



Alinma Tokio Marine Board of Directors' Circular

The circular of the Board of Directors of Alinma Tokio Marine Company ("**Alinma Tokio Marine**") addressed to the shareholders of Alinma Tokio Marine regarding the offer submitted by the Arabian Shield Cooperative Insurance Company ("**Arabian Shield**") to the shareholders of Alinma Tokio Marine for the purpose of integrating Alinma Tokio Marine into the Arabian Shield in exchange for the issuance by the Arabian Shield of fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) ordinary shares with a nominal value of (10) ten riyals per share in favor of the shareholders of Alinma Tokio Marine ("**Consideration Shares**") in accordance with the Companies Law and its Executive Regulations issued by the Ministry of Commerce and the Regulations of the Capital Market Authority of Saudi Arabia ("**CMA**"), including the Merger and Acquisition Regulations, the Rules of Securities Offering and Continuing Obligations, the Listing Rules issued by the Saudi Stock Exchange Company ("**Tadawal**"), and the relevant regulations of the Central Bank of Saudi Arabia ("**Central Bank**") (hereinafter referred to as the "**Circular**").

This circular includes the opinion of Alinma Tokio Marine's Board of Directors regarding the offer made to Alinma Tokio Marine's Shareholders for the purpose of integrating Alinma Tokio Marine into the Arabian Shield and the plans of the Arabian Shield for Alinma Tokio Marine and its employees. Moreover, it includes the independent financial advice provided to Alinma Tokio Marine's Board of Directors submitted by Yaqeen Capital, who was appointed as Alinma Tokio Marine's Financial Advisor to obtain independent and competent advice regarding the offer made by the Arabian Shield to Alinma Tokio Marine's Shareholders in accordance with the requirements of subparagraph (a) of Article (3), Article (18) and Article (39) of the Mergers and Acquisitions Regulations. Therefore, this circular and all its sections shall be fully read and carefully reviewed before making any resolution on the proposed merger transaction. Furthermore, Arabian Shield's Offer Document shall be duly and carefully read before deciding whether or not to vote on the Merger Transaction. In the event of any doubt as to the actions to be taken, we also recommend obtaining advice from an independent financial advisor licensed by the Saudi Capital Market Authority ("**CMA**").



Financial Advisor
Yaqeen Capital

" The Capital Market Authority (CMA) and Tadawul Saudi Arabia Group (Tadawul) assume no responsibility for the contents of this Circular. They shall make no representation as to its accuracy or completeness, and expressly release themselves from any liability whatsoever for any loss arising out of or in reliance on any part hereof."

This circular was issued on 06/03/1445AH (corresponding to 21/09/2023AD)

Circular of the Board of Directors

Alinma Tokio Company.

(Commercial Register No.:1010342527)

Riyadh - King Fahd Road - Anoud Tower 2 - Floor 21

P.O. Box 643 Riyadh 11421

Board of Directors of Alinma Tokio Marine Company	
Name	Position
Abdulmohsen Abdulaziz Al-Fares	Chairman
Hironari Iwakuma	Vice Chairman
Bishr Muhammad Burhanuddin Bakheet	Member of the Board of Directors
Dr. Hisham bin Mohammed Al-Barrak	Member of the Board of Directors
Abdullah bin Ali bin Abdullah Al-Khalifa	Member of the Board of Directors
Khalid bin Abdullah Al-Rumaih	Member of the Board of Directors
Satoshi Furuya	Member of the Board of Directors
Emad Abdul Rahman Al-Butairi	Member of the Board of Directors

To: All Alinma Tokio Marine Shareholders

Subject: Merger of Alinma Tokio Marine Company and Arabian Shield Cooperative Insurance Company

This circular is addressed to the shareholders of Alinma Tokio Marine Company ("**Alinma Tokio Marine**") regarding the offer made by Arabian Shield Cooperative Insurance Company ("**Arabian Shield**") to the shareholders of Alinma Tokio Marine for the purpose of merging Alinma Tokio Marine into the Arabian Shield in exchange for the issuance of consideration shares to them in accordance with the Companies Law and its Executive Regulations issued by the Ministry of Commerce and the CMA Regulations, including the Mergers and Acquisitions Regulation, the Securities Offering Rules and Continuing Obligations, the Listing Rules issued by Tadawul, and the relevant Central Bank Regulations ("**Circular**").

