTHONY ANDRADA HAAS (referred to as the “Executive”) as of the date indicated below, in regard to the following facts:

A. As part of Executive’s employment with the Company, Executive has or will be exposed to and/or provided with trade secrets (hereinafter referred to as “Trade Secrets”) and proprietary and confidential information (hereinafter referred to as “Confidential Information”) relating to the operation of the Company’s business and its clients or customers.

B. The Company wishes to protect its Trade Secrets and Confidential Information from unauthorized possession, use or disclosure, and to protect itself from unfair competition. Accordingly, Executive acknowledges that a part of the consideration Executive is providing the Company in exchange for his employment and continued employment based on the terms of the Amended and Restated Executive Employment Agreement provided by the Company is Executive’s continued agreement to maintain the secrecy of the Company’s Trade Secrets and Confidential Information in the manner provided herein.

In consideration of the foregoing, Executive agrees as follows:

1. Duty of Loyalty. While employed by the Company, Executive agrees at all times to devote his best efforts to the business of the Company, to perform conscientiously all duties and obligations required or assigned, and not to usurp, for personal gain, any opportunities in the Company’s line of business.

2. Protection of the Company’s Trade Secrets and Confidential Information.

A. Definition of Trade Secrets. Executive acknowledges and agrees that, through his employment with the Company, he has or will be exposed to and provided with the Company’s Trade Secrets. “Trade Secrets” mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Company’s and any Associated Company’s Trade Secrets include, but are not limited to, the following: trade secrets and any inventions or improvements which Executive may make or discover in the course of his duties, details of suppliers, including without limitation their services and terms of business, prices charged to and terms of business with clients/customers and marketing plans and sales forecasts, processes, inventions, designs, know how, pitch lists, discoveries, technical information relating to the production or supply of any past, present or future products or service of the Company or any Associated Company. Executive acknowledges and agrees that the Company’s Trade Secrets are not generally known to the public or to the Company’s competitors, were developed or compiled at significant expense by the Company over an extended period of time, are the subject of the Company’s reasonable efforts to maintain their secrecy, and that the Company derives significant independent economic value by keeping its Trade Secrets a secret.

B. Definition of Confidential Information. Executive acknowledges and agrees that, through his employment with the Company, he has or will be exposed to and/or provided with the Company’s Confidential Information. “Confidential Information” means information belonging to the Company, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to Executive during his employment with the Company and/or Executive has gained access to while employed by the Company and/or was developed by Executive in the course of Executive’s employment with the Company, that is proprietary and confidential in nature. The Company’s Confidential Information includes, but is not limited to, the following: information believed by the Company to be a Trade Secret that ultimately does not

qualify as such under California law but nonetheless was maintained by the Company as confidential; information concerning the nature of the Company or any Associated Company's business and its manner of operation, including but not limited to corporate plans, management systems; the methods and systems used by the Company in soliciting, selling and providing its services and/or products to its clients and/or customers; financial and accounting information, such as cost, pricing and billing information, client and/or customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning the Company or any Associated Company's clients and/or customers and prospective clients and/or customers; information concerning the Company or any Associated Company's vendors and suppliers; client and/or customer lists; prospective client and/or customer lists; client and/or customer buying habits and special needs; employee policies and procedures; personnel records of employees, workers and officers, including without limitation details of their roles and responsibilities; software developed by or for the benefit of the Company or any Associated Company and related data source code and programming information (whether or not patentable or registered under copyright or similar statutes); information about the Company's designs, layouts, algorithms, design technology and know-how, formulas, manufacturing and/or design techniques, inventions (whether patentable or not); information concerning the Company's business relationships with persons, firms, corporations and other entities.

C. Property of the Company. Executive acknowledges and agrees that all Trade Secrets and Confidential Information developed, created or maintained by Executive, alone or with others, while he is employed by the Company, shall remain at all times the sole Property of the Company.

D. Information Not Included Within the Definition of Trade Secrets and/or Confidential Information. For avoidance of doubt, the Company's Trade Secrets and Confidential Information do not include any information that: (1) is already in the public domain or becomes available to the public through no breach by Executive of this Agreement; (2) was lawfully in Executive's possession prior to disclosure to Executive by the Company; (3) is lawfully disclosed to Executive's by a third party without any obligations of confidentiality attaching to such disclosure; or (4) is developed by Executive entirely on his own time without the Company's equipment, supplies or facilities and does not relate at the time of conception to the Company's business or actual or demonstrably anticipated research or development of the Company.

E. Covenant Not to Use, Publish or Disclose the Company's Trade Secrets and/or Confidential Information During and After Termination of Employment. Executive acknowledges and agrees that Executive's employment with the Company creates a relationship of confidence and trust with the Company with respect to all of the Company's Trade Secrets and Confidential Information. Therefore, at any time during Executive's term of employment or following the termination of Executive's employment with the Company, whether voluntary or involuntary, Executive shall not, except as required in the conduct of the Company's business or as authorized in writing by the Company, use, publish or disclose any of the Company's Trade Secrets and/or Confidential Information in any manner whatsoever.

F. Covenant Not to Solicit the Company's Clients and/or Customers after Termination of Employment through the Use of the Company's Trade Secrets and/or Confidential Information. Executive agrees that during his employment with the Company and at all times thereafter, Executive shall not, directly or indirectly, solicit or attempt to solicit any business from any of the Company's clients and/or customers for the purposes of providing products or services that are competitive with those provided by the Company where such solicitation and/or attempt at solicitation is done by Executive through the use of the Company's Trade Secrets and/or Confidential Information.

G. Defend Trade Secrets Act Immunity. Notwithstanding any provisions in this Agreement or Company policy applicable to the unauthorized use or disclosure of trade secrets, Executive is hereby notified that, pursuant to the Defend Trade Secrets Act as contained in 18 U.S.C. § 1833, Executive cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law. Executive also may not be held so liable for such disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such

filing is made under seal. In addition, individuals who file a lawsuit for retaliation by the Company for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order provided Executive's actions are consistent with 18 U.S.C. § 1833.

3. Non-Recruiting Covenant. Executive acknowledges and agrees that the Company has invested substantial time and effort in assembling its present personnel. Therefore, Executive agrees that for twelve (12) months following his termination of employment with the Company, whether voluntary or involuntary and regardless of the reason for the cessation of Executive's employment, Executive will not directly or indirectly recruit, or attempt to recruit, any employee/executive of the Company with whom Executive worked with, met, supervised, or learned confidential information about through his employment with the Company, or induce or attempt to induce any employee of the Company, to terminate or cease employment with the Company. Notwithstanding the foregoing, nothing in this Section 3 shall prevent Executive from receiving and considering any application from any employee/executive of the Company with whom Executive worked with, met, supervised, or learned confidential information about through his employment with the Company, that is not solicited by Executive or on Executive's behalf.

4. Covenant Not to Compete During Employment Period. Executive promises that during his term of employment with the Company, he shall not, directly or indirectly, either as an employee, company, consultant, agent, principal, partner, corporate officer, board member, director, or in any other individual or representative capacity, engage or attempt to engage in any competitive activity relating to the subject matter of his employment with the Company or relating to the Company's line of business.

5. Assignment of Interest in Inventions.

A. Executive agrees that any inventions made by Executive solely or jointly with others during the term of this Agreement, that (1) are made with the Company's equipment, supplies, facilities, trade secrets, or time, or (2) that relate, at the time of conception or of reduction to practice, to the business of the Company or the Company's actual or demonstrably anticipated research or development, or (3) that result from any work performed by Executive for the Company or result from the use of premises owned, leased or otherwise used or acquired by the Company (hereinafter referred to as "Invention" or "Inventions"), shall belong to the Company, and Executive promises to assign any and all rights in such Inventions to the Company.

B. Executive agrees that any Inventions made by Executive solely or jointly with others, made after the date that this Agreement terminates, that are based on the Company's Trade Secrets, shall belong to the Company, and Executive promises to assign any and all rights in such Inventions to the Company. For the purposes of this Section 5, an Invention is based on the Company's Trade Secrets if the invention incorporates any such secrets in design or principal.

C. Executive also agrees the Company shall have the right to keep any Inventions covered by this Agreement as trade secrets, and Executive agrees not to disclose such Inventions to any third parties except as specifically authorized by the Company.

D. Executive agrees to assign to the Company all rights in any other Inventions made by Executive of the Company as required to grant those rights to the United States government or any of its agencies.

E. Notwithstanding any provision of this Section 5, Executive shall not be required to assign, nor shall he be deemed to have assigned, any of Executive's rights in any inventions, as set forth in Labor Code section 2870 (reprinted in its entirety in the form attached hereto as Exhibit 3), that Executive develops entirely on his own time without using the Company's equipment, supplies, facilities, or trade secrets, except for inventions that either (1) relate, at the time that the invention is conceived or reduced to practice, to the Company's business or to actual or demonstrably anticipated research or development of the Company; or (2) result from any work performed by Executive for the Company.

F. In order to permit the Company to claim rights to which it may be entitled, Executive agrees to disclose to the Company in confidence (1) all Inventions that Executive makes, either solely or jointly with others, during the term of his employment, and (2) all patent applications filed by Executive during, or within one (1) year after termination of his employment. Executive also agrees to submit to a reasonable and confidential review process under which the Company may determine such issues as may arise under this Agreement.

G. Executive shall assist the Company in applying for, prosecuting, obtaining or enforcing any and all patents, copyrights or other right or protection relating to any Inventions, designs, improvements, and discoveries deemed patentable by the Company in the United States and in all foreign countries, and shall execute all documents and do all things necessary to obtain letters of patent, to vest the Company with full and extensive titles to those patents and/or copyrights, and to protect the same against infringement by others, from, during and after the termination of this Agreement. In the event that assistance of Executive is needed after the termination of this Agreement, Executive will be paid for that assistance at the hourly rate he earned when this Agreement terminated.

