

EXHIBIT 1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

ROBERT C. ASHE and JEFFREY S. GOHN,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

ARROW FINANCIAL CORPORATION,
THOMAS J. MURPHY, PENKO K. IVANOV,
and EDWARD J. CAMPANELLA,

Defendants.

Case No. 1:23-cv-00764-AMN-DJS

CLASS ACTION

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (together with all Exhibits hereto, the “Stipulation”), dated as of June 7, 2024, which is entered into by and among (a) Lead Plaintiff Robert C. Ashe (“Lead Plaintiff”) and Plaintiff Jeffrey S. Gohn (“Plaintiff” and, together with Lead Plaintiff, the “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined herein); and (b) Defendants Arrow Financial Corporation (“Arrow” or the “Company”), Thomas J. Murphy (“Murphy”), Penko K. Ivanov (“Ivanov”), and Edward J. Campanella (“Campanella” and, together with Murphy and Ivanov, the “Individual Defendants,” and together with Arrow, “Defendants”), by and through their undersigned attorneys, states all of the terms of the settlement and resolution of this matter by the Settling Parties (as defined herein) and is intended by the Settling Parties to fully and finally release, resolve, remise, and discharge the Released Claims (as defined herein) against the Released Parties (as defined herein), subject to the approval of the United States District Court for the Northern District of New York (the “Court”).

Throughout this Stipulation, all terms used with initial capitalization, but not immediately defined, shall have the meanings ascribed to them in Section 1 below.

WHEREAS:

A. The Action

On June 23, 2023, Robert C. Ashe filed an original complaint commencing this Action. Dkt. No. 1.¹ On August 22, 2023, Lead Plaintiff filed a motion for appointment as lead plaintiff, and approval of lead counsel. Dkt. No. 5. By Order dated September 28, 2023, the Court appointed Robert C. Ashe as Lead Plaintiff and Pomerantz LLP (“Pomerantz”) as Lead Counsel for the putative class. Dkt. No. 15.

On December 5, 2023, Plaintiffs filed an Amended Class Action Complaint (the “Amended Complaint”) against the Defendants and added Plaintiff Jeffrey S. Gohn to the Action. Dkt. No. 25. The Amended Complaint asserted claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Amended Complaint alleged, among other things, that during the Settlement Class Period, Defendants made materially false and/or misleading statements and/or failed to disclose that: (i) Arrow maintained defective disclosure controls and procedures and internal controls over financial reporting; (ii) the foregoing increased the risk that the Company could not timely file one or more of its periodic financial reports with the SEC as required by the NASDAQ’s listing requirements; (iii) accordingly, Arrow was at an increased risk of being delisted from the NASDAQ; and (iv) following the disclosure of deficiencies in the Company’s disclosure controls and procedures and

¹ Unless otherwise specified, references to “Dkt. No. ___” refer to the docket in the above-captioned action, defined as the “Action” below: *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y)

internal controls over financial reporting, Arrow downplayed the severity of these issues and the associated risks. The Amended Complaint alleged that Arrow's stock price was artificially inflated as a result of these alleged false and misleading statements, and that Arrow's stock price declined when the truth regarding the alleged misrepresentations was revealed.

On February 9, 2024, Defendants served a motion to dismiss the Amended Complaint. Dkt. No. 31. Among other things, Defendants argued that there were no materially misleading or false statements or omissions made during the alleged class period. Defendants also argued that Plaintiffs failed to adequately plead any actionable misstatement or omission and failed adequately to allege scienter. *Id.*

B. The Settlement

On April 22, 2024, before Plaintiffs filed an opposition to Defendants' motion to dismiss, the Parties reached an agreement in principle to settle the Action for a payment of \$850,000 for the benefit of the Settlement Class, subject to the execution of a settlement stipulation and related papers.

C. Defendants' Denial of Wrongdoing and Liability

Throughout the course of the Action and in this Stipulation, Defendants have denied and continue to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever that have or could have been asserted in the Action. Defendants have also denied and continue to deny, among other things, any wrongdoing or liability of any kind, including without limitations the allegations and claims that have been or could have been asserted by Plaintiffs, as well as the allegations that Plaintiffs or the Settlement Class have suffered damages or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action. Defendants continue to believe the claims asserted against them in the Action are without merit. Defendants

have not conceded or admitted any wrongdoing or liability, are not doing so by entering into this Stipulation, and disclaim any and all wrongdoing and liability whatsoever. Defendants maintain that their conduct was at all times proper and in compliance with applicable provisions of law and applicable industry standards, and that they have meritorious defenses to all claims alleged in the Action.

Defendants have agreed to enter into this Stipulation solely to avoid the uncertainties, burden, and expense of further litigation and to put the Released Claims to rest finally and forever. Nothing in this Stipulation shall be construed as or deemed evidence supporting an admission by either Defendants or any of the Released Defendant Parties with respect to any of Plaintiffs' allegations or claims, or of any wrongdoing, fault, liability, or damages whatsoever.

D. Claims of Plaintiffs and Benefits of Settlement

Plaintiffs believe that the claims asserted in the Action have merit. Plaintiffs, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and appeals. Plaintiffs have also considered the uncertain outcome and the risk of continued litigation. In particular, Plaintiffs have considered the inherent problems of proof and possible defenses to the federal securities law violations asserted in the Action, including the defenses that have been or could be asserted by Defendants during the litigation, including during summary judgment, class certification, and trial. Plaintiffs have therefore determined that the Settlement set forth in this Stipulation is fair, adequate, and reasonable, and in the best interests of the Settlement Class.

Nothing in this Stipulation shall be construed as or deemed evidence supporting an admission by Plaintiffs with respect to the merits of any of Defendants' defenses.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs, on behalf of themselves and each of the Settlement Class Members, and Defendants (by and through their respective undersigned counsel) that, subject to the approval of the Court, in consideration of the benefits flowing to the Settling Parties from the Settlement set forth herein, the Action and the Released Claims as against the Released Parties shall be finally and fully compromised, settled, and released, the Action shall be dismissed fully, finally, and with prejudice, and the Released Claims shall be finally and fully released as against the Released Parties, upon and subject to the terms and conditions of this Stipulation, as follows:

1. Definitions

In addition to the terms defined above, the following capitalized terms, used in this Stipulation, shall have the meanings specified below:

1.1. “Action” means the putative class action captioned *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y.).

1.2 “Administrative Costs” means all reasonable costs and expenses associated with providing notice of the Settlement to the Settlement Class and otherwise administering or carrying out the terms of the Settlement. Such costs may include, without limitation: escrow agent costs, the costs of publishing the Summary Notice, the costs of printing and mailing, and/or emailing the Notice and Proof of Claim, as directed by the Court, and the costs of allocating and distributing the Net Settlement Fund (as defined in paragraph 8.2) to the Authorized Claimants. Such costs do not include legal fees.

1.3 “Authorized Claimant” means any Settlement Class Member who is a Claimant and whose claim for recovery has been allowed pursuant to the terms of this Stipulation, the exhibits hereto, and any order of the Court.

1.4. “Award to Plaintiffs” means the requested award to Plaintiffs to compensate them for their time and contributions to the Action, and for their reasonable costs and expenses (including lost wages), directly related to Plaintiffs’ representation of the Settlement Class in the Action.

1.5 “Business Day” means any day except Saturday or Sunday or any other day on which national banks are authorized by law or executive order to close in the State of New York.

1.6 “Claimant” means any Settlement Class Member who files a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe.

1.7 “Claims” means any and all manners of claims, debts, demands, controversies, obligations, losses, costs, interest, penalties, fees, expenses, rights, duties, judgments, sums of money, suits, contracts, agreements, promises, damages, actions, causes of action and liabilities, of every nature and description in law or equity (including, but not limited to, any claims for damages, whether compensatory, special, incidental, consequential, punitive, exemplary, or otherwise, injunctive relief, declaratory relief, recession or recessionary damages, interest, attorneys’ fees, expert or consulting fees, costs, or expenses), accrued or unaccrued, known or unknown, arising under federal, state, common, administrative, or foreign law, or any other law, rule, statute, or regulation.

1.8 “Claims Administrator” means Strategic Claim Services, Inc. (“SCS”), which shall administer the Settlement.

1.9 “Defendants” means Arrow and the Individual Defendants.

1.10 “Defense Counsel” means O’Melveny & Myers LLP.

1.11 “Escrow Account” means an interest-bearing escrow account established by the Escrow Agent. The Escrow Account shall be managed by the Escrow Agent, subject to the Court’s supervisory authority, for the benefit of Plaintiffs and the Settlement Class in accordance with the terms of the Stipulation and any order of the Court.

1.12 “Escrow Agent” means Huntington National Bank. The Escrow Agent shall perform the duties as set forth in this Stipulation and any order of the Court.

1.13 “Effective Date” shall have the meaning set forth in ¶11.3 of this Stipulation.

1.14 “Final” when referring to the Final Judgment means exhaustion of all possible appeals, meaning (i) if no appeal or request for review is filed, the day after the date of expiration of any time for appeal or review of the Final Judgment, and (ii) if an appeal or request for review is filed, the day after the date the last-taken appeal or request for review is dismissed, or the Final Judgment is upheld on appeal or review in all material respects, and is not subject to further review on appeal or by certiorari or otherwise; provided, however, that no order of the Court or modification or reversal on appeal or any other order relating solely to the amount, payment, or allocation of attorneys’ fees and expenses or to the Plan of Allocation shall constitute grounds for cancellation or termination of this Settlement or affect its terms, including the release in ¶6.1, or shall affect or delay the date on which the Final Judgment becomes Final.

1.15 “Final Judgment” means the order and judgment to be entered by the Court finally approving the Settlement and dismissing the Action, materially in the form attached hereto as **Exhibit B**.

1.16 “Lead Counsel” means Pomerantz LLP.

1.17 “Notice” means the Notice of Pendency and Proposed Settlement of Class Action, substantially in the form attached hereto as **Exhibits A-1**.

1.18 “Opt-Out” means any one of, and “Opt-Outs” means all of, any Persons who otherwise would be Settlement Class Members that have timely and validly requested exclusion from the Settlement Class in accordance with the provisions of the Preliminary Approval Order and the Notice given pursuant thereto.

1.19 “Person” means any natural or legal person, including without limitation (i) any individual, corporation (including all divisions and subsidiaries), fund, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and (ii) each of their spouses, heirs, predecessors, successors, representatives, or assigns.

1.20 “Plan of Allocation” means a plan or formula for allocating the Settlement Fund to Authorized Claimants after payment of Administrative Costs, Taxes and Tax Expenses, and such attorneys’ fees, costs, and expenses as may be awarded by the Court. Any Plan of Allocation is not a condition to the effectiveness of this Stipulation, and the Released Defendant Parties shall have no responsibility, involvement, interest, or liability whatsoever with respect thereto.

1.21 “Plaintiffs” means Lead Plaintiff Robert C. Ashe and Plaintiff Jeffrey S. Gohn.

1.22 “Plaintiffs’ Counsel” means Lead Counsel, who, performed services on behalf of Plaintiffs and the Settlement Class in the Action.

1.23 “Preliminary Approval Order” means the order to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class, materially in the form attached hereto as **Exhibit A**.

1.24 “Proof of Claim” or “Claim Form” means the Proof of Claim and Release Form to be submitted by Claimants, substantially in the form attached hereto as **Exhibit A-2**.

1.25 “Related Parties” means, with respect to each Released Party, the immediate family members, heirs, executors, trustees, administrators, successors, assigns, and present and former employees, officers, directors, attorneys, legal representatives, accountants, insurers, reinsurers, managers, and agents of each of them, and any person or entity which is or was related to or affiliated with any Released Party or in which any Released Party has a controlling interest, and the present, former, and future direct and indirect parents, subsidiaries, divisions, affiliates, predecessors, successors, and the employees, officers, directors, attorneys, assigns, legal representatives, insurers, reinsurers, managers, and agents of each of them.

1.26 “Released Claims” means the Released Defendants’ Claims and the Released Plaintiffs’ Claims, collectively. “Released Claims” includes “Unknown Claims” as defined in ¶1.44 hereof.

1.27 “Released Defendants’ Claims” means and includes any and all Claims, Released Claims, and Unknown Claims (as defined herein) that could have been asserted against any of the Released Plaintiff Parties arising out of, based upon, or relating in any way to the initiation, prosecution, or settlement of the Action. Notwithstanding the foregoing, “Released Defendants’ Claims” does not include claims to enforce the terms of this Stipulation or orders or judgments issued by the Court in connection with this Settlement.

1.28 “Released Defendant Parties” means Arrow, Murphy, Ivanov, and Campanella, Defense Counsel, and each and all of their respective Related Parties.

1.29 “Released Parties” means any and all Released Defendant Parties and Released Plaintiff Parties.

1.30 “Released Plaintiffs’ Claims” means and includes any and all Claims, Released Claims, and Unknown Claims (as defined herein) that have been or could have been asserted by or on behalf of any of the Releasing Plaintiff Parties, in any capacity, which arise out of, are based upon, or relate in any way to the purchase or acquisition of Arrow securities during the Settlement Class Period, including but not limited to any claims alleged in the Action, and any claims related to the allegations, transactions, facts, events, matters, occurrences, acts, disclosures, representations, statements, omissions, failures to act, or any other matter whatsoever involved, set forth, referred to, or otherwise related, directly or indirectly, to the allegations in the Action or the disclosures made in connection therewith (including the adequacy and completeness of such disclosures). Notwithstanding the foregoing, “Released Plaintiffs’ Claims” does not include: (i) claims to enforce the terms of this Stipulation or orders or judgments issued by the Court in connection with this Settlement; or (ii) claims asserted derivatively on behalf of the Company in *Bull v. Murphy et al.*, No. 1:23-cv-01566-DJS, pending in the U.S. District Court for the Northern District of New York.