This circular is important and requires your immediate attention.

This circular includes the opinion of Alinma Tokio Marine's Board of Directors regarding the offer made to Alinma Tokio Marine's Shareholders for the purpose of merging Alinma Tokio Marine into the Arabian Shield and the plans of Arabian Shield for Alinma Tokio Marine and its employees. It also includes the independent financial advice provided to Alinma Tokio Marine's Board of Directors submitted by Yaqeen Financial Company ("Yaqeen Capital"), which was appointed as the financial advisor for Alinma Tokio Marine to obtain independent and competent advice regarding the offer made by the Arabian Shield for Alinma Tokio Marine's Shareholders in accordance with the requirements of subparagraph (a) of Article (3) and Article (18) of the Mergers and Acquisitions Regulations. Therefore, this circular and all its sections shall be fully read and carefully reviewed before making any resolution on the proposed merger transaction. In the event of any doubt as to the actions to be taken, we recommend that the relevant shareholder obtain independent financial advice from an independent financial advisor licensed by the Saudi Capital Market Authority ("CMA"). The Board of Directors of Alinma Tokio Marine and the Board of Directors of the Arabian Shield entered into a merger agreement (the "**Merger Agreement**") on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G). for the purpose of merging Alinma Tokio Marine into Arabian Shield and transferring its assets and liabilities to Arabian Shield (the "**Merger transaction**") in exchange for Arabian Shield issuing fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) ordinary shares with a nominal value of ten (10) Saudi riyals per share in favor of Alinma Tokio Marine's



shareholders (the "**Consideration Shares**") by increasing the capital of Arabian Shield , knowing that the merger transaction is subject to the conditions specified in the Merger Agreement and summarized in Section (8.1) hereof.

This circular was prepared in response to the offer document related to the merger transaction issued by the Arabian Shield on the date of this circular, and the completion of the merger transaction may lead to an increase in the capital of the Arabian Shield and the issuance of the consideration shares (to be included in Tadawul) to the shareholders of Alinma Tokio Marine on the following basis:

Arabian Shield will issue fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) ordinary shares with a nominal value of ten (10) riyals per share as consideration shares against the merger of Alinma Tokio Marine and the transfer of all its assets and liabilities to Arabian Shield. Accordingly, (0.532094433333330000) shares in Arabian Shield will be issued for each (1) shares owned in Alinma Tokio Marine ("**Exchange Ratio**").

In the event that the calculation of the number of shares due to any of the shareholders of Alinma Tokio Marine based on the exchange ratio results in fractions of shares, the resulting number will be rounded down to the lowest integer. For example, if a shareholder of Alinma Tokio Marine owns (50) shares in Alinma Tokio Marine, he will be allocated on the effective date (26) shares of the consideration shares and not (27) shares. The fractional shares will be collected and sold in Tadawul at the market price at the time on behalf of the shareholders of Alinma Tokio Marine who are entitled to the said shares, and then the proceeds resulting from the sale of the fractional shares will be distributed to each of the beneficiaries according to what they are entitled to within a maximum period of thirty (30) days from the date of completing the merger transaction. Knowing that the costs related to the sale of fractional shares will be deducted from the total proceeds from the sale of fractional shares.