H. For the purpose of this Agreement, an Invention is deemed to have been made during Executive's term of employment if the Invention was conceived or actually first reduced to practice during that period.

I. If the Company is unable to secure Executive's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention, whether due to Executive's mental or physical incapacity or any other cause, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized Officers and Agents as Executive's Agent and Attorney-In-Fact, to act for and in Executive's behalf to execute and file any such document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections, with the same force and effect as if executed and delivered by Executive.

J. Except as disclosed in the form attached hereto as Exhibit B, Executive represents and warrants that he knows nothing about the Inventions of the Company, as defined in this Agreement, other than the Inventions that have been or will be disclosed to Executive by the Company.

6. The Company's Ownership of Copyrights. Executive agrees that all original works of authorship not otherwise within the scope of paragraph Exhibit A5.E) above that are conceived or developed during Executive's employment with the Company, either alone or jointly with others, if on the Company's time, using the Company's facilities, or relating to the Company, or its subsidiaries or affiliates, are "works for hire" to the greatest extent permitted by law and shall be owned exclusively by the Company, and Executive hereby assigns to the Company all of Executive's right, title, and interest in all such original works of authorship. Executive agrees that the Company shall be the sole owner of all rights pertaining thereto, and further agrees to execute all documents that the Company reasonably determines to be necessary or convenient for establishing in the Company's name the copyright to any such original works of authorship.

7. Reasonableness of Restrictive Covenants. Executive acknowledges that he has carefully read and considered Sections 2, 3, 4, 5, and 6 of this Agreement and agrees that the restrictions set forth therein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company.

8. Prior Agreements, Relationships and Commitments.

A. Except as disclosed in Exhibit 1 attached hereto, Executive has no knowledge of any of the Company's Trade Secrets or Confidential Information other than the information Executive has learned from the Company.

B. Executive represents that he has no agreements, relationships, or commitments to any other person or entity that conflict with or would prevent Executive from performing any of Executive's obligations to the Company under this Agreement, or would otherwise prevent Executive from performing his job duties while employed by the Company.

C. Executive will not disclose and has not disclosed to the Company and will not use, or induce the Company to use, any trade secrets or confidential information of others. Executive represents and warrants that he has returned all property, trade secrets and confidential information belonging to others and is not in possession of any such property, confidential information or trade secrets.

D. Executive agrees to indemnify, defend and hold harmless the Company and its officers, directors and executives from any and all claims, damages, costs, expenses or liability, including reasonable attorney's fees incurred in connection with or resulting from any breach or default of the representations and warranties contained in this Section 8.

9. Termination of Employment. If Executive's employment with the Company is terminated for any reason, whether voluntarily or involuntarily, Executive shall promptly:

A. Inform the Company of and deliver to the Company all records, files, electronic data, documents, plans, reports, books, notebooks, notes, memoranda, correspondence, contracts and the like in Executive's possession, custody or control that contain any of the Company's Trade Secrets or Confidential Information which Executive prepared, used, or came in contact with while employed by the Company;

B. Inform the Company of and deliver to the Company all records, files, electronic data, documents, plans, reports, books, notebooks, notes, memoranda, correspondence, contracts and the like in Executive's possession, custody or control that pertain in any way to the business of the Company and which Executive prepared, used, or came in contact with while employed by the Company;

C. Deliver to the Company all tangible property in Executive's possession, custody or control belonging to the Company, including, but not limited to, key cards, office keys, cell phone, pagers, personal digital assistants, external hard drives, thumb drives, zip drives, lap top computers and desk top computers; and

D. Allow the Company's representative to inspect Executive's personal desk top computer, lap top computer, thumb drive, zip drive, and/or any other external hard drive to determine whether any of the Company's Trade Secrets and/or Confidential Information reside on said computer or drive and to remove any such Trade Secrets and/or Confidential Information.

E. Sign the Certificate of Compliance Post Termination attached hereto as Exhibit 2.

10. Injunctive Relief. Executive acknowledges and agrees that if the Company's Trade Secrets and/or Confidential Information were disclosed to a competing business or used in an unauthorized manner as provided herein, such unauthorized disclosure or use would cause immediate and irreparable harm to the Company and would give a competing business an unfair business advantage against the Company for which the Company may not have an adequate remedy at law. As such, Executive agrees that the Company shall be entitled to any proper injunction, including but not limited to temporary, preliminary, final injunctions, temporary restraining orders, and temporary protective orders, to enforce Sections 2, 3, 4, 5, and 6 of this Agreement in the event of breach or threatened breach by Executive, in addition to any other remedies available to the Company at law or in equity. The restrictive covenants contained in this Agreement are independent of any other obligations between the parties, and the existence of any other claim or cause of action against the Company is not a defense to enforcement of said covenants by injunction.

11. Employment Agreement. Executive agrees and understands that nothing in this Agreement shall confer any right with respect to continuation of employment with the Company, nor shall it interfere in any way with Executive's right or the Company's right to terminate Executive's employment at any time that is inconsistent with the Employment Agreement to which this Agreement is attached.

12. Waiver. No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right.

13. Tolling and Suspension. In the event of a breach by Executive of any restrictive covenant contained in this Agreement, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company shall receive the benefit of Executive's compliance with the terms and conditions of this Agreement.

14. Entire Agreement. This is the entire agreement between the Company and Executive regarding the secrecy, use and disclosure of the Company's Trade Secrets and Confidential Information and this Agreement supersedes any and all prior agreements regarding these issues. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflict of laws. This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after Executive's termination or cessation of employment. Any dispute, claim, or controversy arising out of or related in any way to this Agreement shall be determined pursuant to Section 7 of the Employment Agreement, which is incorporated herein by reference.

15. Executive's Acknowledgment of Representation by Independent Counsel in Negotiation of this Agreement. Executive acknowledges, represents, and warrants that he has in fact been individually, fully, and adequately represented by legal counsel in negotiating with the Company the terms of this Agreement, including without limitation the venue or forum in which a controversy arising from the Agreement may be adjudicated and the choice of law to be applied

16. Severability. Each provision of this Agreement is intended to be severable. If any court of competent jurisdiction determines that one or more of the provisions of this Agreement, or any part thereof, is or are invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, and this Agreement shall be given full force and effect while being construed as if such invalid, illegal or unenforceable provision had not been contained within it. If the scope of any provision in this Agreement is found to be too broad to permit enforcement of such provision to its full extent, Executive consents to judicial modification of such provision and enforcement to the maximum extent permitted by law.

The undersigned acknowledges that he has read and understood this Agreement, and that he signs this Agreement intending to be bound by its terms as of the date indicated below.

Arm, Inc.

By: /s/ Spence Collins

Name: Spencer Collins

Title: EVP, Chief Legal Officer

EXECUTIVE:

/s/ Rene Anthony Andrada Haas

RENE ANTHONY ANDRADA HAAS

EXHIBIT B
SEVERANCE AND RELEASE AGREEMENT

THIS SEVERANCE AND RELEASE AGREEMENT (“Agreement”) is made and entered into by and between Arm, Inc. (“Company”) and RENE ANTHONY ANDRADA HAAS (“Executive”).

RECITALS

WHEREAS, the Company and Executive have determined that it is in their best interests for Executive to separate from his position with the Company;

WHEREAS, the Company and Executive had previously entered into that certain Amended and Restated Executive Employment Agreement dated [•], 2022 (“Employment Agreement”), to which this Agreement was Exhibit B thereto that provided for certain severance benefits under Paragraph 5 of the Employment Agreement;

WHEREAS, the Company wishes to provide Executive with certain benefits in consideration of Executive’s separation and the promises and covenants of Executive as contained herein, including Executive’s agreement to release all claims against the Company;

NOW THEREFORE, in consideration of and exchange for the promises, covenants, and releases contained herein, the parties mutually agree as follows:

1. Separation. Executive’s separation from all positions he holds with the Company shall be effective on [•] (the “Separation Date”).
2. Consideration. Provided that Executive does not revoke this Agreement as provided in Paragraph 7 and depending on the contractual basis for Executive’s termination or resignation from employment with the Company, and subject to the limitations set forth in Paragraph 8 below, the Company shall, commencing on the eighth day following Executive’s execution of this Agreement, pay Executive the following severance amounts:

2.1 Severance Benefits. As set forth below, in the event the Employment Agreement is terminated by the Company and/or Executive for any of the reasons set forth in Paragraph 5(b) of the Employment Agreement (incorporated herein by this reference), Executive shall be entitled to severance, as set forth below, and such severance shall be paid in twelve (12) equal monthly installments and Executive’s right to such severance is expressly conditioned on Executive’s continue and ongoing compliance with the terms of Exhibit A of the Employment Agreement and his executing this Agreement and, in particular, his compliance with the non-competition provisions set forth in Paragraph 8 of this Agreement. Moreover, in the case of any of the severance provisions herein, in the event of a breach by Executive of Exhibit A of the Employment Agreement or this Agreement after the date upon which either has become effective and Executive has begun to receive severance payment and benefits hereunder or thereunder, the Company may require and Executive shall forfeit any amounts yet to be paid, and Executive shall repay any amounts paid to date.