1.31 “Released Plaintiff Parties” means Plaintiffs, Settlement Class Members, Plaintiffs’ Counsel, and each and all of their respective Related Parties.

1.32 “Releasing Parties” means any and all Releasing Defendant Parties and Releasing Plaintiff Parties.

1.33 “Releasing Defendant Parties” means and includes all Defendants and any persons or entities affiliated or connected with any of them, including all of their respective current and former officers, directors, employees, members, partners, principals, controlling shareholders, consultants, accountants, attorneys, underwriters, investment bankers, commercial bankers, general or limited partners or partnerships, limited liability companies, joint ventures, affiliated persons and entities, control persons, sponsors, parents, subsidiaries, divisions, related entities, beneficiaries, heirs, successors, predecessors, assigns, attorneys, agents, advisors (including financial or investment advisors), auditors, any of their respective insurers or reinsurers, and any of their respective predecessors, successors, estates, immediate family members, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees.

1.34 “Releasing Plaintiff Parties” means and includes all Plaintiffs, each and every member of the Settlement Class, and any persons or entities affiliated or connected with any of them, including all of their respective current and former officers, directors, employees, members, partners, principals, controlling shareholders, consultants, accountants, underwriters, investment bankers, commercial bankers, entities providing fairness opinions, general or limited partners or partnerships, limited liability companies, joint ventures, affiliated persons and entities, control persons, sponsors, parents, subsidiaries, divisions, related entities, beneficiaries, heirs, successors, predecessors, assigns, attorneys, agents, advisors (including financial or investment advisors), auditors, any of their respective insurers or reinsurers, and any of their respective predecessors, successors, estates, immediate family members, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees.

1.35 “Settlement” means the settlement contemplated by this Stipulation.

1.36 “Settlement Amount” means the sum of \$850,000 (eight hundred and fifty thousand U.S. dollars). The Settlement Amount includes all Administrative Costs, Plaintiffs’ Counsel’s attorneys’ fees and expenses (as allowed by the Court), Awards to Plaintiffs (as allowed by the Court), as well as any other costs, expenses, or fees of any kind whatsoever associated with the Settlement.

1.37 “Settlement Class” means all Persons and entities other than Defendants that purchased or otherwise acquired Arrow securities between August 6, 2022 through May 12, 2023, both dates inclusive, and who were allegedly damaged thereby. Excluded from the Settlement Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded are any persons or entities who properly exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set by the Court.

1.38 “Settlement Class Member” means any one of, and “Settlement Class Members” means all of, the members of the Settlement Class.

1.39 “Settlement Class Period” means the period from August 6, 2022 through May 12, 2023, both dates inclusive.

1.40 “Settlement Fund” means all funds transferred to the Escrow Account pursuant to this Stipulation and any interest or other income earned thereon.

1.41 “Settlement Hearing” means the hearing at or after which the Court will make a final decision pursuant to Rule 23 of the Federal Rules of Civil Procedure as to whether the Settlement contained in the Stipulation is fair, reasonable, and adequate, and, therefore, should receive final approval from the Court.

1.42 “Settling Party” means any one of, and “Settling Parties” means all of, the parties to the Stipulation, namely Defendants and Plaintiffs (on behalf of themselves and the Settlement Class).

1.43 “Summary Notice” means the Summary Notice of Pendency and Proposed Class Action Settlement, substantially in the form attached hereto as **Exhibit A-3**.

1.44 “Unknown Claims” means and includes any and all Released Claims which any of the Releasing Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Parties, or might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to whether or not to object to this Settlement or seek exclusion from the Class. The Releasing Parties agree that, upon the effective date of the Settlement, the Releasing Parties shall expressly waive and will be deemed to have waived the provisions, rights, and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or 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.

The Releasing Parties shall expressly waive, and shall be deemed to have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Releasing Parties acknowledge that they may discover facts, legal theories, or authorities in addition to or different from those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims, but the Releasing Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Party shall be deemed to have waived, compromised, settled,

discharged, extinguished, and released, and upon the effective date of the Settlement, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Parties shall acknowledge, and the Releasing Parties shall be deemed to have acknowledged that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

2. The Settlement Consideration

2.1 In consideration of the full and final release, settlement, and discharge of all Released Plaintiffs' Claims against the Released Defendant Parties, Defendants agree to pay, or cause the payment of, the Settlement Amount to be funded, by wire transfer or check, into the Escrow Account within twenty-one (21) calendar days after entry of the Preliminary Approval Order, provided that Lead Counsel or the Escrow Agent has provided Defense Counsel with complete wire and transfer information and instructions and a completed Form W-9.

2.2 Under no circumstances will Defendants or any of their insurers, or their respective agents or affiliates, be required to pay, or cause payment of, more than the Settlement Amount pursuant to this Stipulation and the Settlement for any reason whatsoever, including, without limitation, as compensation to any Settlement Class Member, as payment of attorneys' fees and expenses awarded by the Court, in payment of any fees or expenses incurred by any

Settlement Class Member or Plaintiffs' Counsel, or as interest on the Settlement Amount of any kind and relating to any time period (including prior to the payment of the Settlement Amount into the Escrow Account).

3. Handling and Disbursement of Funds by the Escrow Agent

3.1 No monies will be disbursed from the Settlement Fund until after the Effective Date except:

- (a) As provided in ¶3.4 below;
- (b) As provided in ¶8.2 below;
- (c) As provided in ¶11.9 below, if applicable; and
- (d) To pay Taxes and Tax Expenses (as defined in ¶4.1 below) on the income earned by the Settlement Fund. Taxes and Tax Expenses shall be paid out of the Settlement Fund and shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Escrow Agent without prior Order of the Court.

3.2 The Escrow Agent shall invest the Settlement Fund in short term instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. The Escrow Agent shall bear all responsibility and liability for managing the Escrow Account and cannot assign or delegate its responsibilities without approval of the Settling Parties. Defendants, their counsel, their insurers, and the other Released Defendant Parties shall have no responsibility for, involvement, interest in, or any liability whatsoever with respect to any investment or management decisions executed by the Escrow Agent. The Settlement Fund shall bear all risks related to the investments of the Settlement Amount in accordance with the guidelines set forth in this ¶3.2.

Defendants shall not bear any responsibility for or liability related to the investment of the Settlement Fund by the Escrow Agent.. All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Stipulation and/or further order(s) of the Court.

3.3 The Escrow Agent shall not disburse the Settlement Fund except as provided in this Stipulation, by an order of the Court, or with the written agreement of Defense Counsel for Defendants.

3.4 At any time after the Court grants preliminary approval of the Settlement, the Escrow Agent may, without further approval from Defendants or the Court, disburse at the direction of Lead Counsel up to \$125,000 from the Settlement Fund prior to the Effective Date to pay Administrative Costs.

4. Taxes

4.1 The Settling Parties agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1. In addition, Lead Counsel or their designee shall timely make such elections as necessary or advisable to carry out the provisions of this ¶4.1, including the “relation-back election” (as defined in Treasury Regulation § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Lead Counsel or their designee to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(a) For purposes of § 1.468B of the Internal Revenue Code of 1986, as amended, and Treasury Regulation § 1.468B-2(k)(3) promulgated thereunder, the “administrator” shall be Lead Counsel or their designee. Lead Counsel or their designee shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including without limitation the returns described in Treasury Regulation § 1.468B-2(k)). Such returns (as well as the election described in this ¶4.1) shall be consistent with this ¶4.1 and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund.

(b) All Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon Defendants or their counsel or their insurers with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (“Taxes”), and all expenses and costs incurred in connection with the operation and implementation of this ¶4.1 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses or penalties relating to filing (or failing to file) the returns described in this ¶4.1) (“Tax Expenses”), shall be paid out of the Settlement Fund, as appropriate. Defendants, their counsel (including Defense Counsel), their insurers, and the other Released Defendant Parties shall have no responsibility for, involvement, interest in, or any liability whatsoever for the Taxes or the Tax Expenses. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid out of the Settlement Fund without prior order from the Court. The Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized

Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be withheld under Treasury Regulation § 1.468B-2(1)(2)). Defendants, their counsel (including Defense Counsel), their insurers, and the other Released Defendant Parties shall have no responsibility for, involvement, interest in, or any liability whatsoever with respect to the foregoing provided in this ¶4.1. The Settling Parties agree to cooperate with each other, and their tax attorneys and accountants, to the extent reasonably necessary to carry out the provisions of this ¶4.1.

5. Preliminary Approval Order, Notice Order, and Settlement Hearing

5.1 As soon as practicable after execution of this Stipulation, Lead Counsel shall submit this Stipulation and its exhibits to the Court and shall apply for preliminary approval of the Settlement set forth in this Stipulation, entry of the Preliminary Approval Order, and approval for the mailing and dissemination of notice. The proposed preliminary approval order to be submitted to the Court shall contain the exhibits substantially in the form set forth in: (i) the Notice (**Exhibit A-1**); (ii) the Proof of Claim (**Exhibit A-2**); and (iii) the Summary Notice (**Exhibit A-3**). The Notice shall include the general terms of the Settlement and the provisions of the Plan of Allocation, and shall set forth the procedure by which recipients of the Notice may object to the Settlement or the Plan of Allocation or request to be excluded from the Settlement Class. The date and time of the Settlement Hearing shall be added to the Notice before they are disseminated or otherwise provided to Settlement Class Members. Defendants shall not object to, or have any responsibility for, the dissemination of the Notice, Proof of Claim, or Summary Notice, or for Lead Counsel's proposed Plan of Allocation.

5.2 At the time of the submission described in ¶5.1 hereof, the Settling Parties, through their counsel, shall jointly request that, after the Notice is provided, the Court hold the

Settlement Hearing and (i) approve the Settlement as set forth herein and (ii) enter a final order and judgment substantially in the form of **Exhibit B** hereto, as promptly after the Settlement Hearing as possible.

6. Releases, Injunctions, and Covenants Not to Sue

6.1 Upon the Effective Date:

(a) The Releasing Plaintiff Parties, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, regardless of whether any such Releasing Party ever seeks or obtains by any means, including without limitation by submitting a Proof of Claim, any disbursement from the Settlement Fund, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Plaintiffs' Claims against the Released Defendant Parties.

(b) The Releasing Defendant Parties, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against the Released Plaintiff Parties.

(c) The Releasing Parties covenant not to sue the Released Parties with respect to all such Released Claims, and shall be permanently barred and enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, in any capacity, against any of the Released Parties.

(d) Nothing contained herein shall, however, release or bar the Releasing Parties from bringing any action or claim to enforce the terms of this Stipulation or the Final Judgment, and nothing herein shall release or bar any claims by Defendant Released Parties for any insurance coverage, indemnity, or advancement.

7. Contribution Bar Order

7.1 The Settling Parties shall request that the Court enter a Contribution Bar Order in the Final Order and Judgment as follows: To the fullest extent permitted by law, all Persons shall be permanently enjoined, barred, and restrained from bringing, commencing, prosecuting, or asserting any claims, actions, or causes of action for contribution, indemnity, or otherwise against any of the Released Parties seeking as damages or otherwise the recovery of all or any part of any liability, judgment, or settlement which they pay, are obligated to pay, agree to pay, or that are paid on their behalf to the Settlement Class or any Settlement Class Member arising out of, relating to or concerning any acts, facts, statements, or omissions that were or could have been alleged in the Action, whether arising under state, federal, or foreign law as claims, cross-claims, counterclaims, third-party claims, or otherwise, in the Court or any other federal, state, or foreign court, or in any arbitration proceeding, administrative agency proceeding, tribunal, or any other proceeding or forum. The foregoing text (beginning with the colon) shall be referred to herein as the “Contribution Bar Order.” For avoidance of doubt, nothing in the Contribution Bar Order shall bar or otherwise affect any claim for insurance coverage, indemnity, or advancement by any Defendant.

8. Administration and Calculation of Claims, Final Awards, and Supervision and Distribution of the Settlement Fund

8.1 Under the supervision of Lead Counsel, acting on behalf of the Settlement Class, and subject to such supervision and direction of the Court as may be necessary or as

circumstances may require, the Claims Administrator shall administer and calculate the claims submitted by Settlement Class Members and shall oversee distribution of the Net Settlement Fund (as defined below) to Authorized Claimants.

8.2 The Settlement Fund shall be applied as follows:

- (a) To pay the Taxes and Tax Expenses described in ¶4.1 above;
- (b) To pay Administrative Costs;
- (c) To pay Plaintiffs' Counsel's attorneys' fees and expenses with interest, as well as to pay Awards to Plaintiffs for reimbursement of their time and expenses (the "Fee and Expense Application"), to the extent allowed by the Court, detailed in ¶9.1 below; and,
- (d) To distribute the balance of the Settlement Fund, that is, the Settlement Fund less the items set forth in ¶8.2(a), (b), and (c) hereof (the "Net Settlement Fund"), plus all accrued interest, to the Authorized Claimants as allowed by this Stipulation, the Plan of Allocation, or the Court.

8.3 Upon and after the Effective Date, the Net Settlement Fund shall be distributed to Authorized Claimants in accordance with the terms of the Plan of Allocation set forth in the Notice and any orders of the Court.

8.4 This is not a claims-made settlement, and if all conditions of the Stipulation are satisfied and the Final Judgment becomes Final, no portion of the Settlement Fund will be returned to any of the Defendants or the insurers. Defendants, Defense counsel, the insurers, and the other Released Defendant Parties shall have no responsibility for, involvement in, interest in, or liability whatsoever with respect to the investment or distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person

shall have any Claims against Lead Counsel, the Released Defendant Parties, Plaintiffs, the Claims Administrator or any other agent designated by Lead Counsel based on distribution determinations or claim rejections made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or orders of the Court. Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed, where doing so is in the interest of achieving substantial justice.