Furthermore, it shall be clarified that completion of the merger transaction is conditional on obtaining the approval of the Extraordinary General Assembly of the Arabian Shield for the merger transaction and obtaining the approval of the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction. For more details about the terms of the merger transaction and the procedures necessary to implement the merger transaction resolution, please review Section (8.1.2) of this circular, and for more details about the Extraordinary General Assembly of Alinma Tokio Marine, please review Section (10.2.2) of this Circular. In addition to the above, if the resolutions of the merger transaction are approved by the shareholders of the Arabian Shield and the shareholders of Alinma Tokio Marine, who possess the required number that shall be represented at the extraordinary assembly meeting of each company (which number is not less than three-quarters of the shares), represented during the extraordinary general assembly meeting designated to vote on the merger transaction, with the exception of shares owned by Alinma Tokio Marine shareholders who are not entitled to vote on merger resolutions). If all other conditions of the merger transaction are met (including the end of the creditors' objection period or the settlement of all creditors' objections to the merger transaction (whichever comes later), in accordance with the provisions of Article (227) of the Companies Law), Alinma Tokio Marine will be dissolved and all its shares and all its assets and liabilities will be transferred to the merged entity. Upon completion of the merger transaction, all Alinma Tokio Marine shareholders (including shareholders who voted against or did not participate in the vote) will receive the new shares in the merged entity according to the exchange ratio. The owners of the new shares will have the same rights as the owners of the current shares of the Arabian Shield. The name of the Arabian Shield will remain as it is after the merger transaction comes into effect.

Taking into consideration that the merger transaction will be completed after the end of the creditors' objection period and the publication of the approval resolutions of the extraordinary general assembly of the Arabian Shield regarding the merger transaction and the extraordinary general assembly of Alinma Tokio Marine regarding the merger transaction ("completion of the merger transaction"). The shares of Alinma Tokio Marine will be delisted and new shares will be issued in Arabian Shield for the benefit of



eligible shareholders of Alinma Tokio Marine according to the shareholder register, taking into account the settlement procedures (2T+) at the end of the second trading day following the date of completion of the merger transaction. The new shares shall be deposited in the portfolios of Alinma Tokio Marine shareholders during a period of no less than the third trading period after the completion of the merger transaction and no more than the sixth trading period after the completion of the merger transaction. These shares will be deposited in the portfolios of Alinma Tokio shareholders with a number of (0.53209443333330000) shares in the Arabian Shield for every one share owned in Alinma Tokio Marine Company. The shareholders of Alinma Tokio Marine Company will own 20.00% of the capital of the Arabian Shield. Subsequently, the data of Alinma Tokio Marine is registered in the commercial registry of the Arabian Shield, and the Arabian Shield issues the updated commercial registry in accordance with the provisions of Article 228 of the Companies Law ("Effectiveness of the Merger Transaction Resolution"). All assets and liabilities of Alinma Tokio Marine Company shall be transferred to the Arabian Shield in accordance with the provisions of Article 229 of the Companies Law. After that, the commercial registration of Alinma Tokio Marine will be cancelled, and thus Alinma Tokio Marine will be dissolved.

The Arabian Shield has submitted a request to the Capital Market Authority (hereinafter referred to as the "CMA") to register and offer the new Arabian Shield shares issued for the benefit of the shareholders of Alinma Tokio Marine. The Arabian Shield also submitted a listing request to the Saudi Tadawul Company (hereinafter referred to as the "Financial Market" or "Tadawul") to list the new shares issued for the benefit of the shareholders of Alinma Tokio Marine. All the requirements by the Capital Market Authority have also been met. This is subject to obtaining the approval of the Capital Market Authority for the convening of the Extraordinary General Assembly of Arabian Shield for the Merger Transaction and the extraordinary general assembly of Alinma Tokio Marine for the merger transaction, all regulatory approvals related to the merger transaction and the capital increase of Arabian Shield have been obtained.