(a) Severance Benefits in the Event of Termination of the Employment Agreement Pursuant to Paragraph 5(b) of the Employment Agreement. In the event the Company terminates the Employment Agreement pursuant to Paragraph 5(b), then so long as Executive has executed and complies with the terms of Exhibit A of the Employment Agreement and executes and does not revoke and complies with this Agreement, as set forth above and below and so long as no Change in Control (as defined in Paragraph 1(d) of the Employment Agreement) has occurred prior to such termination, Executive shall be entitled to the following severance benefits:

- (i) Base Severance Amount. Executive shall be entitled to receive an amount equal to Executive’s Base Salary (the “Base Severance Amount”). The Base Severance Amount shall be payable in twelve (12) equal monthly installments on the 15th day of each month commencing on the 15th day of the month following Executive’s execution of this Agreement;

(b) Severance Benefits in the Event of Termination of the Employment Agreement Based on a Change in Control pursuant to Paragraph 1(d) of the Employment Agreement. In the event Executive exercises his option, but not obligation, to terminate the Employment Agreement in the event of a Change in Control pursuant to Paragraph 1(d) of the Employment Agreement, then so long as Executive has executed and complies with the terms of Exhibit A of the Employment Agreement and executes, does not revoke and complies with this Agreement, as set forth above and below, Executive (or in the instance of Executive's death prior to the completion of a contemplated Change in Control transaction, then Executive's designated beneficiary) shall be entitled to the following severance benefits.

(i) Base Severance Amount. Executive shall be entitled to receive the Base Severance Amount as set forth in Paragraph Exhibit B2.1(a)(i) above;

(c) Commencement of Payments. Any severance payments made pursuant to this Agreement shall commence no sooner than the Effective Date (as defined below) and shall be paid in accordance with the payment schedule set forth in this Agreement. Executive acknowledges that he would not otherwise be entitled to the consideration set forth in this Agreement were it not for his covenants, promises, and releases set forth hereunder.

3. No Amounts Owing. Executive acknowledges that he has received all wages and compensation due to him from the Company and that the Company shall owe Executive nothing further once Executive receives the consideration described in the preceding Paragraph.

4. Mutual Release. In further consideration for this Agreement, Executive and the Company, on their own behalf and on behalf of their predecessors, successors and assigns, hereby, upon the Company's payment of the amounts referenced in Paragraph Exhibit B2 of this Agreement and provided that Executive does not revoke this Agreement as provided for in Paragraph Exhibit B7 below, release and forever discharge each other, and each of their respective employees, shareholders, officers, directors, agents, insurers, family members, attorneys, parents, subsidiaries, divisions or affiliated organizations or corporations, whether previously or hereafter affiliated in any manner, and their respective predecessors, successors and assigns (collectively, "Executive Released Parties," and "Company Released Parties," respectively) from any and all claims, demands, causes of action, obligations, charges, damages, liabilities, attorneys' fees, and costs of any nature whatsoever, contingent or non-contingent, matured or unmatured, liquidated or unliquidated, whether or not known, suspected or claimed, which Executive Released Parties and/or the Company Released Parties ever had, now has or may claim to have had as of the date this Agreement against each other (whether directly or indirectly), or any of them, by reason of any act or omission whatsoever, concerning any matter, cause or things, including, without limiting the generality of the foregoing, the Action, the claims referenced in Recital B above, any claims, demands, causes of actions, obligations, charges, damages, liabilities, attorneys' fees and costs relating to or arising out of any alleged violation of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or a tort, or any legal restrictions on the Company's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance, including without limitation:

- (1) The Civil Rights Act of 1964, as amended;
- (2) 42 U.S.C. §1981;
- (3) The California Fair Employment and Housing Act;
- (4) Section 503 of the Rehabilitation Act of 1973;
- (5) The Fair Labor Standards Act (including the Equal Pay Act);
- (6) The California Constitution;

- (7) The California Labor Code, specifically including, but not limited to the Private Attorney General Act pursuant to Labor Code § 2699, et seq. with the exception of Labor Code sections 2802;
- (8) The Employment Retirement Security Act, as amended;
- (9) The California and Federal Family and Medical Leave Acts;
- (10) The Age Discrimination in Employment Act;
- (11) The Older Workers' Benefit Protection Act;
- (12) The California Workers' Compensation Act;
- (13) The California Business and Professions Code;
- (14) The California Government Code;
- (15) The California Pregnancy Discrimination Act;
- (16) The California Wage Orders;
- (17) The Immigration Reform and Control Act;
- (18) The Worker Adjustment and Retraining Notification Act;
- (19) The National Labor Relations Act;
- (20) California's Occupational Safety and Health Act, or the Federal equivalent;
- (21) The Delaware Discrimination in Employment Act, Del. Code Ann. tit. 19, §§ 710 to 719A;
- (22) The Delaware Whistleblowers' Protection Act, Del. Code Ann. Tit. 19 §§ 1701 to 1708;
- (23) The Delaware Wage Payment and Collection Act, Del. Code Ann. tit. 19, §§ 1101 to 1115;
- (24) The Delaware Fair Employment Practices Act, Del. Code Ann. tit. 19, §§ 701 to 709A; and
- (25) The Delaware social media law, Del. Code Ann. Tit. 19 § 709A,

or any other facts, transactions or occurrences relating to Executive's employment with the Company up through and including the date of execution of this Agreement.

5. Newly Discovered Facts. The Company and Executive (collectively the "Parties") hereby acknowledge that the Parties may hereafter discover facts different from or in addition to those that he now knows or believed to be true when the Parties expressly agreed to assume the risk of the possible discovery of additional facts, and the Parties agree that this Agreement will be and remain effective regardless of such additional or different facts. The Parties expressly agree that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown or unsuspected claims, demands, causes of action, governmental, regulatory or enforcement actions. Charges, obligations, damages, liabilities, and attorneys' fees and

costs, if any, as well as those relating to any other claims, demands, causes of action, obligations, damages, liabilities, charges, and attorneys' fees and costs specified herein.

6. Waiver of Section Known and Unknown Claims. The Company and Executive hereby state that it is their intention in executing this Agreement that the same shall be effective as a bar to each and every claim, demand, cause of action, obligation, damage, liability, charge, attorneys' fees and costs hereinabove released. The Company and Executive hereby expressly waive and relinquish all rights and benefits, if any, arising under the provisions of Section 1542 of the Civil Code of the State of California (and any similar law of the State of Delaware) which provides:

“Section 1542. [Certain Claims Not Affected By General Release.] A general release does not extend to claims that the creditor or the releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

7. Acknowledgment of Rights and Waiver of Claims under the Age Discrimination in Employment Act (“ADEA”). Executive acknowledges that he is knowingly and voluntarily waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 (“ADEA”). He also acknowledges that the consideration given for the waiver and release in the preceding Paragraph hereof is in addition to anything of value to which he was already entitled. Executive further acknowledges that he has been advised by this writing, as required by the Older Workers' Benefit Protection Act, that: (a) his waiver and release does not apply to any rights or claims that may arise after the Effective Date of this Agreement; (b) he should consult with an attorney prior to executing this Agreement; (c) he has at least twenty-one (21) days to consider this Agreement (although he may by his own choice execute this Agreement earlier); (d) he has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; and (e) this Agreement shall not be effective until the date upon which the revocation period has expired (“Effective Date”). Executive may revoke this Release only by giving the Company formal, written notice of Executive's revocation of this Release, to the Chairperson of the Company's board of directors, to be received by the Company by the close of business on the seventh day following Executive's execution of this Release.

8. Non-Competition. In consideration of the Company entering into this Agreement, during Executive's employment and for the twenty-four (24) months following the Separation Date, regardless of the reason for the cessation of Executive's employment:

8.1 Executive covenants and agrees that Executive will not, directly or indirectly, engage in any activities on behalf of or have an interest in any Competitor of the Company, its parent, or their affiliates, whether as an owner, investor, director, executive, manager, employee, independent consultant, contractor, advisor, or otherwise; provided, that it shall not be a breach of this Section 8 for Executive to own (a) less than one percent (1%) of any class of stock in a publicly-traded entity, or (b) any equity securities or similar ownership interests in the Company or any Company affiliate.

8.2 As used in this Agreement, “Competitor” means, at any time during Executive's employment or at the time of the termination of Executive's employment with the Company, its parent, or any affiliate thereof for any reason, as applicable, any individual, corporation, partnership, limited liability company, association, joint venture, trust, joint stock company, joint venture, or unincorporated organization that, in each case, competes or proposes to compete anywhere in the world with any business carried on the Company, its parent or any affiliate thereof with respect to which Executive (a) was materially involved during Executive's employment, or (b) had access to confidential information.

8.3 Executive acknowledges and agrees that, for purposes of this Section 8, due to the continually evolving natures of the Company, its parent's and their affiliates' businesses, and the industries in which they are involved, the scope of the Company's, its parent's, and their affiliates' business and/or the identities of their

Competitors may change over time and that breach of this Agreement by accepting employment with a Competitor would irreparably injure the Company, its parent, and their affiliates.

8.4 Executive acknowledges and agrees that (a) each of the restrictions in this Section 8 constitutes a separate and independent restriction on Executive, and (b) should a court at any time determine that any restriction or limitation in this Section 8 is unreasonable or unenforceable, it will be deemed amended so as to provide the maximum protection to the Company, its parent and their affiliates and be deemed reasonable and enforceable by the court.

9. Company Property. Executive hereby represents and warrants that on or before the Separation Date, he will return to the Company all Company property and documents in his possession including, but not limited to, Company files, notes, records, computer recorded information, tangible property, credit cards, entry cards, pagers, identification badges, and keys.