8.5 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a condition of this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceedings relating to the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to modify, terminate or cancel this Stipulation, or affect or delay the finality of the Final Judgment and the releases contained therein, or any other orders entered pursuant to this Stipulation.

8.6 To assist in dissemination of notice, Arrow will cooperate in obtaining from Arrow's transfer records information concerning the identity of Settlement Class Members, including any names and addresses of Settlement Class Members and nominees or custodians that exists in such transfer records ("Settlement Class Information"). Provided, however, that nothing herein shall require Arrow to make efforts to identify Settlement Class Members other than record holders. Arrow shall provide, or cause to be provided, to Lead Counsel or the Claims Administrator, at no cost to Plaintiffs, within twenty (20) calendar days after the execution of this Stipulation and Agreement of Settlement, transfer records in electronic searchable form, such as

Excel, containing the Settlement Class Information. The Settling Parties acknowledge that any information provided to Lead Counsel by Arrow pursuant to this Paragraph shall be treated as confidential and will be used by Lead Counsel solely to deliver the Notice and/or implement the Settlement, including the Plan of Allocation.

8.7 If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be re-distributed, if economically feasible, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution, to Settlement Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution.

8.8. No Person shall have any Claim of any kind against the Released Defendant Parties with respect to the matters set forth in this Paragraph 8, and the Releasing Plaintiff Parties release the Released Defendant Parties from any and all liability and claims arising from or with respect to the administration, investment, or distribution of the Settlement Fund.

9. Plaintiffs' Counsel's Attorneys' Fees and Reimbursement of Expenses

9.1 Plaintiffs' Counsel may submit a Fee and Expense Application for distributions from the Settlement Fund to Plaintiffs' Counsel for: (i) an award of attorneys' fees with interest from the Settlement Fund; (ii) reimbursement of actual costs and expenses with interest, including the fees and expenses of any experts or consultants, incurred in connection with prosecuting the Action; and (iii) the Awards to Plaintiffs. Defendants shall take no position with respect to the Fee and Expense Application.

9.2 Except as otherwise provided in this paragraph, the attorneys' fees and expenses awarded by the Court shall be paid to Plaintiffs' Counsel from the Settlement Fund within fourteen (14) calendar days after the date the Court enters the Final Judgment and an order awarding such fees and expenses, notwithstanding any objections to or appeals of such order or of the Final Judgment. In the event that the Effective Date does not occur, or the Final Judgment is reversed or modified in any way that affects the award of attorneys' fees and expenses, or the Stipulation is terminated for any other reason, then Plaintiffs' Counsel shall be jointly and severally obligated to refund to the Escrow Account, within twenty (20) calendar days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, either the full amount of the fees and expenses or an amount consistent with any modification of the Final Judgment with respect to the fee and expense award, including accrued interest at the same rate as is earned by the Settlement Fund. Any Award to Plaintiffs shall not be paid from the Settlement Fund until after the Effective Date.

9.3 The procedure for, and allowance or disallowance by the Court of, the Fee and Expense Application are not conditions of the Settlement set forth in this Stipulation and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Stipulation. Any order or proceeding relating to the Fee and Expense Application, or any objection to, motion regarding, or appeal from any order or proceeding relating thereto or reversal or modification thereof, shall not operate to modify, terminate, or cancel this Stipulation, or affect or delay the finality of the Final Judgment or the releases contained therein or any other orders entered pursuant to this Stipulation.

9.4 Any award of attorneys' fees and expenses to Plaintiffs' Counsel or Awards to Plaintiffs shall be paid solely from the Settlement Fund and shall reduce the settlement

consideration paid to the Settlement Class accordingly. No Defendant shall have any responsibility for payment of Plaintiffs' Counsel's attorneys' fees and expenses, or Awards to Plaintiffs, beyond the obligation of Defendants to cause the funding of the Settlement Amount as set forth in ¶2.1 above. The Released Defendant Parties and their insurers shall have no responsibility for, and no liability whatsoever with respect to, any payments to Plaintiffs' Counsel, Plaintiffs, the Settlement Class and/or any other Person who receives payment from the Settlement Fund.

10. Class Certification

10.1 In the Final Judgment, the Settlement Class shall be certified solely for purposes of this Settlement, but in the event that the Final Judgment does not become Final or the Settlement fails to become effective for any reason, the Settling Parties do not agree to any class certification, and all Settling Parties reserve all their rights on all issues, including class certification. For purposes of this Settlement only, in connection with the Final Judgment, Defendants shall consent to (i) the appointment of Plaintiffs as the class representatives, (ii) the appointment of Plaintiffs' Lead Counsel as class counsel, and (iii) the certification of the Settlement Class pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure.

11. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

11. Plaintiffs, on behalf of the Settlement Class, and Defendants shall each have the right to terminate the Settlement and Stipulation by providing written notice of his or its election to do so ("Termination Notice") to all other Settling Parties within seven (7) Business Days of:

(i) entry of a Court order declining to enter the Preliminary Approval Order in any material respect;

- (ii) entry of a Court order declining to approve this Stipulation in any material respect;
- (iii) entry of a Court order declining to enter the Contribution Bar Order in any material respect;
- (iv) entry of a Court order declining to enter the Final Judgment in any material respect;
- (v) entry of a Court order declining to dismiss the Action with prejudice;
- (vi) entry of an order by which the Final Judgment is modified or reversed in any material respect by any appeal or review; or
- (vii) failure on the part of any Settling Party to abide, in any material respect, with the terms of this Stipulation.

In the absence of any of the events enumerated in the preceding sentence, ¶11.2, ¶ 11.5, or ¶ 11.6, no Party shall have the right to terminate the Stipulation for any reason.

11.2 If the Settlement Amount is not paid into the Escrow Account in accordance with ¶2.1 of this Stipulation, then Plaintiffs, on behalf of the Settlement Class, shall have the right to: (a) terminate the Settlement and Stipulation by providing written notice to Defendants at any time prior to the Court's entry of the Final Judgment; or (b) enforce the terms of the Settlement and this Stipulation and seek a judgment effecting the terms herein.

11.3 The Effective Date of this Stipulation ("Effective Date") shall not occur unless and until each of the following events occurs, and it shall be the date upon which the last in time of the following events occurs:

(a) Defendants have not exercised their option to terminate the Settlement pursuant to ¶11.5;

(b) The Court has entered **Exhibit A** attached hereto, or an order containing materially the same terms, as the Preliminary Approval Order;

(c) The sum of \$850,000 (eight hundred and fifty thousand U.S. dollars) has been paid into the Escrow Account, as set forth in ¶2.1;

(d) The Court has approved the Settlement, following notice to the Settlement Class and the Settlement Hearing, and has entered the Final Judgment;

(e) The Court has entered the Contribution Bar Order;

(f) The Final Judgment has become Final as defined in ¶1.14; and

(g) The Action has been dismissed with prejudice.

11.4 Upon the occurrence of the Effective Date, any and all interest or right of Defendants or their insurers in or to the Settlement Fund, if any, shall be absolutely and forever extinguished, except as set forth in this Stipulation.

11.5 If, prior to Final Judgment, Persons who otherwise would be Settlement Class Members have filed with the Court valid and timely requests for exclusion from the Settlement Class in accordance with the provisions of the Preliminary Approval Order and the notice given pursuant thereto (“Opt-Outs”), or requests for exclusion that are otherwise accepted by the Court, and such Persons in the aggregate purchased Arrow securities during the Settlement Class Period in an amount greater than the amount specified in a separate Supplemental Agreement between the Settling Parties (“Supplemental Agreement”), then Arrow shall have, in its sole and absolute discretion, the option to terminate this Stipulation and Settlement in strict accordance with the requirements and procedures set forth in the Supplemental Agreement (hereinafter, the

“Supplemental Termination Option”). The Supplemental Agreement shall not be filed with the Court unless and until a dispute among the Settling Parties concerning its interpretation or application arises, or if the Court otherwise requests such filing.

11.6 Defendants shall not have the right to terminate the Stipulation if the Settlement Amount is not paid pursuant to ¶2.1. None of the Settling Parties, or any of them individually, shall have any obligation whatsoever to proceed under any terms other than those provided for and agreed herein. If any Settling Party engages in a material breach of the terms hereof, any other Settling Party may terminate this Stipulation on notice to all the Settling Parties provided that such Settling Party is in substantial compliance with the terms of this Stipulation.

11.7 In the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, the Settling Parties shall be restored to their respective positions in the Action immediately prior to April 22, 2024, and they shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered, and in that event all of their respective claims and defenses as to any issue in the Action shall be preserved without prejudice.

11.8 In the event that the Stipulation is not approved by the Court or the Settlement set forth in this Stipulation is terminated or fails to become effective in accordance with its terms, the terms and provisions of this Stipulation, except as otherwise provided herein, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

11.9 In the event the Stipulation shall be terminated, or be canceled, or shall not become effective for any reason, within twenty (20) calendar days (except as otherwise provided

in the Supplemental Agreement) after the occurrence of such event, the Settlement Fund (less taxes already paid and any reasonable Administrative Costs, which have either been disbursed or are determined to be chargeable) shall be refunded by the Escrow Agent to Defense Counsel, to be held in a client trust account for further distribution as appropriate, plus accrued interest attributable to that amount by check or wire transfer pursuant to written instructions from Defense Counsel. At the request of Defense Counsel, the Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written direction from Defense Counsel.

11.10 No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the Fee and Expense Application shall constitute grounds for cancellation or termination of the Stipulation.

12. No Admission of Liability or Wrongdoing

12.1 The Settling Parties covenant and agree that neither this Stipulation (including the exhibits hereto), nor the fact of the Settlement, nor any terms of the Settlement, nor any communication relating thereto, nor the Supplemental Agreement, is evidence, or an admission, presumption, or concession by any Settling Party or its counsel, any Settlement Class Member, or any of the Released Parties of any fault, liability, or wrongdoing whatsoever, as to any facts or claims alleged or that have been or could have been asserted in the Action, or in any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or that have been or could have been asserted in any such action or proceeding. This Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Action, any wrongdoing by any Settling Party, Settlement Class Member, or any of the Released Parties, or

any damages or injury to any Settling Party, Settlement Class Member, or any Released Parties. Neither this Stipulation, nor the Supplemental Agreement, nor any of the terms and provisions of this Stipulation or the Supplemental Agreement, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statement in connection therewith, (a) shall (i) be argued to be, used or construed as, offered or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on the part of any Released Party, or of any infirmity of any defense, or of any damages to the Plaintiffs or any other Settlement Class Member, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Parties concerning any fact or any purported liability, fault, or wrongdoing of the Released Parties or any injury or damages to any person or entity, or (b) shall otherwise be admissible, referred to, or used in any proceeding of any nature, for any purpose whatsoever; provided, however, that (i) the Stipulation or the Supplemental Agreement or the Final Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to enforce the Settlement or Supplemental Agreement or Final Judgment, or as otherwise required by law; and (ii) the Released Parties may file this Stipulation or the Supplemental Agreement and/or the Final Judgment from this Action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statute of limitations, statute of repose, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection under any applicable insurance policy.

13. Miscellaneous Provisions

13.1 Except in the event of the filing of a Termination Notice pursuant to ¶¶11.1, 11.2, 11.5, or 11.6 of this Stipulation or termination notice in accordance with the Settling Parties' Supplemental Agreement, the Settling Parties shall take all actions necessary to consummate this agreement; and agree to cooperate with each other to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation.

13.2 The Settling Parties and their counsel represent that they will not encourage or otherwise influence (or seek to influence) any Settlement Class Members to request exclusion from, or object to, the Settlement.

13.3 Each of the attorneys executing this Stipulation, any of its exhibits, or any related settlement documents on behalf of any Settling Party hereto hereby warrants and represents that he or she has been duly empowered and authorized to do so by the Settling Party he or she represents.

13.4 Plaintiffs and Lead Counsel represent and warrant that the Plaintiffs are Settlement Class Members and none of Plaintiffs' claims or causes of action against one or more Defendants in the Action, or referred to in this Stipulation, or that could have been alleged against one or more Defendants in the Action have been assigned, encumbered, or in any manner transferred in whole or in part.

13.5 This Stipulation, together with the Supplemental Agreement, constitute the entire agreement between the Settling Parties related to the Settlement and supersede any prior agreements. No representations, warranties, promises, inducements, or other statements have been made to or relied upon by any Settling Party concerning this Stipulation, other than the representations, warranties, and covenants expressly set forth herein and in the Supplemental

Agreement. Plaintiffs, on behalf of themselves and the Settlement Class, acknowledge and agree that any and all other representations and warranties of any kind or nature, express or implied, are specifically disclaimed and were not relied upon in connection with this Stipulation. In entering this Stipulation, the Settling Parties relied solely upon their own knowledge and investigation. Except as otherwise provided herein, each Settling Party shall bear its own costs.

13.6 This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Settling Parties or their counsel or their respective successors in interest.

13.7 This Stipulation shall be binding upon, and shall inure to the benefit of, the Settling Parties and their respective agents, successors, executors, heirs, and assigns.

13.8 The Released Parties who do not appear on the signature lines below are acknowledged and agreed to be third party beneficiaries of this Stipulation and Settlement.

13.9 The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

13.10 This Stipulation may be executed in any number of counterparts by any of the signatories hereto and the transmission of an original signature page electronically (including by facsimile or portable document format) shall constitute valid execution of the Stipulation as if all signatories hereto had executed the same document. Copies of this Stipulation executed in counterpart shall constitute one agreement.