The members of the Board of Directors of Alinma Tokio Marine jointly and severally accept full responsibility for the accuracy of the information contained herein, except for: (1) the independent advice contained in Annex (1) attached to this circular prepared and submitted by Yaqeen Capital (Alinma Tokio Marine's financial advisor) to the Board of Directors of Alinma Tokio Marine (where the responsibility of the Board of Directors of Alinma Tokio Marine is limited to ensuring that such advice is appropriately included herein); and (2) the information relating to Alinma Tokio Marine. According to the information available to the members of the Board of Directors of Alinma Tokio Marine (who have taken all reasonable care to ensure this), the information contained in this circular for which they accept responsibility is consistent with the facts and does not overlook anything that is likely to affect the content of this information.

This circular was published at the same time as the publication of the Offer Document issued by Arabian Shield in relation to the Merger transaction. The proposal document includes information related to Arabian Shield and the merger transaction. This circular includes references to certain sections of the Offer Document to assist Alinma Tokio Marine's shareholders in locating such information within the Offer Document. Such references shall not be construed to imply that the directors of Alinma Tokio Marine shall have, whether jointly or severally, any liability to the shareholders of Alinma Tokio Marine with respect to the information contained in the Offer Document and accordingly, the directors of Alinma Tokio Marine shall not make any representations or undertakings, express or implied, as to the correctness and completeness of the information contained in the Offer Document other than those contained in the Offer Document of Alinma Tokio Marine.

The members of the Board of Directors of Alinma Tokio Marine believe that the merger transaction is fair and reasonable, after taking the appropriate due diligence with the assistance of their advisors, and after taking into account the market situation at the date of publication of this circular, the future growth opportunities of the merged entity, the expected benefits of the merger transaction, and the independent financial advice provided by Yaqeen Capital on 25/11/1444H (corresponding to 14/06/2023G) to the Board of Directors of Alinma Tokio Marine (a copy of the independent financial advice is attached in



Annex No. (1) of this circular) to the effect that at the date of providing such advice and in accordance with the factors and assumptions described therein, the exchange ratio agreed upon under the merger agreement is considered financially fair for the shareholders of Alinma Tokio Marine and until the date of this circular Alinma Tokio Marine has not received any alternative offer.

The members of the Board of Directors of Alinma Tokio Marine also believe that the merger transaction is in the interest of Alinma Tokio Marine and its shareholders, and therefore they unanimously recommend the shareholders of Alinma Tokio Marine to approve the merger transaction. In making this recommendation, the members of the Board of Directors of Alinma Tokio Marine have taken into account the external advice they have received on legal, financial, accounting, strategic and other matters related to the transaction.

It shall be noted that the members of the Board of Directors of Alinma Tokio Marine did not take into account the individual investment objectives, financial situation, Zakat and tax situation or the special circumstances of each shareholder due to the different circumstances, situations and objectives of each of them. Accordingly, the members of the Board of Directors emphasize the need for each of the shareholders of Alinma Tokio Marine to obtain independent professional advice from a financial advisor licensed by the Capital Market Authority regarding the merger transaction and shall rely on its own review of the merger transaction to ascertain the appropriateness of the merger transaction and the information contained in this circular for the investment objectives and financial conditions of each shareholder.

It shall also be noted that all members of the Board of Directors of Alinma Tokio Marine (who own shares in Alinma Tokio Marine) will vote to approve the merger transaction at the Extraordinary General Assembly.

Definitions and abbreviations used herein shall have the meanings defined in the Definitions and Terms section of Section (1) **“Definitions and Terms”**. References to times and dates in this Circular shall be to Riyadh Time and the Gregorian calendar, unless otherwise specified.

Alinma Tokio Marine has appointed Yaqeen Capital as a financial advisor in relation to the merger transaction.



The Capital Market Authority and the Saudi Exchange Company (Tadawul) shall not assume any responsibility for the contents of this circular, provide any assurance regarding its accuracy or completeness, and expressly shall disclaim themselves from any liability whatsoever for any loss resulting from what is contained in this circular or from reliance on any Part hereof.