10. Confidentiality. The Parties agree that they will keep the terms, amount and fact of this Agreement completely confidential, and that they will not hereafter disclose any information concerning this Agreement to anyone; provided, however, that Executive may make such disclosure to his immediate family, and Executive and the Company may make such disclosure to their respective professional representatives (e.g., attorneys, accountants, auditors, tax preparers), all of whom will be informed of and agree to be bound by this confidentiality clause, or other such disclosures required by law.

11. Confidential Information and Trade Secrets. Executive shall, concurrently with the execution of this Agreement, and before Executive receives the consideration referenced in Paragraph 2 above, execute the Certificate of Compliance Post Termination attached as Exhibit 2 to the Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest of Inventions Agreement (Exhibit A to the Employment Agreement) and as Exhibit A to this Agreement, acknowledging Executive's continuing obligations pursuant to that certain Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest Inventions Agreement that Executive previously executed, attached as Exhibit A to Executive's Employment Agreement with the Company. Executive understands and agrees that nothing in this Agreement shall effect Executive's continuing obligations under that Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest in Inventions Agreement which shall survive execution of this Agreement. Executive agrees that if Executive breaches Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest in Inventions Agreement executed between Executive and the Company during the time period in which Executive is receiving severance under this Agreement the Company shall have the right, within its sole and absolute discretion, to withhold making any further severance payments until Executive complies with the terms of Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest in Inventions Agreement and shall also have the right to seek reimbursement for any damage caused to the Company as a result of Executive's breach of Executive Confidentiality, Non-Disclosure, Non-Recruiting and Assignment of Interest in Inventions Agreement.

12. Waiver of Future Employment. Executive understands that his employment with the Company has terminated; he waives any rights to future employment; and he agrees that he will never again apply for or seek employment with the Company or any subsidiary or affiliate of the Company. Executive agrees that should he apply for employment with the Company or any subsidiary or affiliate, then the Company and/or its affiliates shall have cause to deny his application for employment without recourse.

13. Entire Agreement. This Agreement embodies the entire agreement of all the Parties hereto who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement: that they have not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstances, not expressly set forth in this Agreement; and that no representation, inducement, promise, agreement or warranty not contained in this Agreement including, but not limited to, any purported settlements, modifications, waivers or terminations of this Agreement, shall be valid or binding, unless executed in writing by all

of the Parties to this Agreement. This Agreement may be amended and any provision herein waived only pursuant to and in accordance with Section 7(f) of the Employment Agreement (but only in writing, and signed by the party against whom such an amendment or waiver is sought to be enforced).

14. Binding Nature. This Agreement, and all the terms and provisions contained herein, shall bind the heirs, personal representatives, successors and assigns of each party, and inure to the benefit of each party, its agents, directors, officers, executives, servants, successors, and assigns.

15. Construction. This Agreement shall not be construed in favor of one party or against the other.

16. Partial Invalidity. Should any portion, word, clause, phrase, sentence or Paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected.

17. Compliance with Terms. The failure to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

18. Enforcement Costs. Executive agrees that in the event Executive breaches any provision of this Agreement, Executive shall pay all costs and attorney's fees incurred in conjunction with enforcement of this Agreement.

19. Governing Law and Jurisdiction. This Agreement shall be interpreted under the law of the State of Delaware, both as to interpretation and performance. Any dispute, claim, or controversy arising out of or related in any way to this Agreement shall be determined pursuant to Section 7 of the Employment Agreement, which is incorporated herein by reference.

20. Incorporation By Reference and Definitions. The Company and Executive agree that the RECITALS contained at the beginning of this Agreement are incorporated herein by this reference as material terms of this Agreement. Further, all Capitalized definitions in the Employment Agreement and this Agreement are intended to and shall be ascribed the same meaning by the Company and Executive.

21. Section Headings. The section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

23. No Admissions. It is understood and agreed by the Parties that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed to be an admission of any liability or obligation by either party to the other party or any other person.

24. Voluntary and Knowing. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto.

25. Executive's Acknowledgment of Representation by Independent Counsel in Negotiation of this Agreement. Executive acknowledges, represents, and warrants that he has in fact been individually, fully, and adequately represented by legal counsel in negotiating with the Company the terms of this Agreement, including without limitation the venue or forum in which a controversy arising from the Agreement may be adjudicated and the choice of law to be applied.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth below.

Executive:

Accepted and agreed to:
Arm, Inc.

RENE ANTHONY ANDRADA HAAS

Signature

Date

Name

Title

Date

EXHIBIT C

INVESTMENT CONFLICT MANAGEMENT ACKNOWLEDGMENT

This Investment Conflicts Management Acknowledgement (*Acknowledgement*) addresses personal equity investments made or to be made by you or your child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, living in the same household as you (*Immediate Family Member*) in certain private companies and/or investment funds for which pre-clearance is required (a *Covered Investment*) under that certain Investment Conflicts and MNPI Governance Policy (*Policy*) of SoftBank Group Corp. (*SBG*). Under the Policy and its implementing procedures, your ability to make equity investments in any Covered Investment is conditioned upon your execution and delivery of this Acknowledgement.

1. Potential Conflict. Following the effective date of the Policy, SBG keeps a recorded list of the Covered Investment(s) for which pre-clearance has been granted by SBG. That list may be updated, from time to time, to (i) schedule additional Covered Investments, in the event you seek to make new personal equity investments in Covered Investments, and (ii) remove certain scheduled Covered Investments, in the event you dispose of your equity positions in any such Covered Investments. The companies and investment funds on that recorded list are referred to herein as *Restricted Investments*.

2. Actual Conflict.

(a) Disposition. In the event SBG or any of its subsidiaries (*SoftBank*) invest in any Restricted Investment (a *Conflicted Investment*), upon SBG's request, you agree to use your reasonable best efforts to promptly divest your equity position in such Conflicted Investment by sale: (i) to SoftBank at the price per equity interest paid by investor(s) in the equity financing round immediately preceding the round in which SoftBank invests, subject to a floor equal to the price per equity interest paid by you, provided that SoftBank would bear any transfer, stamp, documentary or similar taxes, fees, costs and expenses applicable to such sale; or (ii) to the applicable issuer or any bona fide third-party person or entity approved by SBG, where SBG's approval will not be unreasonably withheld.

(b) Lockup. In the event you are not successful in or restricted from disposing of your equity position in any Conflicted Investment, upon SBG's request, you agree to not, without SBG's prior written consent, transfer, sell, assign, gift or dispose of, or create any pledge, lien or other encumbrance over the ownership of, any equity interests in such Conflicted Investment, until SoftBank disposes of the entirety of its equity interest in such Conflicted Investment or the Conflicted Investment becomes publicly listed on an internationally recognized securities exchange (provided that any other applicable SoftBank restrictions would continue to apply), other than transfers to any trust for the exclusive benefit of, or entity exclusively owned by, you or your immediate family, directly or indirectly (in each case, provided that such trustee or entity, as applicable, agrees to be bound by the restrictions herein).

3. Miscellaneous. You agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary or appropriate to carry out the purposes and intent of this Acknowledgement. This Acknowledgement may be amended only by a written agreement executed by you and SBG. The term of this Acknowledgement shall survive until the cessation of your employment or other provision of services to SoftBank. This Acknowledgement shall be governed by the laws of Japan (for those based in Japan), England and Wales (for those based in the United Kingdom), the State of Delaware (for those who are not based in Japan or the United Kingdom). Any unresolved controversy or claim arising out of this Acknowledgement shall be submitted to confidential, binding arbitration, in accordance with JAMS' Streamlined Arbitration Rules and Procedures, by one arbitrator proposed by JAMS who is reasonably acceptable to SBG.

Please confirm your agreement by signing above your name below.

Signature: /s/ Rene Haas

Name: Rene Haas

Subsidiaries of Arm Holdings plc

The following is a list of subsidiaries of Arm Holdings plc as of March 31, 2024, omitting subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary.

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by Arm Holdings plc
Arm Embedded Technologies Private Limited	India	100%
Arm France SAS	France	100%
Arm, Inc.	Delaware	100%
Arm Limited	England and Wales	100%
Arm Norway AS	Norway	100%
Arm Sweden AB	Sweden	100%
Arm Technologies Israel Ltd.	Israel	100%



**Arm Holdings plc
Insider Trading Policy**

Introduction

Engaging in transactions involving the securities of a company while in possession of material nonpublic information is referred to as insider trading. Material nonpublic information is information that could reasonably be expected to affect the price of a company's securities, whether it is positive or negative, and is generally not known or has not been made available to the investing public. At Arm, a variety of roles throughout the organization have access to material nonpublic information, either from time-to-time or on a more continuous basis. It is therefore critical that all officers of Arm and its subsidiaries, all members of Arm's Board of Directors, all employees and all contractors and consultants of Arm and its subsidiaries read and understand this policy.

Arm's Insider Trading Policy is designed to help you understand your obligations when it comes to trading in securities of Arm, and securities of Arm's ecosystem partners and customers that in many cases have listed securities (collectively, the "Relevant Entities," and the securities of the Relevant Entities, the "Relevant Securities").

Notwithstanding anything to the contrary in this policy, this policy, including its relevant policies and procedures, does not apply to trading activities by SoftBank Group Corp. or its affiliates subject to the oversight of SoftBank Group Corp. (except that this policy will apply to (i) Arm and its subsidiaries and (ii) trading activities in Relevant Securities, by affiliates of SoftBank Group Corp. who are also directors, officers, employees, contractors or consultants of Arm or its subsidiaries).

This policy will help you protect yourself and Arm against the potentially serious consequences of insider trading. Directors, officers, employees, contractors and consultants of Arm should always consult Arm's Compliance Team at insidertrading@arm.com with any questions concerning this policy.