13.11 This Stipulation, the Settlement, the Supplemental Agreement, and any and all disputes arising out of or relating in any way to this Stipulation, whether in contract, tort, or otherwise, shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles.

13.12 The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Stipulation, and all parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in this Stipulation. The Court shall retain exclusive jurisdiction to enforce all injunctions set forth herein.

13.13 The Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties.

13.14 Plaintiffs, Plaintiffs' Counsel, Defendants, Defense Counsel, and the attorneys, staff, experts, and consultants assisting them in this Action agree that (a) they will not intentionally assist or cooperate with any person or entity in the pursuit of legal action related to the subject matter of this Action against the Released Parties, (b) they will not intentionally assist or cooperate with any person or entity seeking to publicly disparage or economically harm the Released Parties with respect to any matter relating to the subject matter of this Action, and (c) they will not discuss any confidential matters related to this Action or the Settlement with anyone.

13.15 All agreements by, between, or among the Settling Parties, their counsel, and their other advisors as to the confidentiality of information exchanged between or among them shall remain in full force and effect, and shall survive the execution and any termination of this Stipulation and the final consummation of the Settlement, if finally consummated, without regard to any of the conditions of the Settlement.

13.16 The Settling Parties shall not assert or pursue any action, claim, or rights that any party violated any provision of Rule 11 of the Federal Rules of Civil Procedure and/or the Private Securities Litigation Reform Act of 1995 in connection with this Action, the Settlement,

the Stipulation, or the Supplemental Agreement. The Settling Parties agree that the Action was resolved in good faith following arm's-length bargaining, in full compliance with applicable requirements of good faith litigation under the Securities Exchange Act of 1934, Rule 11 of the Federal Rules of Civil Procedure and/or the Private Securities Litigation Reform Act of 1995.

13.17 Any failure by any of the Settling Parties to insist upon the strict performance by any other Settling Party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the provisions hereof, and such Settling Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Stipulation to be performed by the other Settling Parties to this Stipulation.

13.18 The waiver, express or implied, by any Settling Party of any breach or default by any other Settling Party in the performance of such other Settling Party's obligations under the Stipulation shall not be deemed or construed to be a waiver of any other breach, whether prior, subsequent, or contemporaneous, under this Stipulation.

13.19 Pursuant to the Class Action Fairness Act ("CAFA"), no later than ten (10) calendar days after this Stipulation is filed with the Court, and the parties agree such filing will be made by June 7, 2024, the Defendants shall complete service on the appropriate federal and state government officials of all notices required under the Class Action Fairness Act, 28 U.S.C. § 1715, and shall thereafter notify Lead Counsel as to completion of such service. Defendants shall pay the costs of providing CAFA notice.

13.20 The Settling Parties reserve the right, subject to the Court's approval, to make any reasonable extensions of time that might be necessary to carry out any of the provisions of this Stipulation.

13.21 All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (iii) seven (7) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Plaintiffs or Lead Counsel:

POMERANTZ LLP
Brenda Szydlo
600 Third Avenue, 20th Floor
New York, New York 10016

If to Defendants or Defense Counsel:

O'MELVENY & MYERS LLP
William J. Sushon
1301 Avenue of the Americas, 17th Floor
New York, New York 10019

IN WITNESS WHEREOF, the Settling Parties have executed this Stipulation by their undersigned counsel effective as of June 7, 2024.

<p><u>/s/ Brenda Szydlo</u></p> <p>POMERANTZ LLP Jeremy A. Lieberman Brenda Szydlo (admitted <i>pro hac vice</i>) Dean P. Ferrogari (admitted <i>pro hac vice</i>) 600 Third Avenue, 20th Floor New York, NY 10016 Telephone: (212) 661-1100 Facsimile: (917) 463-1044 jalieberman@pomlaw.com bszydlo@pomlaw.com dferrogari@pomlaw.com</p> <p><i>Attorneys for Plaintiffs and the Proposed Class</i></p>	<p><u>/s/ William J. Sushon</u></p> <p>O'MELVENY & MYERS LLP William J. Sushon (Bar Number: 704744) Javed S. Yunus (Bar Number: 704749) 1301 Avenue of the Americas, 17th Floor New York, NY 10019 Telephone: (212) 326-2000 wsushon@omm.com jyunus@omm.com</p> <p><i>Attorneys for Defendants</i></p>
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EXHIBIT A

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

ROBERT C. ASHE and JEFFREY S. GOHN,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

ARROW FINANCIAL CORPORATION,
THOMAS J. MURPHY, PENKO K. IVANOV,
and EDWARD J. CAMPANELLA,

Defendants.

Case No. 1:23-cv-00764-AMN-DJS

EXHIBIT A

CLASS ACTION

**[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT**

WHEREAS, Lead Plaintiff Robert C. Ashe and Plaintiff Jeffrey S. Gohn (collectively, “Plaintiffs”) on behalf of themselves and the Settlement Class, and Defendants Arrow Financial Corporation (“Arrow”), Thomas J. Murphy (“Murphy”), Penko K. Ivanov (“Ivanov”), and Edward J. Campanella (“Campanella” and, together with Murphy and Ivanov, the “Individual Defendants,” and together with Arrow, “Defendants”) have entered into the Stipulation and Agreement of Settlement, dated June 7, 2024 (“Stipulation”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement and dismissal of the class action pending before the Court, entitled *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y) (the “Action”); and the Court having read and considered the Stipulation and the exhibits thereto and submissions made relating thereto, and finding that substantial and sufficient grounds exist for entering this Order; and the Settling Parties having consented to the entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED, this ____ day of _____, 2024, that:

1. Capitalized terms used herein have the meanings defined in the Stipulation.
2. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Action is hereby preliminarily certified as a class action on behalf of all Persons (including, without limitation, their beneficiaries) who purchased or otherwise acquired Arrow Securities between August 6, 2022 and May 12, 2023, both dates inclusive, and who were allegedly damaged thereby.
3. Excluded from the Settlement Class are (i) Individual Defendants; (ii) the officers and directors of Arrow, at all relevant times; (iii) members of the Individual Defendants’

immediate families and their legal representatives, heirs, successors or assigns; and (iv) any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are any persons who, and entities which, exclude themselves by submitting a request for exclusion from the Settlement Class that is accepted by the Court.

4. This Court finds, preliminarily and for purposes of this Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members of the Settlement Class is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Plaintiffs are typical of the claims of the Settlement Class they seek to represent; (d) Plaintiffs fairly and adequately represent the interests of the Settlement Class; (e) questions of law and fact common to the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of this Settlement only, Plaintiffs are certified as the class representatives on behalf of the Settlement Class (“Class Representatives”) and Lead Counsel, previously selected by Plaintiffs and appointed by the Court, are hereby appointed as class counsel for the Settlement Class (“Class Counsel”).

6. The Court finds that (a) the Stipulation resulted from good faith, arm’s length negotiations, and (b) the Stipulation is sufficiently fair, reasonable, and adequate to the Settlement Class Members to warrant providing notice of the Settlement to Settlement Class Members and holding a Settlement Hearing.

7. The Court hereby preliminarily approves the Settlement, subject to further

consideration at a hearing (“Settlement Hearing”) pursuant to Federal Rule of Civil Procedure 23(e), which is hereby scheduled to be held before the Court on _____ for the following purposes: (a) to determine finally whether the applicable prerequisites for class action treatment under Federal Rules of Civil Procedure 23(a) and (b) are satisfied; (b) to determine finally whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court; (c) to determine finally whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Action with prejudice, and to determine whether the release by the Releasing Parties of the Released Claims against the Released Parties, as set forth in the Stipulation, should be ordered, along with a permanent injunction barring efforts to prosecute or attempt to prosecute any Released Claims extinguished by the release against any of the Released Parties, as also set forth in the Stipulation; (d) to determine finally whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court; (e) to consider the application of Class Counsel for an award of attorneys’ fees, expenses, and awards to the Class Representatives; (f) to consider Settlement Class Members’ objections to the Settlement, if any, whether submitted previously in writing or presented orally at the Settlement Hearing by Settlement Class Members (or by counsel on their behalf), provided that they gave proper notice that they intend to appear at the Settlement Hearing; and (g) to rule upon such other matters as the Court may deem appropriate.

8. The Court approves the form, substance, and requirements of (a) the Notice of Pendency and Proposed Settlement of Securities Class Action (“Notice”), (b) the Proof of Claim and Release Form, and (c) the Summary Notice of Pendency and Proposed Securities Class Action Settlement (“Summary Notice”), all of which are attached as Exhibits A-1, A-2, and A-3, respectively, to the Stipulation.

9. Class Counsel has the authority to enter into the Settlement on behalf of the Settlement Class and has the authority to act on behalf of the Settlement Class with respect to all acts or consents required by or that may be given pursuant to the Stipulation or such other acts that are reasonably necessary to consummate the Settlement.

10. For settlement purposes only, Strategic Claims Services, Inc. is appointed and approved as the Claims Administrator to supervise and administer the notice procedure as well as the processing of claims.

11. Within thirty (30) calendar days of the entry of this Order, Class Counsel, through the Claims Administrator, shall either: (a) email the Notice to Settlement Class Members for whom the Claims Administrator is able to obtain email addresses, substantially in the form annexed to the Settlement Stipulation as Exhibit A-1 or (b) cause the Notice, substantially in the form annexed to the Settlement Stipulation as Exhibit A-1, if no electronic mail address can be obtained, to be mailed, by first class mail, postage prepaid, to Settlement Class Members who can be identified with reasonable effort by Class Counsel, through the Claims Administrator.

12. The Court approves the appointment of Huntington National Bank as the Escrow Agent. The Escrow Agent may, at any time after entry of this Order and without further approval from Defendants or the Court, disburse at the direction of Class Counsel up to \$125,000 from the Settlement Fund prior to the Effective Date to pay Administrative Costs.

13. If not yet completed according to ¶8.6 of the Stipulation, no later than twenty (20) calendar days after the date of this Order, Arrow shall provide and/or cause its transfer agent to provide to Class Counsel, at no cost to Plaintiffs, transfer records information concerning the identity of Settlement Class Members in a usable electronic format, such as an excel spreadsheet. This information will be kept confidential and not used for any purpose other than to provide the

notice contemplated by this Order.

14. Class Counsel, through the Claims Administrator, shall make all reasonable efforts to give notice to nominees or custodians who held Arrow securities during the Settlement Class Period as record owners but not as beneficial owners. Such nominees or custodians shall, within ten (10) calendar days of receipt of the Notice, either: (i) request copies of the Notice sufficient to send the Notice to all beneficial owners for whom they are nominee or custodian, and within ten (10) calendar days after receipt thereof send copies to such beneficial owners; (ii) request an electronic copy of the Notice and email the Notice in electronic format to each beneficial owner for whom they are nominee or custodian within ten (10) calendar days after receipt thereof; or (iii) provide the Claims Administrator with lists of the names, last known addresses, and email addresses (to the extent known) of such beneficial owners, in which event the Claims Administrator shall promptly deliver the Notice to such beneficial owners. If the Claims Administrator receives an email address, it will send a Notice electronically. Nominees or custodians who elect to send the Notice to their beneficial owners shall send a written certification to the Claims Administrator confirming that the mailing or emailing has been made as directed. Additional copies of the Notice shall be made available to any nominee or custodian requesting the same for the purpose of distribution to beneficial owners. The Claims Administrator shall, if requested, reimburse nominees or custodians out of the Settlement Fund solely for their reasonable out-of-pocket expenses actually incurred in providing notice to beneficial owners, up to a maximum of \$0.05 plus postage at the rate used by the Claims Administrator per Notice mailed, or emailing of Notice up to \$0.05 per email, or up to \$0.05 per name and address, and subject to further order of this Court with respect to any dispute concerning such reimbursement.

15. Class Counsel shall, at least seven (7) calendar days before the Settlement Hearing

(i.e., on or before _____), serve upon Defense Counsel and file with the Court proof of the mailing of the Notice as required by this Order.

16. Class Counsel, through the Claims Administrator, shall cause the Stipulation and its exhibits, this Order, a copy of the Notice, and the Proof of Claim and Release Form to be posted on the Claims Administrator's website within thirty (30) calendar days after entry of this Order.

17. Class Counsel, through the Claims Administrator, shall cause the Summary Notice to be published once in *Investor's Business Daily* and transmitted once over the *PR Newswire* within thirty (30) calendar days after the entry of this Order. Class Counsel shall, at least seven (7) calendar days before the Settlement Hearing (i.e., no later than _____), serve upon Defense Counsel and file with the Court proof of publication of the Summary Notice.

18. The forms and methods set forth herein of notifying the Settlement Class Members of the Settlement and its terms and conditions meet the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and 15 U.S.C. § 77z-1(a)(7); constitute the best notice practicable under the circumstances; and constitute due and sufficient notice to all persons and entities entitled thereto. No Settlement Class Member will be relieved from the terms and conditions of the Settlement, including the releases provided for therein, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice.

19. In order to be entitled to participate in recovery from the Net Settlement Fund after the Effective Date, each Settlement Class Member shall take the following action and be subject to the following conditions:

(a) A properly completed and executed Proof of Claim and Release Form must be submitted to the Claims Administrator: (a) electronically through the Claims Administrator's website, www.strategicclaims.net/Arrow/ by 11:59 p.m. EST on _____; or (b) at the Post

Office Box indicated in the Notice, postmarked no later than _____ (seven (7) calendar days after the Settlement Hearing). Such deadline may be further extended by Order of the Court. Each Proof of Claim and Release Form shall be deemed to have been submitted when: (a) the Person submitting the claim (“Claimant”) receives a confirmation notice from the Claims Administrator for electronic submissions; or (b) legibly postmarked (if properly addressed and mailed by first class mail) provided such Proof of Claim and Release Form is actually received before the filing of a motion for an Order of the Court approving distribution of the Net Settlement Fund.