The circular was prepared in both Arabic and English, and the Arabic language is the original language of this Circular, and in case of any discrepancy, Arabic shall prevail.
This circular was issued on 06/03/1445AH (corresponding to 21/09/2023AD)



Important notice

This Board Circular has been prepared by Alinma Tokio Marine in accordance with the requirements of the Mergers and Acquisitions Regulations issued by the Board of the Capital Market Authority under Resolution No. (1-50-2007) dated 21/09/1428H (corresponding to 03/10/2007G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G), and amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H and the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H; in order to provide information to the shareholders of Alinma Tokio Marine in connection with the offer of the Arabian Shield to merge with Alinma Tokio Marine

This circular contains the opinion of the Board of Directors of Alinma Tokio Marine and the financial advice provided thereto by the independent financial advisor, Yaqeen Capital. It is a company licensed by the Capital Market Authority. This circular contains the plans of the Arabian Shield regarding Alinma Tokio Marine, and aims to assist the shareholders of Alinma Tokio Marine in making a resolution to vote to approve or reject the resolutions contained in the notice of the call to convene the extraordinary general assembly of Alinma Tokio Marine, which is considered as a necessary step to complete the merger transaction. All assets and liabilities of Alinma Tokio Marine will be transferred to the Arabian Shield in exchange for the issuance of the consideration shares. The vote of Alinma Tokio Marine shareholders on the merger transaction will be considered based on the information contained in this circular. Therefore, you shall read this circular completely and review all its sections carefully, especially this section (Important Notice) in addition to the offer document addressed by the Arabian Shield to the shareholders of Alinma Tokio Marine in all its sections, before voting on the merger transaction at the extraordinary general assembly meeting of Alinma Tokio Marine.

The Capital Market Authority or the Saudi Tadawul Company (Tadawul) shall not assume any responsibility for the contents of this circular, make any representations regarding its accuracy or completeness, and expressly shall disclaim any liability whatsoever for any loss resulting from what is contained in this circular or from reliance on any part hereof.

The information, data and statements contained in this circular were submitted as they are on the date of publication of this circular (unless a text indicates otherwise). Therefore, the information contained in this circular shall be subject to change after the date of its issuance and publication. This circular does not contain any text that can be considered forecasting, planning, or estimating the current or future financial performance of the Arabian Shield, and no statements in this document may be interpreted to mean that the profit per share in the current or future financial periods will necessarily be in line with or exceed what was published in the previous financial statements of Arabian Shield. The information and data contained in this circular reflect the view of the Board of Directors of Alinma Tokio Marine on the expected benefits and effects of the merger transaction on the date of publication of this circular.

It shall also be noted that no person has been authorized to provide any information or statements on behalf of the Board of Directors of Alinma Tokio Marine except as described in this circular, and therefore any information or statements issued by other parties shall not be relied upon as issued by Alinma Tokio Marine, Yaqeen Capital or any of Alinma Tokio Marine's advisors in connection with the merger transaction.



The contents of Alinma Tokio Marine's website, or the contents of any other website in which this circular is published, do not form a part or a supplement of this circular, and Alinma Tokio Marine assumes no responsibility for the contents of these websites.

Alinma Tokio Marine has appointed Yaqeen Capital as its financial advisor in relation to the merger transaction. Yaqeen Capital operates in accordance with the laws and regulations in force in KSA, holds the necessary license from the Capital Market Authority, works for Alinma Tokio Marine exclusively as its independent financial advisor in this transaction, and does not work for any other party in connection with the transaction. Moreover, Yaqeen Capital will not provide advice related to the transaction, or make any other order or arrangement referred to in this circular to any party other than Alinma Tokio Marine. It is worth noting that Yaqeen Capital has not independently verified the validity and accuracy of the information and data contained in this circular. Accordingly, Yaqeen Capital or any of its subsidiaries does not bear any responsibility that may result from the inaccuracy, accuracy, or completeness of any of the data or information contained in herein.