Reporting a breach

If you believe that there has or might have been a breach of Arm's Insider Trading Policy or any applicable insider trading laws, you should immediately report your concerns to Arm's Raise a Concern Helpline. Reports are kept confidential and can be made anonymously, where permitted by local law.

There are two options:

1. [Make a report online](#)
2. Make a report verbally:
 - United Kingdom: 0-808-189-1053
 - United States: 1-800-461-9330
 - France: 0805.080339
 - Other countries, please [click here](#) for local numbers

Arm takes every concern raised seriously and each report will be assessed fully, promptly, and fairly. Arm actively encourages people to raise concerns in a transparent and open way, so that issues can be resolved quickly and effectively. Reports may be made anonymously where the concern relates to financial accounting or fraud, and

where local law and regulations allow. Subject to the requirements of applicable law and to the greatest extent possible, all reports and investigations will be treated as confidential.

Purpose

This Insider Trading Policy provides guidelines for transactions involving the Relevant Securities and the handling of material nonpublic information about the Relevant Entities.

Arm's business focuses and relies on the safeguarding of proprietary information. Arm has established its reputation for integrity and ethical conduct, and it is critical that the company maintains this reputation and it conducts its business in accordance with the highest ethical standards.

Arm's Board of Directors has adopted this policy to promote compliance with any laws applicable to transactions involving the Relevant Securities and avoid the appearance of impropriety. All persons subject to this policy must comply globally with all insider trading laws and regulations that apply to them (which may be subject to amendment from time to time), in addition to complying with this policy.

Consequences of Violations

It is important that you understand the breadth of activities that constitute illegal insider trading and the consequences of non-compliance, which can be severe. Engaging in transactions involving securities while aware of material nonpublic information relating to such securities is illegal and prohibited by insider trading laws. It is also illegal to pass along material nonpublic information to others who then trade based on that information.

The recipient of the material nonpublic information is referred to as the "tippee" and the person who transmitted the material nonpublic information is referred to as the "tipper." Both the tippee and tipper may be subject to liability for insider trading where the tippee trades, even if the tipper does not.

All persons subject to this policy must comply with all applicable insider trading laws and regulations globally. Law enforcement authorities vigorously pursue parties globally who violate the insider trading laws and punish offenders severely. Punishment for insider trading violations is serious and could include significant fines and imprisonment.

In addition, a person's failure to comply with this policy may subject them to company-imposed sanctions, including dismissal for cause, whether or not the person's failure to comply results in a violation of law.

Persons Subject to the Policy

This policy applies to all officers¹ of Arm and its subsidiaries, all members of Arm's Board of Directors, all employees and all contractors and consultants of Arm and its subsidiaries. Arm may also determine that other persons who have access to material nonpublic information should be subject to this policy. The restrictions of this policy also apply to transactions involving the Relevant Securities by any of the following individuals and entities:

- any family members whose transactions involving the Relevant Securities are directed by, or are subject to, your influence or control, as further described under the heading "Transactions by Family Members and Others";
- anyone who lives in your household, as further described under the heading "Transactions by Family Members and Others";
- any corporation or other entity controlled or managed by you, as further described under the heading "Transactions by Entities that You Influence or Control";

¹ The term officer includes Arm's Chief Executive Officer, Chief Financial Officer, any vice president in charge of a principal business unit, division or function, any other person who performs a policy making function for the company.

- trusts for which you are the trustee or with respect to which you have the ability to vote, transfer or sell Relevant Securities in the trust, as further described under the heading “Transactions by Entities that You Influence or Control”;
- anyone acting as your agent, nominee or person acting at your direction; and
- anyone who execute trades on your behalf.

These restrictions apply to any Relevant Securities over which you have voting power or power to transfer or sell, as well as Relevant Securities that you own. Regulators and prosecutors may presume that trading by your family members is based on information you supplied and may treat any such transactions as if you had traded yourself.

Transactions Subject to the Policy

This policy applies to transactions involving the Relevant Securities, including in Arm ordinary shares, options to purchase ordinary shares, American depositary shares, or any other type of securities that Arm may issue, as well as derivative securities that are not issued by Arm, such as exchange-traded put or call options or swaps relating to Arm securities. Transactions subject to this policy include purchases, sales and gifts of Arm securities made by the persons subject to this policy.

Individual Responsibility

Persons subject to this policy have ethical and legal obligations to maintain the confidentiality of information about the Relevant Entities and to not engage in transactions involving the Relevant Securities while in possession of material nonpublic information. They must not engage in illegal trading and must avoid the appearance of improper trading to preserve Arm’s reputation for adhering to the highest standards of conduct. Each person subject to this policy is responsible for ensuring compliance with this policy, and that any family member, household member or entity whose transactions are subject to this policy, as discussed below, also comply with this policy.

In all cases, the responsibility for determining whether a person is in possession of material nonpublic information rests with that person. Any action on the part of Arm, the Chief Legal Officer, the Compliance Officer, any approval party, any director or any other employee in accordance with this policy does not in any way constitute legal advice or insulate a person from liability under applicable global securities laws.

Administration of the Policy

Arm’s Chief Legal Officer designates the Managing Counsel – Security, Privacy and Compliance to serve as the Compliance Officer for the purposes of this policy. The Compliance Officer, and in their absence, the Chief Legal Officer or another employee designated by the Compliance Officer or Chief Legal Officer shall be responsible for administration of this policy and oversight of the pre-clearance process, subject to any reviews, determinations and interpretations by the Chief Legal Officer. All determinations and interpretations by the Chief Legal Officer or the Compliance Officer shall be final and not subject to further review.

Statement of Policy

Persons subject to this policy, who are aware of material nonpublic information relating to the Relevant Entities, may not, directly, or indirectly through family members or other persons or entities:

1. Engage in transactions involving Arm securities, except as otherwise specified in this policy under the headings “Exceptions to Insider Trading Policy and Trading Restrictions” and “Rule 10b5-1 Plans;”
2. Recommend, encourage or induce another person to engage in the purchase, sale or gift of any of Arm securities;
3. Disclose (either directly or via an intermediary) material nonpublic information of the Relevant Entities to persons within Arm whose jobs do not require them to have that information, or outside of

the company to any other persons, unless any such disclosure is made in accordance with the company's policies regarding the protection or authorized external disclosure of information regarding the company; or

4. Assist anyone engaged in the above activities.

In addition, it is the policy of the company that no director, officer or other employee of Arm (or any other person designated as subject to this policy) who, in the course of working for Arm, learns of material nonpublic information about another company (1) with which Arm does business, such as Arm's partners, distributors, customers, vendors and suppliers, or (2) that is involved in a potential transaction or business relationship with Arm, may engage in transactions involving that other company's securities until the information becomes public or is no longer material.

It is also the policy of Arm that it will not engage in transactions involving its securities while aware of material nonpublic information relating to the company or company securities, including share repurchase programs, other than in compliance with applicable law.

There are no exceptions to this policy, except as specifically noted herein. Small transactions or the existence of a personal financial emergency do not excuse you from compliance with this policy and is not a basis for an exception to this policy. Insider trading laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve Arm's reputation for adhering to the highest standards of conduct.

Definition of Material Nonpublic Information

Insider trading laws define the concept of material nonpublic information in a variety of ways, all of which focus on factors such as the nature of the information, the significance of the information to investors and whether the information has been adequately disseminated to the public. All persons subject to this policy must comply globally with all applicable laws and regulations regarding insider trading and the handling of material nonpublic information.

Material Information

Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could reasonably be expected to affect the price of a company's securities, whether it is positive or negative, should be considered material. Information can be considered material even before a specific corporate action is taken by a board of directors or a company's management, depending on the specific circumstances and an evaluation of the likelihood of the occurrence of a specific event, action or development. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight.

While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Financial forecasts of any kind, industry projections of future earnings or losses, or other earnings guidance;
- A change (or anticipated change) to previously announced earnings guidance, or the decision to suspend earnings guidance;
- Any anticipated or planned restatements of financial results, or material impairments, write-offs or restructurings;
- Unpublished financial or operational reports or projections;

- Significant related party transactions;
- Arm's business plans, budgets, models or strategies, or any changes or anticipated changes thereto;
- Significant developments in research and development of a significant new technology, product, process, service or other intellectual property;
- Information about major contracts, including the gain or loss (or the probable gain or loss) of a significant customer, business partner or supplier;
- The institution of, or developments in, major litigation, investigations, or regulatory actions or proceedings;
- A pending or proposed merger, acquisition, investment, tender offer, changes in control or ownership, divestiture, joint venture, restructuring, repurchase, financing transactions, or similar transaction;
- A change (or anticipated change) in dividend policy (if any), the declaration of a share split or subdivision, or the issuance, redemption or repurchase of securities (e.g., share repurchase programs);
- Financing transactions;
- Repurchases of Arm securities;
- A change (or anticipated change) in Arm's pricing or cost structure;
- A change (or anticipated change) in senior management, board of directors or auditors, or notification that the auditor's reports may no longer be relied upon;
- A significant cybersecurity incident or identified significant cybersecurity vulnerability involving Arm or a significant customer or business partner of Arm, such as a data breach, or any other significant disruption in the company's operations or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure;
- Bankruptcies, receiverships, potential defaults under any credit agreements or indentures, or the existence of material liquidity deficiencies;
- The imposition of an event-specific restriction on trading in Arm securities or the securities of any other company or the extension or termination of such restriction; or
- News of the sale or acquisition of significant assets or a subsidiary.