(b) The Proof of Claim and Release Form submitted by each Settlement Class Member must satisfy the following conditions: (i) it must be properly completed, signed, and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator or Class Counsel; (iii) if the person executing the Proof of Claim and Release Form is acting in a representative capacity, a certification of his, her, or its current authority to act on behalf of the Settlement Class Member must be provided with the Proof of Claim and Release Form; and (iv) the Proof of Claim and Release Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) Once the Claims Administrator has considered a timely submitted Proof of Claim and Release Form, it shall determine whether such claim is valid, deficient, or rejected. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a

deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so determined. Persons who timely submit a Proof of Claim and Release Form that is deficient or otherwise rejected shall be afforded reasonable time (at least ten (10) calendar days) to cure such deficiency if it shall appear that such deficiency may be cured. If any Claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the Claimant must, within ten (10) calendar days after the date of mailing of the notice, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's ground for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If an issue concerning a claim cannot be otherwise resolved, Class Counsel shall thereafter present the request for review to the Court.

(d) As part of the Proof of Claim and Release Form, each Settlement Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall, upon the Effective Date, release all claims as provided in the Stipulation. No discovery shall be allowed on the merits of the Action or the Settlement in connection with the processing of the Proof of Claim and Release Forms.

20. All Settlement Class Members who do not submit valid and timely Proof of Claim and Release Forms will be forever barred from receiving any payments from the Net Settlement Fund but will in all other respects be subject to and bound by the provisions of the Stipulation and the Order and Final Judgment, if entered.

21. Settlement Class Members shall be bound by all determinations and judgments in this Action whether favorable or unfavorable, unless such Persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A Settlement Class Member wishing to make such request for exclusion shall mail it, in written form, by first class

mail, postage prepaid, or otherwise deliver it, so that it is received no later than _____ (twenty-one (21) calendar days prior to the Settlement Hearing) (“Exclusion Deadline”), to the addresses listed in the Notice. In order to be valid, such request for exclusion (A) must clearly indicate the name and address and phone number and e-mail contact information (if any) of the Person seeking exclusion, and state that the sender specifically “requests to be excluded from the Settlement Class in *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y.)”, and (B) state the identity and number of Arrow securities that the person or entity requesting exclusion purchased/acquired and sold during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale, and the number of securities held at the beginning of the Settlement Class Period. In order to be valid, such request for exclusion must be submitted with documentary proof (i) of each purchase or acquisition and, if applicable, sale transaction of Arrow securities during the Settlement Class Period and (ii) demonstrating the Person’s status as a beneficial owner of the Arrow securities. Any such request for exclusion must be signed and submitted by the beneficial owner under penalty of perjury. The request for exclusion shall not be effective unless it provides the required information, is legible, and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Class Counsel may contact any Person filing a request for exclusion, or their attorney if one is designated, to discuss the exclusion.

22. The Claims Administrator shall provide all requests for exclusion and supporting documentation submitted therewith (including untimely requests and revocations of requests) to counsel for the Settling Parties as soon as possible and no later than the Exclusion Deadline or upon the receipt thereof (if later than the Exclusion Deadline). The Settlement Class will not include any Person who delivers a valid and timely request for exclusion.

23. Any Person that submits a request for exclusion may thereafter submit to the Claims Administrator a written revocation of that request for exclusion, provided that it is received no later than two (2) Business Days before the Settlement Hearing, in which event that Person will be included in the Settlement Class.

24. All Persons who submit a valid, timely, and unrevoked request for exclusion will be forever barred from receiving any payments from the Net Settlement Fund.

25. The Court will consider objections to the Settlement, the Plan of Allocation, and the Fee and Expense Application, provided, however, that no Settlement Class Member or other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement or, if approved, the Order and Final Judgment, or any other order relating thereto, unless that Person has (A) served copies of any objections, papers, and briefs to each of the following counsel at least twenty-one (21) calendar days prior to the Settlement Hearing date (*i.e.*, no later than _____):

PLAINTIFFS' COUNSEL:

Brenda Szydlo, Esq.
POMERANTZ LLP
600 Third Avenue, 20th Floor
New York, New York 10016

DEFENSE COUNSEL:

William J. Sushon, Esq.
O'MELVENY & MYERS LLP
1301 Avenue of the Americas, 17th Floor
New York, New York 10019

and (B) that Person has no later than _____ (at least twenty-one (21) calendar days prior to the Settlement Hearing date) filed said objections, papers, and briefs, showing due proof of service upon counsel identified above, with the Clerk of the Court, U.S. District Court, Northern District

of New York, 445 Broadway, Albany, New York 12207. To be valid, any such objection must contain the Settlement Class Member's (1) name, address, and telephone number, (2) a list of all purchases and sales of Arrow securities during the Settlement Class Period in order to show membership in the Settlement Class, (3) all grounds for the objection, including any legal support known to the Settlement Class Member and/or his, her, or its counsel, and (4) the name, address, and telephone number of counsel who represent the Settlement Class Member. Attendance at the Settlement Hearing is not necessary but Persons wishing to be heard orally in opposition to the approval of the Settlement Stipulation, the Plan of Allocation, and/or the Fee and Expense Application are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

26. Any Settlement Class Member who does not object in the manner prescribed above shall be deemed to have waived all such objections and shall forever be foreclosed from making any objection to the fairness, adequacy, or reasonableness of the Settlement, the Order and Final Judgment to be entered approving the Settlement, the Plan of Allocation, and/or the Fee and Expense Application, unless otherwise ordered by the Court; shall be bound by all the terms and provisions of the Stipulation and by all proceedings, orders, and judgments in the Action; and shall also be foreclosed from appealing from any judgment or order entered in this Action.

27. All papers in support of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application shall be filed and served no later than twenty-eight (28) calendar days before

the Settlement Hearing, that is, no later than _____.

28. Any submissions filed in response to any objections or in further support of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application shall be filed no later than seven (7) calendar days before the Settlement Hearing, that is, no later than _____.

29. Defendants, Defense Counsel, the insurers, and other Released Defendant Parties shall have no responsibility for, or liability with respect to, the Plan of Allocation or any application for attorneys' fees, expenses or awards to the Class Representatives submitted by Class Counsel, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

30. Pending final determination of whether the Settlement should be approved, all Releasing Parties shall be enjoined from commencing, prosecuting, or attempting to prosecute any Released Claims against any Released Party in any court or tribunal or proceeding. Unless and until the Stipulation is cancelled or terminated pursuant to the Stipulation, all proceedings, including motions and discovery, in the Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Stipulation, are hereby stayed and suspended until further order of the Court.

31. All funds held by the Escrow Agent shall be deemed and considered to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed or returned pursuant to the Stipulation and Plan of Allocation and/or further order(s) of the Court.

32. Neither the Stipulation, nor any of its terms or provision, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants, Defense Counsel, the insurers, or any of the other Released Parties of the truth of any of the

allegations in the Action, or of any liability, fault, or wrongdoing of any kind and shall not be construed as, or deemed to be evidence of or an admission or concession that Class Representatives or any Settlement Class Members have suffered any damages, harm, or loss. Further, neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, nor this Order shall be construed as an admission or concession by the Class Representatives of the validity of any factual or legal defense or of the infirmity of any of the claims or facts alleged in this Action.

33. In the event the Settlement is not consummated in accordance with the terms of the Stipulation, then the Stipulation and this Order (including any amendment(s) thereof, and except as expressly provided in the Stipulation or by order of the Court) shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any action or proceeding by any Person against the Settling Parties or the Released Parties, and each Settling Party shall be restored to his, her or its respective litigation positions as they existed before April 22, 2024, pursuant to the terms of the Stipulation.

34. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the Class Members, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth in ¶7 above, or to adjourn the Settlement Hearing without any further notice other than entry of an Order on the Court's docket. The Court further reserves the right to approve the Settlement without modification, or with such modifications as may be agreed to by the Settling Parties, without further notice to the Settlement Class, and reserves the right to enter an order and final judgment approving the Settlement and dismissing the Action with prejudice, regardless of whether it has approved the Plan of Allocation or awarded attorneys' fees and expenses. The Court retains

exclusive jurisdiction over the Action to consider all further matters arising out of, or relating to, the Stipulation, including by way of illustration and not limitation, any dispute concerning any Proof of Claim and Release Form submitted and any future requests by one or more of the Parties that the Order and Final Judgment, the releases and/or the permanent injunction set forth in the Settlement Stipulation be enforced.

Dated: _____, 2024

HON. ANNE M. NARDACCI
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

ROBERT C. ASHE and JEFFREY S. GOHN,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

ARROW FINANCIAL CORPORATION,
THOMAS J. MURPHY, PENKO K. IVANOV,
and EDWARD J. CAMPANELLA,

Defendants.

Case No. 1:23-cv-00764-AMN-DJS

**EXHIBIT A-1
CLASS ACTION**

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired securities of Arrow Financial Corporation (“Arrow” or the “Company”) during the period from August 6, 2022 and May 12, 2023, you could get a payment from a proposed class action settlement (“Settlement”).

Under law, a federal court has authorized this Notice. This is not attorney advertising.

- If approved by the Court, the Settlement will provide eight hundred and fifty thousand dollars) (\$850,000) (“Settlement Amount”) gross, plus interest as it accrues, minus attorneys’ fees and costs, awards to class representatives, administrative expenses, and net of any taxes on interest, to pay claims of investors who purchased or otherwise acquired Arrow securities during the Settlement Class Period.
- Based on Plaintiffs’ consulting damages expert’s estimate of the number of Arrow securities purchased or otherwise acquired during the Settlement Class Period that may have been affected by the alleged conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per allegedly damaged security is \$0.35. Settlement Class Members should note, however, that the foregoing average recovery per security is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their Arrow securities, and the total number and recognized loss amount of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* paragraph 7 below) or such other plan of allocation as may be ordered by the Court.

- Plaintiffs' Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel Pomerantz LLP will apply to the Court for an award of attorneys' fees in an amount not to exceed 33.4% of the Settlement Fund plus interest for Plaintiffs' Counsel. In addition, Lead Counsel will apply for reimbursement of litigation expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$85,000 plus interest. In addition, Lead Counsel may apply for Awards to Plaintiffs in connection with their representation of the Settlement Class in an amount not to exceed \$4,000, combined. Lead Counsel has also applied for up to \$125,000 to pay for Administrative Costs, including all costs and expenses associated with providing notice of the Settlement to the Settlement Class and otherwise administering or carrying out the terms of the Settlement. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. An estimate of the average cost per allegedly damaged Arrow security, if the Court approves Lead Counsel's Fee and Expense Application (which includes the request for Awards to Plaintiffs) and Administrative Costs, is \$0.16 per allegedly damaged security.
- The Settlement resolves the Action concerning whether Arrow and certain of its officers, Thomas J. Murphy, Penko K. Ivanov, and Edward J. Campanella (collectively, "Defendants") violated federal securities laws, specifically Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by allegedly making misrepresentations and/or omissions of material fact in various filings with the U.S. Securities and Exchange Commission ("SEC") concerning Arrow's disclosure controls and procedures and internal controls over financial reporting. The Settlement also bars any and all claims for contribution or indemnity against any of the Released Parties arising out of, relating to or concerning any acts, facts, statements, or omissions that were or could have been alleged in the Action. Defendants have denied and continue to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever. Defendants have also denied, *inter alia*, the allegations that Plaintiffs or the Settlement Class have suffered damages or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action. Defendants continue to believe the claims asserted against them in the Action are without merit.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN _____, 202_.	This is the only way to be potentially eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and by the release of claims against Defendants and other Released
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	Defendant Parties (as described in paragraph 9 below) so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 202_.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Defendant Parties concerning the Released Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 202_.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
ATTEND A HEARING ON _____, 202_ AT ____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 202_.	Filing a written objection and notice of intention to appear by _____, 202_, allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

INQUIRIES

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Proof of Claim and Release Form, or any other questions by Settlement Class Members should be directed to:

Arrow Financial Corporation Securities Settlement
 Strategic Claims Services
 P.O. Box 230
 600 N. Jackson Street, Suite 205
 Media, PA 19063
 866-274-4004
 Email at info@strategicclaims.net
www.strategicclaims.net/Arrow/

Or
Brenda Szydlo
POMERANTZ LLP
600 Third Avenue, 20th Floor,
New York, NY, 10606
(212) 661-1100
bszydlo@pomlaw.com

Lead Counsel

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation of Settlement, dated June 7, 2024 (“Stipulation”).

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired Arrow Securities between August 6, 2022 through May 12, 2023, both dates inclusive.