Forecasts and Forward-Looking Statements

This circular, including the information contained herein, contains "future affidavits" relating to the merged entity. In general, words such as "will", "may", "shall", "continue", "believes", "expects", "intends", "awaits", or any similar phrases bearing references to the future represent future affidavits. Future statements involve risks and uncertainties that may result in actual results being substantially different from forward-looking statements and expectations. Many of these risks and uncertainties are related to factors and conditions beyond the control of the company concerned, or its ability to make accurate estimates such as future market conditions, and the behavior of other market participants. Consequently, future statements and projections may not be relied upon in their entirety. Alinma Tokio Marine, or any other party to the transaction or their advisors, shall have no responsibility for forward-looking statements and expectations and none of the above intends to update such statements and expectations except as required by law.

It shall be noted that these forward-looking statements include risks that may or may not be apparent, and other factors that may cause actual results, performance, strategy, or events to differ materially from those contained in these statements explicitly or implicitly. Risks related to forward-looking statements are outside the control of Alinma Tokio Marine such as future market conditions and the behavior of other market participants, and therefore cannot be accurately estimated, so these statements shall not be fully relied upon. Additionally, these forward-looking statements are not considered a guarantee of the actual future performance of Arabian Shield and have not been reviewed by the accountants of Arabian Shield except in the cases referred to exclusively in this circular. These forward-looking statements are based on several assumptions, including those related to the current and future business strategies of Arabian Shield and the regulatory environment in which Arabian Shield will conduct its business in the future. That's to clarify that all future oral and written statements issued by Arabian Shield or any persons acting on its behalf are expressly limited in their entirety to the important notice contained in this section.

The risks referred to above include but are not limited to:

- Any of the future estimates described in this circular that are only preliminary estimates issued by the Board of Directors of Alinma Tokio Marine and have not been subject to any independent examination and can be amended after a study that includes more details;
- The economic and financial market conditions in the Kingdom of Saudi Arabia in general;
- The ability of the two companies to conduct their business by obtaining the necessary approvals from the regulatory authorities;
- The ability of the merged entity to achieve growth in its business and to manage this growth;
- The ability of the merged entity to obtain financing or hold sufficient capital to finance its present and future operations;
- The changes in regulatory, legal or economic conditions in the markets in which the merged entity operates;
- The changes in the competitive environment in the sectors in which the merged entity operates;
- Failure to comply with the regulations applicable to the activity of the merged entity.



Restrictions on Publication, Distribution, Approval and Transmission

This circular is addressed to the shareholders of Alinma Tokio subject to any restrictions in the laws and regulations in force in KSA.

Notice to Alinma Tokio Marine's Shareholders Residing Outside the Kingdom

Although all shareholders of Alinma Tokio Marine are entitled to attend the Extraordinary General Assembly of the company for the merger transaction and vote on its resolutions, Alinma Tokio Marine's shareholders residing outside the Kingdom of Saudi Arabia shall take into account that this circular has not been submitted or registered with any regulatory body outside the Kingdom of Saudi Arabia. Accordingly, in the event that any of the shareholders of Alinma Tokio Marine is resident in any country whose regulations require that Alinma Tokio Marine take specific statutory steps so that the shareholder can vote on merger resolutions in a statutory manner, the concerned shareholder shall not participate in voting on the proposed resolutions at the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction. In the event that the concerned shareholder votes on the merger resolutions despite this, Alinma Tokio Marine shall have the right, in connect with the Arabian Shield, not to continue the merger transaction except in the event that the merger transaction has been approved by the required majority of the shareholders of Alinma Tokio Marine without counting the votes of the concerned shareholder.