This list is for illustrative purposes only and is not an exhaustive list of all types of material information. Investigators and / or relevant law enforcement agencies will scrutinize a questionable trade after the fact with the benefit of hindsight, so if information is not clearly immaterial or already public you should always err on the side of deciding that information is material nonpublic information and not trade. If you have questions regarding specific information or transactions, please contact the Compliance Team at insidertrading@arm.com.

When Information is Considered Public

Information that is generally not known or that has not been made available to the investing public is generally considered to be nonpublic information, even if the information is widely known within the company. In order to establish that the information has been made available to the investing public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through a widely disseminated press release distributed through the newswire services, a broadcast on widely-available radio or television programs, or publication in a widely-available newspaper,

magazine or news website or public disclosure document filed with, or furnished to, the SEC that is available on the SEC's website.

By contrast, information likely would not be considered widely disseminated if it is available only to Arm's employees, or if it is only available to a select group of analysts, brokers and institutional investors. The circulation of market rumors, even if accurate and reported in the media, does not constitute effective public dissemination; therefore, information should not be considered to be public if it has become known through the circulation of market rumors.

Once information is widely disseminated, it is still necessary to provide the investing public with sufficient time to absorb and evaluate the information. As a general rule, information should not be considered fully absorbed by the marketplace until at least two full trading days have passed following release of the information to the marketplace, where trading days are days on which Nasdaq is open for trading. If, for example, Arm were to make an announcement on a Monday, you should not trade in Arm securities until Thursday. Depending on the particular circumstances, Arm may determine that a longer or shorter period should apply to the release of specific material nonpublic information. Any changes to the time period will be detailed at that time.

Transactions by Entities that You Influence or Control

This policy applies to any entities that you influence or control, including any corporations, partnerships, investment funds, retirement plans, trusts, or any other types of entities over which you have the ability to influence or direct management, policies or investment decisions, in each case other than SoftBank Group Corp. or its affiliates subject to the oversight of SoftBank Group Corp., and other than in compliance with applicable law. Transactions by these controlled entities will be treated for the purposes of this policy and applicable securities laws as if they were made by you for your own account.

Transactions by Family Members and Others

This policy applies to your family members who reside with you (including a spouse or domestic partner, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), your children or your spouse's children who are financially dependent on you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions involving Relevant Securities are directed by you or are subject to your influence or control, such as individuals who consult with you before they trade in Relevant Securities. You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Relevant Securities, and you should treat all such transactions for the purposes of this policy and applicable securities laws as if the transactions were for your own account. This policy does not, however, apply to personal securities transactions of family members where the purchase or sale decision is made by a third party who is not controlled by, influenced by or related to you or your family members.

Exceptions to Insider Trading Policy and Trading Restrictions

This policy does not apply in the case of the following transactions, except as specifically noted:

Share Option Exercises

This policy does not apply to the exercise of an employee share option acquired under the company's plans, or to the exercise of a tax withholding right to which a person has elected to have Arm withhold Arm securities subject to an option to satisfy tax withholding requirements. This policy does apply, however, to any sale of Arm securities as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Restricted Share Awards or Restricted Stock Units

This policy does not apply to the vesting of restricted share awards or restricted stock units, or the exercise of a tax withholding right to which you elect to have the company withhold shares to satisfy tax withholding

requirements upon the vesting of any restricted share awards or restricted stock units. The policy does apply, however, to any market sale of restricted shares.

401(k)/Pension Plan, Annual Bonus Plan and All-Employee Plan

This policy does not apply to purchases of Arm securities in the company's 401(k)/Pension plan, the Annual Bonus Plan or the All-Employee Plan resulting from your periodic contribution of money to the plan, provided that such purchases are the result of a payroll deduction election that you made at a time when you were not aware of material nonpublic information and that was not a restricted trading period, subject to the pre-clearance process. This policy does apply, however, to certain elections you may make under such plans, including: (a) beginning or terminating investing in the Arm securities fund of the 401(k) plan; (b) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Arm securities fund; (c) an election to make an intra-plan transfer of an existing account balance into or out of the Arm securities fund; (d) an election to borrow money, to the extent otherwise permitted, against your plan accounts if the loan will result in a liquidation of some or all of your Arm securities fund balance; and (e) an election to pre-pay any plan loan if the pre-payment will result in allocation of loan proceeds to the Arm securities fund.

It should be noted that sales of Arm securities from a 401(k) account are also subject to Rule 144 under the Securities Act of 1933 (or any other applicable exemption under securities laws), and therefore directors and executive officers may be deemed to be an "affiliate" of the company. If this is the case, Rule 144 places limits on the number of shares you may be able to sell and provides that certain procedures must be followed before selling company securities. Contact Arm's legal team for more information on Rule 144 and when you should ensure that a Form 144 is filed with the SEC.

Employee Share Purchase Plan

This policy does not apply to purchases of Arm securities in an employee share purchase plan resulting from your periodic contribution of money to the plan pursuant to a payroll deduction election that you made at a time when you were not aware of material nonpublic information and that was not a restricted trading period, subject to the pre-clearance process. This policy also does not apply to purchases of Arm securities resulting from lump sum contributions to the employee share purchase plan, if you elected to participate by lump sum payment at the beginning of the applicable enrollment period. This policy does apply, however, to certain elections you may make under such plan, including: (a) your election to participate in the employee share purchase plan for any enrollment period; (b) an election to increase or decrease your level of participation in the plan; and (c) to your sales of Arm securities purchased pursuant to the employee share purchase plan.

Dividend Reinvestment Plan

This policy does not apply to purchases of Arm securities under any company-sponsored dividend reinvestment plan resulting from an election to reinvest dividends paid on Arm securities that you made when you were not aware of material nonpublic information at the time of the election and that was not a restricted trading period, subject to the pre-clearance process. This policy does apply, however, to any (a) voluntary purchase of Arm securities resulting from additional contributions you choose to make to the dividend reinvestment plan, (b) election to participate in the plan or increase your level of participation in the dividend reinvestment plan, and (c) sale of any Arm securities purchased pursuant to the dividend reinvestment plan.

Other Similar Transactions. Any other purchase of Arm securities directly from the company or sales of Arm securities directly to the company are not subject to this policy.

Special and Prohibited Transactions

Arm has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this policy engage in certain types of transactions. It therefore is the company's policy that any persons covered by this policy, regardless of whether in possession of material nonpublic information, may not engage in any of the following transactions, or should otherwise consider the company's preferences as described below:

Short-Term Trading. Short-term trading of Arm securities may be distracting to the person and may unduly focus the person on the short-term appreciation in the value of Arm securities rather than Arm's long-term business objectives. For these reasons, pursuant to the company's policy, any director or officer of the company who *purchases* Arm securities in the open market may not sell any Arm securities of the same class during the six months following the purchase. Similarly, such persons who *sell* Arm securities in the open market may not purchase any Arm securities of the same class during the six months following the sale.

No Short Sales. Short sales of Arm securities (*i.e.*, the sale of a security that the seller does not own at the time of the transaction), including 'sales against the box' (*i.e.*, the short sale of a security that the seller owns at the time of the transaction) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the company's prospects. In particular, short sales create misalignment with the company and may reduce a seller's incentive (or create a disincentive) to seek to improve the company's performance. For these reasons, short sales of Arm securities are prohibited under the company's policy.

Derivative Securities Transactions. Derivative securities, such as call options or put options, which give the holder a right to buy or sell, respectively, a security at a specific price before a set date, are typically transacted over a relatively short time period. As a consequence, transactions involving derivative securities may create the appearance that a director, officer or employee is trading based on material nonpublic information and could focus a director's, officer's or other employee's attention on short-term performance at the expense of the company's long-term objectives. Accordingly, transactions involving put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this policy.

Hedging Transactions. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including without limitation through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such transactions may permit a person subject to this policy to continue to own Arm securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as, or alignment with, the company's other shareholders. Therefore, directors, officers and employees are prohibited from engaging in any such transactions under this policy.

Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to satisfy a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the person is aware of material nonpublic information or otherwise is not permitted to trade in Arm securities, persons subject to this policy are prohibited from holding Arm securities in a margin account or otherwise pledging Arm securities as collateral for a loan, unless all Arm securities held in such account are blocked from being margined.

Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 plans, as described below) create heightened risks for insider trading violations. Because there is no control over the timing of purchases or sales that result from standing instructions to a broker, a broker could execute a transaction when a person subject to this policy is in possession of material nonpublic information. The company therefore discourages placing standing or limit orders on Arm securities. If a person subject to this policy determines that they must use a standing order or limit order, the order should be limited to a period generally no more than five trading days and should otherwise comply with the restrictions and procedures outlined below under the headings "Special Trading Restrictions" and "Pre-Clearance Procedures."

Special Trading Restrictions

Arm has established special trading restrictions to assist the company in the administration of this policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid

the appearance of any impropriety. These special trading restrictions are applicable to all persons subject to this policy.

Quarterly Trading Restricted Period. All persons subject to this policy, as well as their family members and/or controlled entities, may not conduct any transactions involving Arm securities (other than as specified by this policy), during a restricted period beginning ten trading days prior to the end of each fiscal quarter and ending upon the completion of the second full trading day following the date of the public release of the company's earnings results for that quarter. For example, if Arm publicly releases its earnings results on a Monday, the first time you can buy or sell Arm securities is the opening of the market on Thursday (assuming you are not aware of other material nonpublic information at that time).