2. What is this lawsuit about?

The case is known as *Ashe v. Arrow Financial Corporation et al.*, Case No. 1:23-cv-00764-AMN-DJS (N.D.N.Y.) (“Action”). The Court in charge of the case is the United States District Court for the Northern District of New York. The Action involves allegations that Defendants violated certain federal securities laws by making materially false and/or misleading statements concerning Arrow’s defective disclosure controls and procedures and internal controls over financial reporting which increased the risk that the Company could not timely file one or more of its periodic financial reports with the SEC. The Amended Class Action Complaint (“Complaint”) alleges that once true facts were disclosed, Arrow’s share price declined. Defendants have denied and continue to deny each, any, and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted in the Action. The Settlement shall in no event be construed as, or deemed to be evidence of, liability, fault, wrongdoing, injury, or damages, or of any wrongful conduct, acts, or omissions on the part of any of the Released Parties, or of any infirmity of any defense, or of any damages to the Plaintiffs or any other Settlement Class Member. The Settlement resolves all of the claims in the Action, as well as certain other claims or potential claims, whether known or unknown.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and/or entities are known

as class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs' allegations and Defendants' defenses with respect to liability or the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to prevail at trial on each claim. The issues on which Plaintiffs and Defendants disagree include, but are not limited to: (1) whether the challenged statements were materially false or misleading or otherwise actionable under federal securities law; (2) whether the challenged statements were made with scienter; (3) the causes of the loss(es) in the value of Arrow securities; and (4) the amount of alleged damages, if any, that could be recovered at trial.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the case. Plaintiffs and Lead Counsel believe the Settlement is best for all Settlement Class Members because of the risks associated with continued litigation and the nature of the defenses raised by Defendants. Among the reasons that Plaintiffs and Lead Counsel believe the Settlement is fair is the fact that there is uncertainty about whether they will be able to prove that any challenged statement was false or misleading, that the alleged misstatements and omissions actually caused the Settlement Class any damages, and the amount of damages, if any.

Even if Plaintiffs were to win at trial, and also prevail on any on appeal, Plaintiffs might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, there is also a significant risk that, even if Plaintiffs' allegations were found to be true, the total amount of damages to which Settlement Class Members would be entitled could be substantially reduced.

5. How do I know if I am part of the Settlement?

The Settlement Class consists of all Persons and entities that purchased or otherwise acquired Arrow securities during the Settlement Class Period, and who were allegedly damaged thereby. Excluded from the Settlement Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded are any persons or entities who properly exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set by the Court.

6. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Claims Administrator by telephone at 866-274-4004, by email at info@strategicclaims.net or visit the website at www.strategicclaims.net/Arrow/ or fill out and return the Proof of Claim and Release Form described in Paragraph 8, to see if you qualify.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement provides for Defendants and/or the Company's insurers to pay eight hundred and fifty thousand dollars (\$850,000) into a settlement fund. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay attorneys' fees and reasonable litigation expenses, with interest, to Plaintiffs' Counsel, and any Awards to Plaintiffs. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and the costs of the claims administration, including the costs of printing and mailing this Notice and the costs of publishing notice. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Settlement Class Members who submit timely, valid claims, according to the Plan of Allocation to be approved by the Court.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased/acquired and sold Arrow securities; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Plaintiffs' Counsel for attorneys' fees, costs, and expenses and Awards to Plaintiffs.

The Claims Administrator will determine each Settlement Class Member's *pro rata* share of the Net Settlement Fund based upon each Settlement Class Member's valid "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount that a Settlement Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Settlement Class Members pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Settlement Class Members with valid claims.

The Net Settlement Fund will be distributed to Settlement Class Members who submit a Proof of Claim and Release Form and whose claims for recovery are allowed by the Claims Administrator pursuant to the terms of the Settlement Stipulation or by order of the Court under the below Plan of Allocation, which reflects Plaintiffs' contention that the price of Arrow securities declined following disclosure of allegedly misrepresented or omitted material information. Defendants have denied and continue to deny these allegations and any and all allegations of wrongdoing, fault, liability, or damage whatsoever asserted in the Action.

PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged misstatements and omissions, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula ("Recognized Loss") described below.

A Recognized Loss will be calculated for each share of Arrow common stock purchased or otherwise acquired during the Settlement Class Period.^{1,2} The calculation of Recognized Loss will depend upon several factors, including when shares of Arrow common stock were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those shares were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the price of Arrow common stock was artificially inflated throughout the Settlement Class Period. The estimated alleged artificial inflation in the price of Arrow common stock during the Settlement Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the price of Arrow common stock during the Settlement Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs.

The U.S. federal securities laws allow investors to recover for losses caused by disclosures which corrected the defendants' previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, Arrow common stock purchased or otherwise acquired during the Settlement Class Period must have been held during a period of time in which its price declined due to the disclosure of

¹ During the Settlement Class Period, Arrow Financial Corp. traded on the Nasdaq Global Select under the ticker symbol "AROW."

² Shares of Arrow common stock acquired pursuant to the Company's 3% stock dividend in September 2022 shall be treated as an acquisition of Arrow common stock on the September 23, 2022 distribution date at a per-share purchase price equal to the closing price of Arrow common stock on the date of distribution, which was \$30.95.

information which corrected an allegedly misleading statement or omission. Plaintiffs and Plaintiffs' Counsel have determined that such price declines occurred on March 17, 2023, May 12, 2023, and May 15, 2023 (the "Corrective Disclosure Dates"). Accordingly, if a share of Arrow common stock was sold prior to March 17, 2023 (the earliest Corrective Disclosure Date), the Recognized Loss for that share is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if a share of Arrow common stock was both purchased and subsequently sold between two consecutive Corrective Disclosure Dates, the Recognized Loss for that share is \$0.00.

Table 1		
Artificial Inflation in Arrow Common Stock		
From	To	Per-Share Price Inflation
August 6, 2022	March 16, 2023	\$1.30
March 17, 2023	May 11, 2023	\$1.26
May 12, 2023	May 14, 2023	\$0.88
May 15, 2023	Thereafter	\$0.00

The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss for Arrow common stock. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Arrow common stock purchased during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss on Arrow common stock purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero. Any transactions in Arrow common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

Calculation of Recognized Loss Per Share of Arrow Common Stock

For each share of Arrow common stock purchased or otherwise acquired during the Settlement Class Period (i.e., August 6, 2022 through May 12, 2023, inclusive), the Recognized Loss per share shall be calculated as follows:

- i. For each share of Arrow common stock purchased during the Settlement Class Period that was subsequently sold prior to March 17, 2023 the Recognized Loss per share is \$0.
- ii. For each share of Arrow common stock purchased during the Settlement Class

Period that was subsequently sold during the period March 17, 2023 through May 12, 2023, the Recognized Loss per share is the amount of per-share price inflation on the date of purchase as appears in Table 1 above *minus* the amount of per-share price inflation on the date of sale as appears in Table 1.

- iii. For each share of Arrow common stock purchased during the Settlement Class Period that was subsequently sold during the period May 15, 2023 through August 10, 2023, inclusive (i.e., the 90-Day Lookback Period), the Recognized Loss per share is *the lesser of*:
 - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above; or
 - b. the purchase price *minus* the “90-Day Lookback Value” on the date of sale provided in Table 2 below.
- iv. For each share of Arrow common stock purchased during the Settlement Class Period and still held as of the close of trading on August 10, 2023, the Recognized Loss per share is *the lesser of*:
 - a. the amount of per-share price inflation on the date of purchase as appears in Table 1 above; or
 - b. the purchase price *minus* the average closing price for Arrow common stock during the 90-Day Lookback Period, which is \$20.34.

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
5/15/2023	\$19.06	6/14/2023	\$20.00	7/17/2023	\$20.24
5/16/2023	\$18.46	6/15/2023	\$20.08	7/18/2023	\$20.26
5/17/2023	\$18.82	6/16/2023	\$20.13	7/19/2023	\$20.30
5/18/2023	\$19.03	6/20/2023	\$20.15	7/20/2023	\$20.34
5/19/2023	\$19.06	6/21/2023	\$20.18	7/21/2023	\$20.36
5/22/2023	\$19.20	6/22/2023	\$20.18	7/24/2023	\$20.37
5/23/2023	\$19.31	6/23/2023	\$20.22	7/25/2023	\$20.36
5/24/2023	\$19.36	6/26/2023	\$20.24	7/26/2023	\$20.37
5/25/2023	\$19.35	6/27/2023	\$20.27	7/27/2023	\$20.36
5/26/2023	\$19.35	6/28/2023	\$20.29	7/28/2023	\$20.36
5/30/2023	\$19.34	6/29/2023	\$20.30	7/31/2023	\$20.36
5/31/2023	\$19.25	6/30/2023	\$20.30	8/1/2023	\$20.36
6/1/2023	\$19.17	7/3/2023	\$20.30	8/2/2023	\$20.36
6/2/2023	\$19.23	7/5/2023	\$20.28	8/3/2023	\$20.37
6/5/2023	\$19.23	7/6/2023	\$20.25	8/4/2023	\$20.37
6/6/2023	\$19.33	7/7/2023	\$20.24	8/7/2023	\$20.37

6/7/2023	\$19.52	7/10/2023	\$20.24	8/8/2023	\$20.37
6/8/2023	\$19.65	7/11/2023	\$20.24	8/9/2023	\$20.35
6/9/2023	\$19.75	7/12/2023	\$20.24	8/10/2023	\$20.34
6/12/2023	\$19.82	7/13/2023	\$20.24	N/A	N/A
6/13/2023	\$19.93	7/14/2023	\$20.23	N/A	N/A

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible shares that participate in the Settlement, and when those shares were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of Arrow common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

All purchase and sale prices shall exclude any fees and commissions.

Acquisition by Gift, Inheritance, or Operation of Law: If a Settlement Class Member acquired Arrow common stock during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Arrow shares were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be deemed to be zero (\$0.00).

Notwithstanding any of the above, receipt of Arrow common stock during the Settlement Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Arrow common stock.

The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against Arrow common stock held as of the close of trading on August 5, 2022 (the last day before the Settlement Class Period begins) and then against the purchase of Arrow common stock during the Settlement Class Period.

The date of covering a “short sale” is deemed to be the date of purchase of shares. The date of a “short sale” is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on “short sales” is zero. In the event that a claimant has a short position in Arrow common stock, the earliest subsequent Settlement Class Period purchases shall be matched against such short position and not be entitled to a recovery until that short position is fully covered.

With respect to Arrow common stock purchased or sold through the exercise of an option, the purchase/sale date of the stock shall be the exercise date of the option and the purchase/sale price of the stock shall be the closing price of Arrow common stock on the date of exercise. Any Recognized Loss arising from purchases of Arrow common stock

acquired during the Settlement Class Period through the exercise of an option on Arrow common stock shall be computed as provided for other purchases of Arrow common stock in the Plan of Allocation.³

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants. No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Settlement Class Members who do not submit an acceptable Proof of Claim and Release Form, with appropriate supporting documentation, will not share in the Settlement proceeds. The Settlement and the Final Order and Judgment dismissing this Action with prejudice will nevertheless bind Settlement Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim and Release Form.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim and Release Form. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims-administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Parties will have no responsibility or liability whatsoever for the processing of Proof of Claim and Release Forms, the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Plaintiffs and Plaintiffs' Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel or the Claims Administrator as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial

³ The "exercise of an option" as used in this sentence includes: (1) purchases of Arrow common stock as the result of the exercise of a call option, and (2) purchases of Arrow common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is *de minimis* and such remaining balance will then be distributed pursuant to a method approved by the Court.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release Form.” This Proof of Claim and Release Form is attached to this Notice. You may also obtain a Proof of Claim and Release Form on the Internet at www.strategicclaims.net/Arrow/. Read the instructions carefully, fill out the form, and sign it in the location indicated. The Proof of Claim and Release Form may be completed in two ways: (1) by completing and submitting it electronically at www.strategicclaims.net/Arrow/ by 11:59 p.m. EST on _____, 202__; or (2) by mailing the claim form together with all documentation requested in the form, postmarked no later than _____, 202__, to:

Arrow Financial Corporation Securities Settlement
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063

The Claims Administrator will process your claim and determine whether you are an Authorized Claimant.

9. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself from the Settlement Class by the _____, 202__ deadline, you will remain a member of the Settlement Class and will be bound by the release of claims against Defendants and other Released Defendant Parties if the Settlement is approved. That means you and all other Settlement Class Members and each of their respective parent entities, associates, affiliates, subsidiaries, predecessors, successors, assigns, attorneys, immediate family members, heirs, representatives, administrators, executors, devisees, legatees, and estates will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) as against Defendants and other Released Defendant Parties any and all claims which arise out of, are based upon, or relate in any way to the purchase or acquisition of Arrow securities during the Settlement Class Period. It means that all of the Court’s orders will apply to you and legally bind you. That means you will accept a share of the Net Settlement Fund as sole compensation for any losses you suffered in the purchase, acquisitions, sale, or ownership of Arrow securities during the Settlement Class Period. The specific terms of the release are included in the Stipulation.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants or other Released Defendant Parties on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. To exclude yourself from the Settlement, you must mail a letter that (A) clearly indicates your name, address, phone number, and e-mail contact information (if any) and states that you “request to be excluded from the Settlement Class in *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y.)”, and (B) state the identity and number of Arrow securities that you purchased/acquired and sold during the Settlement Class Period, as well as the dates and prices of each such purchase/acquisition and sale, and the number of securities held at the beginning of the Settlement Class Period. In order to be valid, such request for exclusion must be submitted with documentary proof (i) of each purchase/acquisition and, if applicable, sale transaction of Arrow securities during the Settlement Class Period and (ii) demonstrating your status as a beneficial owner of the Arrow securities. Any such request for exclusion must be signed and submitted by you, as the beneficial owner, under penalty of perjury. You must mail your exclusion request, to be received no later than _____, 202__, to the Claims Administrator at the following address:

Arrow Financial Corporation Securities Settlement
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

11. If I do not exclude myself, can I sue Defendants or the other Released Defendant Parties for the same thing later?

No. Unless you followed the procedure outlined in the Notice to exclude yourself, you give up any right to sue Defendants or other Released Defendant Parties for the claims being released in this Settlement. If you have a pending lawsuit related to any Released Claims, speak to your lawyer in that case immediately, because you must exclude yourself from this Settlement Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed Pomerantz LLP as Lead Counsel for the Class to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer,

you may hire one at your own expense. Contact information for Lead Counsel is provided below.