Event-Specific Restricted Periods. Occasionally, an event may occur (or be probable to occur) that is material to Arm and is known by only a limited number of directors, officers, employees, contractors or consultants. So long as the event remains material and nonpublic, the persons designated by the Chief Legal Officer, as communicated by the Compliance Team, may not trade Arm securities. In addition, Arm's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Chief Legal Officer, as communicated by the Compliance Team, designated persons must refrain from trading in Arm securities during a period that commences even earlier than the commencement of the quarterly trading restricted period or ends even later than the expiration of the quarterly trading restricted period. In that situation, the Compliance Team may notify these persons that they may not trade in Arm securities until the Compliance Team subsequently notifies such person that the event-specific restricted period has ended, but shall not disclose the reason for the event-specific restriction on trading. The existence of an event-specific restricted period, including the extension of a quarterly trading restricted period, will not be announced to the company as a whole and should not be communicated to any other person. Even if the Chief Legal Officer, as communicated by the Compliance Team, has not designated you as a person who should not trade during an event-specific restricted period, you should not trade while aware of material nonpublic information. Exceptions to this policy will not be granted during an event-specific restricted period.

Exceptions. The quarterly trading restrictions and event-specific trading restrictions do not apply to those transactions to which this policy does not apply, as described above under the heading "Exceptions to Insider Trading Policy and Trading Restrictions." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-specific trading restrictions do not apply to transactions conducted pursuant to pre-approved Rule 10b5-1 plans, described under the heading "Rule 10b5-1 Plans," below.

Pre-Clearance Procedures

No person identified in the table below may engage in transactions involving Arm securities without obtaining pre-clearance from the appropriate approval party in accordance with this policy. It is important to note that compliance with these additional procedures, including obtaining pre-clearance, does not insulate such party from insider trading liability. If a person subject to this policy obtains pre-clearance, such party must still make the determination that such person is not in possession of material nonpublic information when the trade is made, that the trade does not have the appearance of impropriety, and that the trade is not in violation of the insider trading and other applicable laws.

Approval Parties. The persons subject to this policy that are identified in the following table may not engage in any transaction in Arm securities without first obtaining pre-clearance of the transaction in accordance with the following:

Person or Entity Subject to Pre-Clearance	Approval Party
Members of the Board (other than the Audit Committee Chairperson) and the Chief Executive Officer	Audit Committee Chairperson
Audit Committee Chairperson	Chief Legal Officer

Officers and Executive Committee (other than the Chief Executive Officer) and Employees at or above Grade 9	Compliance Officer
Compliance Officer	Chief Legal Officer
Designated persons on insider lists	Compliance Officer

Request Form. A request for pre-clearance, which shall be submitted in the company’s approved form of pre-clearance request attached to this policy as Exhibit A, including a certification that such person is not in possession of material nonpublic information, should be submitted to the applicable approval party noted above at least 48 hours in advance of the proposed transaction. The applicable approval party is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction in the approval party’s discretion. If a person that seeks pre-clearance and permission to engage in the transaction is denied, then such person must refrain from initiating any transaction in Arm securities and should not inform any other person of the fact that the pre-clearance request was denied.

Pre-Cleared Transactions. Pre-cleared transactions must be completed within five trading days following receipt of the pre-clearance (unless a specific exception has been granted by the applicable approval party). A pre-cleared transaction, or any portion of a pre-cleared transaction that has not been completed during such period, must be pre-cleared again prior to execution. All pre-cleared transactions will be reported to and overseen by the Compliance Officer.

Other Restrictions. Notwithstanding receipt of pre-clearance, if, before the transaction is completed, the person who received the pre-clearance becomes aware of material nonpublic information or becomes subject to a restricted period described above in “Special Trading Restrictions,” then the transaction cannot be completed.

Rule 10b5-1 Plans

Rule 10b5-1 under the Securities Exchange Act of 1934 provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this policy must enter into a Rule 10b5-1 plan for transactions involving Arm securities that meets certain conditions specified in Rule 10b5-1. Transactions involving Arm securities that are effected pursuant to a Rule 10b5-1 plan may occur even when the person who has entered into the plan is aware of material nonpublic information. To comply with this policy, a pre-approved Rule 10b5-1 plan must be approved by the Chief Legal Officer and satisfy the requirements of Rule 10b5-1 and the company’s “Guidelines for Rule 10b5-1 Plans,” attached to this policy as Exhibit B.

Post-Termination Transactions

This policy continues to apply to transactions involving Arm securities even after termination of service to, or a relationship with the company. If a person is in possession of material nonpublic information when such person’s service or relationship terminates, that person may not trade in Arm securities until that information has become public or is no longer material. If a person subject to a quarterly trading restricted period or an event-specific restricted period leaves the company during that restricted period, they will continue to be subject to the applicable restricted period for the remainder of that restricted period.

Company Assistance

Any person who has a question about this policy or its application to any proposed transaction may obtain additional guidance from the Compliance Team.

If you have any questions, please send them by email to insidertrading@arm.com.

Certification

All persons subject to this policy must certify their understanding of, and intent to comply with, this policy.

CERTIFICATION

I certify that:

1. I have read and understand the Arm Holdings plc Insider Trading Policy. I understand that the Compliance Team is available to answer any questions I have regarding the policy.
2. Since 13 September 2023, or such shorter period of time that I have been an officer, director, employee, contractor, or consultant of the company, I have complied with the policy.
3. I will continue to comply with the policy for as long as I am subject to the policy.

Print name: _____

Signature: _____

Date: _____

Exhibit A

Form of Pre-Clearance Request and Certification

The pre-clearance approval process normally takes two trading days, although individual circumstances may require additional time and you may not receive approval to trade at the time or price that you wanted. Arm will not indemnify you for any changes in the stock price as a result of the timing of your pre-clearance. If your trade is pre-cleared, the pre-clearance approval will be valid for five trading days. If you do not execute your trade within that five trading-day window, you will have to obtain a new pre-clearance approval prior to execution.

ARM HOLDINGS PLC
PRE-CLEARANCE REQUEST AND CERTIFICATION FORM

PLEASE COMPLETE THE FOLLOWING INFORMATION:	
NAME	
EMPLOYEE ID (if applicable)	
NATURE OF TRANSACTION [INDICATE PURCHASE OR SALE]	
NUMBER OF SHARES OR DOLLAR AMOUNT IN THIS TRANSACTION	
IF THIS IS A SALE: WHAT DATE(S) WERE THESE SHARES ACQUIRED? HAVE YOU PURCHASED ANY RELEVANT SECURITIES WITHIN THE PAST SIX MONTHS?	
IF THIS IS A PURCHASE: HAVE YOU SOLD ANY RELEVANT SECURITIES?	
ESTIMATED NUMBER OF SHARE HOLDINGS AFTER THIS TRANSACTION	

BY E-SIGNING THIS FORM, I AM CONFIRMING:

1. I AM NOT IN POSSESSION OF MATERIAL NON-PUBLIC INFORMATION AT THIS TIME.
2. I WILL NOT ENTER INTO THE TRANSACTION DESCRIBED ABOVE IF I COME INTO POSSESSION OF MATERIAL NON-PUBLIC INFORMATION.
3. THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT AS OF THE DATE HEREOF.
4. I ACKNOWLEDGE THAT ANY PRE-CLEARANCE GIVEN WILL BE VALID FOR FIVE (5) TRADING DAYS ONLY, AND I WILL NEED TO SUBMIT A NEW PRE-CLEARANCE REQUEST AND CERTIFICATION PRIOR TO EXECUTING THE TRADE IF I DO NOT TRADE WITHIN THE FIVE (5) TRADING-DAY PERIOD.

Print name: _____

Signature: _____

Date: _____

ONCE YOU SUBMIT THIS REQUEST, IT WILL BE ROUTED TO THE OFFICE OF ETHICS AND COMPLIANCE FOR REVIEW AND FORWARDED TO ANY FURTHER APPROVING PARTIES REQUIRED BY THIS POLICY. PLEASE EXPECT TO RECEIVE A RESPONSE WITHIN TWO (2) TRADING DAYS. IF YOU HAVE ANY QUESTIONS REGARDING THIS REQUEST AND WOULD LIKE TO SPEAK WITH SOMEONE FIRST, PLEASE REACH OUT TO insidertrading@arm.com.

Exhibit B

Guidelines for Rule 10b5-1 Plans

Introduction

Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended, provides for an affirmative defense against insider trading liability if a trade occurs pursuant to a pre-arranged “trading plan” that meets specified conditions. Specifically, if a purchase or sale is made pursuant to a trading plan that complies with the conditions in Rule 10b5-1(c), as described below, the trade will not be deemed to be made on the basis of material nonpublic information, and therefore will not violate insider trading laws. Trading plans can be established for a single trade or a series of trades. Because Rule 10b5-1(c) is complex, Arm recommends that you work with a broker and fully understand the limitations and conditions of the rule before establishing a plan.

Arm Holdings plc has adopted a written Insider Trading Policy, to which these guidelines for Rule 10b5-1 plans are an attachment, containing certain basic principles and policies concerning the trading by officers, directors and employees of Arm in the securities of the company. These guidelines set forth Arm’s policy concerning Rule 10b5-1 pre-planned trading programs by its directors, officers and employees. All capitalized terms used but not defined in these guidelines have the same meanings provided for in the Insider Trading Policy.

As specified in the Insider Trading Policy, a Rule 10b5-1 plan must be approved by the Chief Legal Officer and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 plan (or the modification or termination of any existing Rule 10b5-1 plan) must be well documented and submitted for approval ten trading days prior to the entry into the Rule 10b5-1 plan. Arm reserves the right not to approve any proposed Rule 10b5-1 plan (or the modification of any existing Rule 10b5-1 plan) unless it meets the requirements of Rule 10b5-1 and these guidelines, as well as such additional terms and conditions as the company may require from time to time. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 plan will be required.

The following guidelines apply to all Rule 10b5-1 plans:

- You may not enter into, modify or terminate a Rule 10b5-1 plan during a restricted period or otherwise while you are aware of material nonpublic information.
- All Rule 10b5-1 plans must: (1) specify the amount, price and date of the transactions; (2) include a written formula, algorithm or computer program for determining amounts, prices and dates for the transactions; or (3) not permit the person to exercise any subsequent influence over how, when or whether to make purchases or sales (and any other person exercising such influence under the Rule 10b5-1 plan must not be aware of material nonpublic information when doing so).
- For officers and directors, no transaction may take place under a Rule 10b5-1 plan until the later of (a) 90 days after adoption or modification of the Rule 10b5-1 plan or (b) two trading days following the disclosure of Arm’s financial results in a current report for the fiscal quarter (or annual report on Form 20-F for the fourth fiscal quarter) in which the Rule 10b5-1 plan was adopted or modified (but in any event, the required cooling-off period is subject to a maximum of 120 days after adoption or modification of the Rule 10b5-1 plan).

For persons other than officers and directors, no transaction may take place under a Rule 10b5-1 plan until 30 days following the adoption or modification of a Rule 10b5-1 plan.

- Subject to certain limited exceptions specified in Rule 10b5-1, you may not enter into more than one Rule 10b5-1 plan at the same time.

- Subject to certain limited exceptions specified in Rule 10b5-1, you are limited to only one Rule 10b5-1 plan designed to effect an open market purchase or sale of the total amount of securities subject to the Rule 10b5-1 plan as a single transaction in any 12-month period.
- You must act in good faith with respect to a Rule 10b5-1 plan. A Rule 10b5-1 plan cannot be entered into as part of a plan or scheme to evade the prohibition of Rule 10b-5. Therefore, although modifications to an existing Rule 10b5-1 plan are not prohibited, a Rule 10b5-1 plan should be adopted with the intention that it will not be amended or terminated prior to its expiration.
- Officers and directors must include a representation in the Rule 10b5-1 plan certifying that, on the date of adoption or modification of the plan (i) the person is not aware of material nonpublic information about Arm or its securities and (ii) the person is adopting the trading plan in good faith and not as part of plan or scheme to evade the prohibitions of Rule 10b-5.

Arm and its officers and directors must make certain disclosures in SEC filings concerning Rule 10b5-1 plans and certain material terms. Officers and directors of Arm must undertake to provide any information requested by the company regarding Rule 10b5-1 plans for the purpose of providing the required disclosures or any other disclosures that the company deems to be appropriate under the circumstances.

If any questions arise, such person should consult with their own counsel in implementing a Rule 10b5-1 plan.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rene Haas, certify that:

1. I have reviewed this annual report on Form 20-F of Arm Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 29, 2024

By: /s/ Rene Haas

Rene Haas
Chief Executive Officer

**CERTIFICATION BY CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Child, certify that:

1. I have reviewed this annual report on Form 20-F of Arm Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 29, 2024

By: /s/ Jason Child

Jason Child
Chief Executive Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Arm Holdings plc (the “Company”) on Form 20-F for the fiscal year ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in their capacity as officers of the Company that, to their knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 29, 2024

By: /s/ Rene Haas

Rene Haas
Chief Executive Officer

By: /s/ Jason Child

Jason Child
Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement No. 333-274544 on Form S-8 of our report dated May 29, 2024, relating to the financial statements of Arm Holdings plc appearing in this Annual Report on Form 20-F for the fiscal year ended March 31, 2024.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
May 29, 2024



**Arm Holdings plc
Clawback Policy**

PURPOSE

This policy sets forth the conditions under which Arm Holdings plc (the “Company”) must seek to recover certain Incentive-Based Compensation received by current or former executive officers, each a Covered Person. Notwithstanding anything to the contrary in any of the Company’s equity, bonus or incentive plans applicable to a Covered Person, or any award agreements under such plans, in the event that the Company is required to prepare a Restatement, the Company will reasonably promptly recover the Recovery Amount from each Covered Person. This policy shall be interpreted in a manner that is consistent with any applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) and The Nasdaq Stock Market, LLC (“Nasdaq”), and any other applicable law. This policy shall be effective as of November 15, 2023. Capitalized terms herein shall have the meanings ascribed to such terms in the Definitions section below.

The Remuneration Committee of the Board of Directors of the Company (the “Board”) shall have the full and final authority to make all determinations required under this policy, and all such determinations shall be final and binding on all persons.

RECOVERY OF INCENTIVE-BASED COMPENSATION

In the event of a Restatement, the Remuneration Committee will seek recovery of the Recovery Amount. However, the Remuneration Committee may seek to recover more than the Recovery Amount if it decides such action is appropriate. In making such determination, the Remuneration Committee shall consider all relevant facts and circumstances, including whether the Covered Person has engaged in fraud, misconduct or negligent conduct that caused or contributed to the Restatement.

This policy applies to all Incentive-Based Compensation received by a Covered Person on or after October 2, 2023 and during the Recovery Period. Incentive-Based Compensation will be deemed to be received for the purposes of this policy in the fiscal period during which the Financial Reporting Measure specified in the applicable Incentive-Based Compensation award is attained, even if the payment or grant occurs after the end of that period. This policy does not apply to any Incentive-Based Compensation received before the Company had a class of securities listed on a U.S. national securities exchange.

The Company’s obligation to recover erroneously awarded Incentive-Based Compensation under this policy is not dependent on when, or if, restated financial statements are filed.

The Company shall, in a reasonably prompt manner, recover the Recovery Amount as determined by the Remuneration Committee, unless the Remuneration Committee determines that recovery is impracticable because:

- (i) the direct expense to a third party to assist in enforcing this policy would exceed the Recovery Amount, however, the Company must make a reasonable attempt to recover the Recovery Amount before concluding that recovery is impracticable, document such reasonable attempt to recover the Recovery Amount and provide such related documentation to Nasdaq;
- (ii) recovery would violate applicable U.K. law adopted prior to November 28, 2022, however, the Company must obtain an opinion of counsel before concluding that recovery is impracticable, acceptable to Nasdaq, that recovery would result in such a violation, and the Company will provide that opinion to Nasdaq; or
- (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the applicable requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

APPLICABILITY AND ENFORCEMENT

The application and enforcement of this policy does not preclude the Company from taking any other action to enforce a Covered Person's obligations to the Company, including termination of employment or institution of legal proceedings. Nothing in this policy restricts the Company from seeking recovery under any other remuneration recovery policy or any applicable provisions in plans, agreements, awards or other arrangements that contemplate the recovery of remuneration from a Covered Person. If a Covered Person fails to repay the Recovery Amount that is owed to the Company under this policy, the Company shall take all appropriate action to recover such Recovery Amount from the Covered Person, and the Covered Person shall be required to reimburse the Company for all expenses (including legal expenses) incurred by the Company in recovering such Recovery Amount.

The terms of the policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators and legal representatives. If any provision of this policy or the application of such provision to any Covered Person shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision (or the application of such provision) valid, legal or enforceable.

NO INDEMNIFICATION

In no event will the Company indemnify any Covered Person for any amounts that are recovered under this policy.

OTHER LAWS

The policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any Covered Person that is required pursuant to any statutory repayment requirement (regardless of whether implemented at any time prior to or following the adoption of the Policy), including Section 304 of the Sarbanes-Oxley Act of 2002 that is applicable to the Company's Chief Executive Officer and Chief Financial Officer. To the extent that the application of this policy would provide for recovery of Incentive-Based Compensation that the Company already recovered pursuant to any such statutory repayment requirement, any such amount recovered from a Covered Person will be credited to any recovery required under this policy in respect of such Covered Person.

AMENDMENT; TERMINATION

The Board may amend or terminate this policy at any time.

ACKNOWLEDGEMENT

Each Covered Person shall sign and return to the Company, within 30 calendar days following the later of:

- (i) the effective date of this policy first set forth above; or
- (ii) the date the individual becomes a Covered Person, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Covered Person agrees to be bound by, and to comply with, the terms and conditions of this policy.

DEFINITIONS

For purposes of this policy, the following terms are defined as follows:

"Covered Persons" means all of the Company's current and former executive officers. The term executive officer includes the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a significant policy-making function, or any other person who performs similar policy-making functions for the Company.

“Financial Reporting Measures” are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

“Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is deemed “received” for purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure(s) specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

“Recovery Amount” means, in the event of a Restatement, the amount as determined by the Remuneration Committee of Incentive-Based Compensation received by a Covered Person that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had such Incentive-Based Compensation been determined based on the restated amounts, and must be computed without regard to any taxes paid by the relevant Covered Person. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount is not subject to mathematical recalculation directly from the information in a Restatement, the amount must be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return, as applicable, upon which the Incentive-Based Compensation was received, and the Company must maintain documentation of that reasonable estimate and provide such documentation to Nasdaq.

“Recovery Period” means, with respect to all Incentive-Based Compensation received by a person:

- (i) after beginning service as a Covered Person;
- (ii) who served as a Covered Person at any time during the performance period for the Incentive-Based Compensation;
- (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association; and
- (iv) during the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement, as well as any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year).

The Company is deemed to be required to prepare a Restatement on the earlier of:

- (i) the date the Board, a committee of the Board, or the Company’s officers authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or
- (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

“Restatement” means any required accounting restatement of the Company’s financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

EXHIBIT A

ARM HOLDINGS PLC

CLAWBACK POLICY ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Arm Holdings plc (the "Company") Clawback Policy (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning the Recovery Amount (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

COVERED PERSON

Signature

Print Name

Date