13. How will the lawyers be paid?

Plaintiffs' Counsel have expended considerable time litigating this Action on a contingent fee basis, and have paid for the expenses of the case themselves. They have not been paid attorneys' fees or reimbursed for their expenses in advance of this Settlement. Plaintiffs' Counsel have done so with the expectation that, if they are successful in recovering money for the Settlement Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Plaintiffs' Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Lead Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees to Plaintiffs' Counsel in an amount not to exceed 33.4% of the Settlement Amount (or \$283,900) plus interest, reimbursement of litigation expenses of no more than \$85,000 plus interest, and Awards to Plaintiffs collectively not to exceed \$4,000 (up to \$2,000 each). The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

14. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, Lead Counsel's motion for attorneys' fees and expenses and application for Awards to Plaintiffs, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of *Ashe v. Arrow Financial Corporation et al.*, No. 1:23-cv-00764-AMN-DJS (N.D.N.Y). Be sure to include (1) your name, address, and telephone number, (2) a list of all purchases/acquisitions and sales of Arrow securities during the Settlement Class Period in order to show membership in the Settlement Class, (3) all grounds for the objection, including any legal support known to you or your counsel, (4) the name, address, and telephone number of all counsel, if any, who represent you, including your former or current counsel, and (5) the number of times you and/or your counsel has filed an objection to a class action settlement in the last five years, the nature of each such objection in each case, the jurisdiction in each case, and the name of the issuer of the security at issue in each case. Attendance at the Settlement Hearing is not necessary. Objectors wishing to be heard orally at the Settlement Hearing are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Settlement Hearing. Be sure to serve copies of any objections, papers, and briefs to **each** of the addresses listed below, to be received no later than _____, 202__:

Clerk of the Court	PLAINTIFFS' COUNSEL:	DEFENDANTS' COUNSEL
United States District Court	Brenda Szydlo, Esq.	William J. Sushon, Esq.

Northern District of New York 445 Broadway Albany, New York 12207	POMERANTZ LLP 600 Third Avenue, 20 th Floor New York, New York 10016	O'MELVENY & MYERS LLP 1301 Avenue of the Americas, 17 th Fl. New York, New York 10019
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15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on _____, 202__, at __:__ .m., at the United States District Court, Northern District of New York, Courtroom 6, 445 Broadway, Albany, New York 12207. The Court reserves the right to hold the Settlement Hearing telephonically or by other virtual means. In the event the Court decides to hold the Settlement Hearing telephonically or by other virtual means, Lead Counsel will cause the Claims Administrator to update its website, on the page dedicated to this Settlement, to note the telephonic or other virtual means for the Settlement Hearing. The Court appointed Pomerantz LLP as Lead Counsel to represent you and the other Settlement Class Members. However, you have the right to retain your own counsel and the right to appear at the Settlement Hearing through counsel of your choosing.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Plaintiffs' Counsel for attorneys' fees and expenses and how much to award Plaintiffs.

17. Do I have to come to the hearing?

No. Lead Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Defendant Parties about the Released Claims (as defined in the Settlement Stipulation) ever again.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If, between August 6, 2022 through May 12, 2023, both dates inclusive, you purchased, otherwise acquired, or sold Arrow securities for the beneficial interest of a person or entity other than yourself, the Court has directed that, **WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either (a) provide to the Claims Administrator the name, last known address, and email address, if an email address is available, of each person or entity for whom or which you purchased, otherwise acquired, or sold such Arrow securities during such time period; (b) request an electronic copy of the Notice and email the Notice in electronic format to each beneficial owner for whom you are nominee or custodian within ten (10) days after receipt thereof; or (c) request additional copies of this Notice, which will be provided to you free of charge, and within ten (10) days, mail this Notice directly to the beneficial owners of the Arrow securities. If you choose to follow alternative procedures (b) or (c) the Court has directed that, upon such emailing or mailing, you send a statement to the Claims Administrator confirming that the emailing or mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable out-of-pocket expenses actually incurred in connection with the foregoing, up to a maximum of \$0.05 per name and address provided to the Claims Administrator, \$0.05 per Notice emailed, and \$0.05 plus postage at the rate used by the Claims Administrator per Notice mailed. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications regarding the foregoing should be addressed to the Claims Administrator at the address listed on page 3 above.

DATED: _____, 2024

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE NORTHERN
DISTRICT OF NEW YORK

EXHIBIT A-2

Exhibit A-2

PROOF OF CLAIM AND RELEASE FORM

Deadline for Submission: _____

If you purchased or otherwise acquired securities of Arrow Financial Corporation (“Arrow”) during the period from August 6, 2022 through May 12, 2023, both dates inclusive (“Settlement Class Period”), you are a “Settlement Class Member” and you may be entitled to share in the settlement proceeds.

Excluded from the Settlement Class are (i) Individual Defendants; (ii) the officers and directors of Arrow, at all relevant times; (iii) members of the Individual Defendants’ immediate families and their legal representatives, heirs, successors or assigns; and (iv) any entity in which Defendants have or had a controlling interest. Additionally excluded from the Settlement Class are any persons who, and entities which, exclude themselves by submitting a request for exclusion from the Settlement Class that is accepted by the Court.

If you are a Settlement Class Member, you must complete and submit this form in order to be eligible for any settlement benefits.

You must complete and sign this proof of claim and release form (“Proof of Claim and Release Form”). You can complete and submit the electronic version of this Proof of Claim and Release Form by 11:59 p.m. EST on _____, 202__ at www.strategicclaims.net/Arrow/ or mail this Proof of Claim and Release Form by first class mail, postmarked no later than _____, 202__ to Strategic Claims Services, Inc., the Claims Administrator, at the following address:

Arrow Financial Corporation Securities Settlement
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063
Tel: (866) 274-4004
Fax: (610) 565-7985
Email: info@strategicclaims.net

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 202__ WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOU FROM RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

IF YOU ARE A SETTLEMENT CLASS MEMBER AND DO NOT SUBMIT A PROPER PROOF OF CLAIM AND RELEASE FORM, YOU WILL NOT SHARE IN THE SETTLEMENT BUT YOU NEVERTHELESS WILL BE BOUND BY THE ORDER AND FINAL JUDGMENT OF THE COURT UNLESS YOU EXCLUDE YOURSELF.

SUBMISSION OF A PROOF OF CLAIM DOES NOT ASSURE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

CLAIMANT'S STATEMENT

1. I (we) purchased or otherwise acquired Arrow Financial Corporation ("Arrow") securities during the Settlement Class Period. (Do not submit this Proof of Claim and Release Form if you did not purchase or otherwise acquire Arrow securities during the Settlement Class Period.)

2. By submitting this Proof of Claim and Release Form, I (we) state that I (we) believe in good faith that I am (we are) a Settlement Class Member(s) as defined above and in the Notice of Pendency and Proposed Settlement of Class Action ("Notice"), or am (are) acting for such Person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Settlement Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Settlement Class Member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim and Release Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Settlement Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proof of Claim and Release Form.

4. I (we) have set forth where requested below all relevant information with respect to each purchase or acquisition of Arrow securities during the Settlement Class Period, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase/acquisition and sale of Arrow securities listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

6. I (we) understand that the information contained in this Proof of Claim and Release Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is

designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information.)

7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise, and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers, and assigns (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate, or one or more other Persons, by it, him, her, or them, and by its, his, her, or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Defendant Parties" of all "Released Plaintiffs' Claims," as those terms are defined in the Stipulation.

8. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a covenant by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers, and assigns (or, if I am (we are) submitting this Proof of Claim and Release Form on behalf of a corporation, a partnership, estate, or one or more other Persons, by it, him, her, or them, and by its, his, her, or their heirs, executors, administrators, predecessors, successors, and assigns) to permanently refrain from prosecuting or attempting to prosecute any Released Plaintiffs' Claims against any of the Released Defendant Parties.

9. "Released Defendant Parties" has the meaning set forth in the Stipulation.

10. "Released Plaintiffs' Claims" has the meaning set forth in the Stipulation.

11. "Unknown Claims" has the meaning set forth in the Stipulation.

12. I (we) acknowledge that the inclusion of "Unknown Claims" in the definition of claims released pursuant to the Settlement Stipulation was separately bargained for and is a material element of the Settlement of which this release is a part.

13. NOTICE REGARDING INSTITUTIONAL FILERS: Representatives with authority to file on behalf of (a) accounts of multiple Settlement Class Members and/or (b) institutional accounts with large numbers of transactions ("Representative Filers") must submit information regarding their transactions in an electronic spreadsheet format. If you are a Representative Filer, you must contact the Claims Administrator at info@strategicclaims.net or visit their website at www.strategicclaims.net/Arrow/ to obtain the required file layout. Claims which are not submitted in electronic spreadsheet format and in accordance with the Claims Administrator's instructions may be subject to rejection. All Representative Filers MUST also submit a manually signed Proof of Claim and Release Form, as well as proof of authority to file (see Item 2 of the Claimant's Statement), along with the electronic spreadsheet format. No claims submitted in electronic spreadsheet format will be considered to have been properly submitted unless the Claims

Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

14. NOTICE REGARDING ONLINE FILING: Claimants who are not Representative Filers may submit their claims online using the electronic version of the Proof of Claim and Release Form hosted at www.strategicclaims.net/Arrow/. If you are not acting as a Representative Filer, you do not need to contact the Claims Administrator prior to filing; you will receive an automated e-mail confirming receipt once your Proof of Claim and Release Form has been submitted. If you are unsure if you should submit your claim as a Representative Filer, please contact the Claims Administrator at info@strategicclaims.net or (866) 274-4004. If you are not a Representative Filer, but your claim contains a large number of transactions, the Claims Administrator may request that you also submit an electronic spreadsheet showing your transactions to accompany your Proof of Claim and Release Form.

I. CLAIMANT INFORMATION

Name:		
Address:		
City	State	ZIP
Foreign Province	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

II. SCHEDULE OF TRANSACTIONS IN ARROW FINANCIAL CORPORATION SECURITIES**Beginning Holdings:**

- A. State the total number of shares of Arrow securities held at the close of trading on August 5, 2022 (*must be documented*). If none, write “zero” or “0.”

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Purchases/Acquisitions:

- B. Separately list each and every purchase or acquisition of Arrow securities between August 6, 2022 through May 12, 2023, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/Acquired	Price per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

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Purchases/Acquisitions During the 90-Day Lookback Period:

- C. State the total number of shares of Arrow Securities purchased/acquired from May 13, 2023 through and including the close of trading on August 10, 2023. If none, write “zero” or “0.”

--

Sales:

- D. Separately list each and every sale of Arrow securities between August 6, 2022 through August 10, 2023, both dates inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Price per Share	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

- E. State the total number of shares of Arrow securities held at the close of trading on August 10, 2023 (*must be documented*). If none, write “zero” or “0.”

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If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service (“I.R.S.”) requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals)	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.)
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IV. CERTIFICATION

I (we) submit this Proof of Claim and Release Form under the terms of the Stipulation of Settlement described in the Notice. I (we) also submit to the jurisdiction of the United States District Court for the Northern District of New York, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release and covenant not to sue set forth herein. I (we) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in this Action. I (we) have not submitted any other claim covering the same purchases/acquisitions or sales of Arrow securities during the Settlement Class Period and know of no other Person having done so on my (our) behalf.

I (we) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT, AND COMPLETE.

Signature of Claimant (If this claim is being made
on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, *e.g.*, beneficial
purchaser(s), executor, administrator, trustee, *etc.*)
Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM AND RELEASE FORM MUST BE SUBMITTED NO LATER THAN _____, 202__ AND MUST BE MAILED TO:

Arrow Financial Corporation Securities Settlement
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063
Tel: (866) 274-4004
Fax: (610) 565-7985
Email: info@strategicclaims.net

A Proof of Claim and Release Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 202__ and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim and Release Form shall be deemed to have been submitted when actually received by the Claims Administrator.

The Claims Administrator will acknowledge receipt of your Proof of Claim and Release Form by mail or e-mail within 45 days of receipt. Your claim is not deemed filed until you receive such an acknowledgement. If you do not receive an acknowledgement within 45 days, please contact the Claims Administrator by telephone toll free at (866) 274-4004 or by e-mail at info@strategicclaims.net.

You should be aware that it will take a significant amount of time to process fully all of the Proof of Claim and Release Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim and Release Form. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim and Release Form on page __. If this Proof of Claim and Release Form is submitted on behalf of joint claimants, then each claimant must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use highlighter on the Proof of Claim and Release Form or any supporting documents.
- If you move or change your address, telephone number, or e-mail address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or deliver payment to you.

EXHIBIT A-3

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

ROBERT C. ASHE and JEFFREY S. GOHN,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

ARROW FINANCIAL CORPORATION,
THOMAS J. MURPHY, PENKO K. IVANOV,
and EDWARD J. CAMPANELLA,

Defendants.

Case No. 1:23-cv-00764-AMN-DJS

EXHIBIT A-3

CLASS ACTION

**SUMMARY NOTICE OF PENDENCY AND
PROPOSED CLASS ACTION SETTLEMENT**

**TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR OTHERWISE
ACQUIRED ARROW FINANCIAL CORPORATION SECURITIES
BETWEEN AUGUST 6, 2022 AND MAY 12, 2023, BOTH DATES
INCLUSIVE, AND WHO WERE ALLEGEDLY DAMAGED THEREBY.**

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Northern District of New York, that a hearing will be held on _____, 202__, at __:___ __.m., before the Honorable Anne M. Nardacci, at the United States District Court, Northern District of New York, Courtroom 6, 445 Broadway, Albany, New York 12207, for the purpose of determining: (1) whether the proposed Settlement of the claims in the above-captioned Action for the sum of \$850,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) whether the proposed Plan of Allocation to distribute the Settlement proceeds is fair, reasonable, and adequate; (3) whether the application of Lead Counsel for an award of attorneys' fees of no more than 33.4% of the Settlement Amount plus interest, reimbursement of litigation expenses of no more than \$85,000 plus interest, and awards to Plaintiffs of no more than \$4,000,

in aggregate, from the Settlement Amount should be approved; and (4) whether this Action should be dismissed with prejudice as set forth in the Stipulation of Settlement dated June 7, 2024 (“Stipulation”). Lead Counsel has also applied for up to \$125,000 to pay for Administrative Costs.

The Court reserves the right to hold the Settlement Hearing telephonically or by other virtual means. The Court appointed Pomerantz LLP as Lead Counsel to represent you and the other Settlement Class Members. However, you have the right to retain your own counsel and the right to appear at the Settlement Hearing through counsel of your choosing.

If you purchased or otherwise acquired Arrow Financial Corporation (“Arrow”) securities between August 6, 2022 and May 12, 2023, both dates inclusive, your rights may be affected by this Settlement. As further described in the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), you will be bound by any Judgment entered in the Action, whether or not you make a claim, unless you request exclusion from the Settlement Class.

If you desire to be excluded from the Settlement Class, you must submit to the Claims Administrator a request for exclusion so that it is received no later than _____, 202__, in the manner and form explained in the Notice. All members of the Settlement Class who have not requested exclusion from the Settlement Class will be bound by any judgment entered in the Action pursuant to the Settlement Stipulation.

Any objection to the Settlement, Plan of Allocation, or Lead Counsel’s request for an award of attorneys’ fees and reimbursement of expenses and awards to Plaintiffs must be in the manner and form explained in the detailed Notice and received no later than _____, 202__, to each of the following:

CLERK OF THE COURT:

United States District Court
Northern District of New York
445 Broadway
Albany, New York

LEAD COUNSEL:

Brenda Szydlo
POMERANTZ LLP
600 Third Ave., 20th Fl.
New York, NY 10016

DEFENSE COUNSEL:

William J. Sushon
O'MELVENY & MYERS LLP
1301 Ave. of the Americas, 17th Fl.
New York, NY 10019

If you have any questions about the Settlement, you may call or write to Lead Counsel for
Plaintiffs:

Brenda Szydlo
POMERANTZ LLP
600 Third Avenue, 20th Floor
New York, NY, 10016
(212) 661-1100
bszydlo@pomlaw.com

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING
THIS NOTICE.**

Dated: _____, 2024

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
NORTHERN DISTRICT OF NEW YORK

EXHIBIT B

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

ROBERT C. ASHE and JEFFREY S. GOHN,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiffs,

v.

ARROW FINANCIAL CORPORATION,
THOMAS J. MURPHY, PENKO K. IVANOV,
and EDWARD J. CAMPANELLA,

Defendants.

Case No. 1:23-cv-00764-AMN-DJS

EXHIBIT B

CLASS ACTION

[PROPOSED] ORDER AND FINAL JUDGMENT

On the ____ day of _____, 2024, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation of Settlement dated June 7, 2024 (“Settlement Stipulation”) are fair, reasonable, and adequate for the settlement of all claims asserted by Plaintiffs and the Settlement Class against Defendants (as defined in the Stipulation), including the release of the Released Claims against the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Action with prejudice; (3) whether to approve the proposed Plan of Allocation as a fair and reasonable method to allocate the Net Settlement Fund among the Settlement Class Members; (4) whether and in what amount to award Plaintiffs’ Counsel fees and reimbursement of expenses; and (5) whether and in what amount to award Plaintiffs an incentive award; and

The Court having considered all matters submitted to it at the hearing and otherwise; and

It appearing in the record that the Notice substantially in the form approved by the Court in the Court’s Order Granting Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement, dated _____ (“Preliminary Approval Order”) was mailed and/or emailed to all reasonably identifiable Settlement Class Members and posted to the website of the Claims Administrator, both in accordance with the Preliminary Approval Order and the specifications of the Court; and

It appearing in the record that the Summary Notice substantially in the form approved by the Court in the Preliminary Approval Order was published in accordance with the Preliminary Approval Order and the specifications of the Court;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. This Order and Final Judgement incorporates by reference the definitions in the

Settlement Stipulation, and all capitalized terms used herein shall have the same meaning as set forth therein.

2. The Court has jurisdiction over the subject matter of the Action, Plaintiffs, all Settlement Class Members, and Defendants.

3. The Court finds that, for settlement purposes only, the prerequisites for a class action under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that:

(a) the number of Settlement Class Members is so numerous that joinder of all members thereof is impracticable;

(b) there are questions of law and fact common to the Settlement Class;

(c) the claims of the Plaintiffs are typical of the claims of the Settlement Class they seek to represent;

(d) Plaintiffs and Lead Counsel fairly and adequately represent the interests of the Settlement Class;

(e) questions of law and fact common to the members of the Settlement Class predominate over any questions affecting only individual members of the Settlement Class; and

(f) a class action is superior to other available methods for the fair and efficient adjudication of this Action, considering:

i. the interests of the Settlement Class Members in individually controlling the prosecution of the separate actions;

ii. the extent and nature of any litigation concerning the controversy already commenced by Settlement Class Members;

iii. the desirability or undesirability of concentrating the litigation of these claims in this particular forum; and

iv. the difficulties likely to be encountered in the management of the class action.

The Settlement Class is being certified for settlement purposes only.

4. The Court hereby finally certifies this action as a class action for purposes of the Settlement, pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, on behalf of all Persons (including, without limitation, their beneficiaries) who purchased or otherwise acquired Arrow securities between August 6, 2022 and May 12, 2023, both dates inclusive, and who were allegedly damaged thereby, except excluded from the Settlement Class are all: (i) Individual Defendants; (ii) the officers and directors of Arrow, at all relevant times; (iii) members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns; and (iv) any entity in which the Defendants have or had a controlling interest.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, for the purposes of this Settlement only, Plaintiffs are certified as the class representatives on behalf of the Settlement Class ("Class Representatives") and Lead Counsel previously selected by Plaintiffs and appointed by the Court are hereby appointed as Class Counsel for the Settlement Class ("Class Counsel").

6. In accordance with the Court's Preliminary Approval Order, the Court hereby finds that the forms and methods of notifying the Settlement Class of the Settlement and its terms and conditions met the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and 15 U.S.C. § 77z-1(a)(7); constituted the best notice practicable under the circumstances; and constituted due and sufficient notice of these proceedings and the matters set forth herein, including the Settlement and Plan of Allocation, to all persons and entities entitled to such notice.

No Settlement Class Member is relieved from the terms and conditions of the Settlement, including the releases provided for in the Settlement Stipulation, based upon the contention or proof that such Settlement Class Member failed to receive actual or adequate notice. A full opportunity has been offered to the Settlement Class Members to object to the proposed Settlement and to participate in the hearing thereon. The Court further finds that the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715, were fully discharged. Thus, it is hereby determined that all Settlement Class Members are bound by this Order and Final Judgment, except those persons listed on Exhibit B-1 to this Order and Final Judgment.

7. The Settlement is approved as fair, reasonable, and adequate under Rule 23 of the Federal Rules of Civil Procedure, and in the best interests of the Settlement Class. This Court further finds that the Settlement set forth in the Settlement Stipulation is the result of good faith, arm's-length negotiations between experienced counsel representing the interests of the Class Representatives, Settlement Class Members, and Defendants. The Settling Parties are directed to consummate the Settlement in accordance with the terms and provisions of the Settlement Stipulation.

8. The Action and all claims contained therein, as well as all of the Released Defendant Claims, are dismissed with prejudice as against Defendants and the Released Defendant Parties. The Settling Parties are to bear their own costs, except as otherwise provided in the Settlement Stipulation. The Releasing Plaintiff Parties and the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, regardless of whether any such Releasing Plaintiff Party or Settlement Class Member ever seeks or obtains by any means, including without limitation by submitting a Proof of Claim and Release Form, any disbursement from the Settlement Fund, shall

be deemed to have, and by operation of this Order and Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Plaintiff Claims against the Released Defendant Parties.

9. The Releasing Parties shall be deemed to have, and by operation of this Order and Final Judgment shall have, covenanted not to sue the Released Parties with respect to any and all Released Claims in any forum and in any capacity. The Releasing Parties shall be and hereby are permanently barred and enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, in any capacity, against any of the Released Parties. Nothing contained herein shall be understood to release any shareholder derivative claims on behalf of Arrow. Moreover, nothing contained herein shall bar Releasing Parties from bringing any action or claim to enforce the terms of the Settlement Stipulation or this Order and Final Judgment.

10. To the fullest extent permitted by law, all Persons shall be permanently enjoined, barred, and restrained from bringing, commencing, prosecuting, or asserting any claims, actions, or causes of action for contribution, indemnity, or otherwise against any of the Released Parties seeking as damages or otherwise the recovery of all or any part of any liability, judgment, or settlement which they pay, are obligated to pay, agree to pay, or that are paid on their behalf to the Settlement Class or any Settlement Class Member arising out of, relating to or concerning any acts, facts, statements, or omissions that were or could have been alleged in the Action, whether arising under state, federal, or foreign law as claims, cross-claims, counterclaims, third-party claims, or otherwise, in the Court or any other federal, state, or foreign court, or in any arbitration proceeding, administrative agency proceeding, tribunal, or any other proceeding or forum. Further,

nothing in the Settlement Stipulation or this Order and Final Judgment shall apply to bar or otherwise affect any claim for insurance coverage by any Defendant. The Court hereby finds that the proposed Plan of Allocation is a fair and reasonable method to allocate the Net Settlement Fund among Settlement Class Members, and Class Counsel and the Claims Administrator are directed to administer the Plan of Allocation in accordance with its terms and the terms of the Stipulation.

11. Plaintiffs' Counsel is awarded attorneys' fees in the amount of \$_____ and expenses in the amount of \$_____, plus any applicable interest, such amounts to be paid out of the Settlement Fund immediately following entry of this Order.

12. Plaintiffs are awarded \$_____ in total, or \$_____ for Lead Plaintiff Robert C. Ashe and \$_____ for Plaintiff Jeffrey S. Gohn, as a compensatory award for their service to the Class and for reasonable costs and expenses directly relating to the representation of the Settlement Class as provided in 15 U.S.C. §78u-4(a)(4), such amounts to be paid from the Settlement Fund upon the Effective Date of the Settlement.

13. The Court finds that the Settling Parties and their counsel have complied with all requirements of Rule 11 of the Federal Rules of Civil Procedure and the Private Securities Litigation Reform Act of 1995 as to all proceedings herein.

14. Neither this Order and Final Judgment, the Stipulation (nor the Settlement contained therein), nor any of its terms and provisions, nor any of the negotiations, documents, or proceedings connected with them:

(a) is or may be deemed to be, or may be used as an admission, concession, or evidence of the validity or invalidity of any Released Claims, the truth or falsity of any fact alleged by the Class Representatives, the sufficiency or deficiency of any

defense that has been or could have been asserted in the Action, or of any wrongdoing, liability, negligence, or fault of Defendants, the Released Parties, or each or any of them;

(b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or misrepresentation or omission with respect to any statement or written document attributed to, approved or made by Defendants or Released Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal;

(c) is or may be deemed to be or shall be used, offered, or received against the Settling Parties, Defendants, or the Released Parties, or each or any of them, as an admission, concession, or evidence of the validity or invalidity of the Released Claims, the infirmity or strength of any claim raised in the Action, the truth or falsity of any fact alleged by Plaintiffs or the Settlement Class, or the availability or lack of availability of meritorious defenses to the claims raised in the Action;

(d) is or may be deemed to be or shall be construed as or received in evidence as an admission or concession against Defendants, or the Released Parties, or each or any of them, that any of Class Representatives' or Settlement Class Members' claims are with or without merit, that a litigation class should or should not be certified, that damages recoverable in the Action would have been greater or less than the Settlement Fund or that the consideration to be given pursuant to the Settlement Stipulation represents an amount equal to, less than or greater than the amount which could have or would have been recovered after trial.

15. The Released Parties may file the Stipulation and/or this Order and Final Judgment

in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties may file the Stipulation and/or this Order and Final Judgment in any proceedings that may be necessary to consummate or enforce the Stipulation, the Settlement, or this Order and Final Judgment.

16. Except as otherwise provided herein or in the Stipulation, all funds held by the Escrow Agent shall be deemed to be in *custodia legis* and shall remain subject to the jurisdiction of the Court until such time as the funds are distributed or returned pursuant to the Stipulation and/or further order of the Court.

17. Without affecting the finality of this Order and Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over the Settling Parties and the Settlement Class Members for all matters relating to the Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Settlement Class Members.

18. Without further order of the Court, Defendants and Class Representatives may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

19. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed.

20. The finality of this Order and Final Judgment shall not be affected, in any manner, by rulings that the Court may make on Class Counsels' application for an award of attorneys' fees and expenses or an award to the Class Representatives.

21. In the event the Settlement is not consummated in accordance with the terms of the Stipulation, then the Stipulation and this Order and Final Judgment (including any amendment(s) thereof, and except as expressly provided in the Stipulation or by order of the Court) shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any action or proceeding by any Person against the Settling Parties or the Released Parties, and each Settling Party shall be restored to his, her or its respective litigation positions as they existed before April 22, 2024, pursuant to the terms of the Stipulation.

Dated: _____, 2024

HON. ANNE M. NARDACCI
UNITED STATES DISTRICT JUDGE