Company Directory & Advisors

Alinma Tokio Marine Company

Alinma Tokio Marine Company

Riyadh - King Fahd Road - Anoud Tower 2 - Floor 21

P.O Box 643 Riyadh 11421

Kingdom of Saudi Arabia

Tel: +966112129438

Fax: +966112129444

Email: Investor@atmc.com.sa

Website: www.atmc.com.sa



Stock Market

Saudi Exchange (Tadawul)

King Fahd Road – Olaya 6897

Unit No: 15

P.O Box 3388

Riyadh 12211

Kingdom of Saudi Arabia

Tel: +966 (92) 0001919

Fax: +966 (11) 2189133

Website: www.saudiexchange.sa

Email: csc@saudiexchange.sa



Depository Center

Securities Depository Center (Edaa)

King Fahd Road – Olaya 6897

Unit No: 11

P.O Box 3388

Riyadh 12211

Kingdom of Saudi Arabia

Tel: +966 (92) 0026000

Fax: +966 (11) 2189133

Website: www.edaa.com.sa

Email: cc@edaa.com.sa



من مجموعة تداول السعودية
From Saudi Tadawul Group



Alinma Tokio Marine Financial Advisor

Yaqeen Capital

Riyadh – Al Wurood District – Olaya Street
P.O Box 884 Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 8004298888
Fax: +96611 4609356
Email: Addingvalue@yaqeen.sa
Website: www.yaqeen.sa



Alinma Tokio Marine Legal Advisor

Al Tamimi & Co. Advocates & Legal Consultants

Sky Tower Building, 9th Floor – King Fahad Road – Olaya District
P.O. Box300400, Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966114169666
Fax: +966 11 4169555
Email: info@tamimi.com
Website: [www. Tamimi.com](http://www.Tamimi.com)



Alinma Tokio Marine Financial, Zakat and Tax Due Diligence Advisor

KPMG (Professional Consulting)

KPMG Tower – Head Office – Riyadh Front, Airport Road
P.O. Box 92876
Kingdom of Saudi Arabia
Tel: +966 11 874 8500
Fax: +966 11 784 8600
Email: www.kpmg.com.sa
Website: marketingsa@kpmg.com



Actuarial Due Diligence Consultant and Valuation Advisor for Alinma Tokio Marine's Insurance Portfolio

Badri Management Consultancy

Dubai, P.O. Box 341486 Emirates.
Tel: +966 562284707
Fax: +971 43207260
Email: Hasham.piperdy@badriconsultancy.com
Website: www.badriconsultancy.com



Disclaimer:

All the consultants mentioned above have submitted their written approvals to include their names, logos and statements in the form and content contained in this circular, and none of them has withdrawn this approval until the date of this circular. None of the consultants or their employees or any of their relatives owns any shares or interest of any kind in the Company as at the date of this circular.



Significant dates and milestones for the Merger Transaction

The expected timeline for the merger between Arabian Shield and Alinma Tokio Marine

The dates shown in the table below are the final dates and may change as they are based on, inter alia, the quorum required to hold the first Extraordinary General Meeting of Alinma Tokio Marine. Alinma Tokio Marine will announce on its website and/or on Tadawul website any changes to the dates mentioned in the timetable shown below.

Event	Timetable/ Date
1- Procedures related to holding extraordinary general assembly meetings and the creditors' objection period	
Work related to submitting the final draft of the offer document, Circular to shareholders and the Capital Market Authority (CMA).	29/02/1445H (Corresponding to 14/09/2023G)
The approval of the Capital Market Authority (CMA) on the capital increase request, publication of the shareholder Circular and the Offer Document.	03/03/1445H (Corresponding to 18/09/2023G)
Publication of the Circular of the shareholders of the shareholders of the Arabian Shield and the offer document directed to the shareholders of Alinma Tokio Marine.	06/03/1445h (Corresponding to 21/09/2023G)
Publication the Circular to the Alinma Tokio Marine Board of Directors	06/03/1445h (Corresponding to 21/09/2023G)
Providing the documents available for inspection to Arabian Shield and Alinma Tokio Marine	06/03/1445h (Corresponding to 21/09/2023G)
Providing the documents available for inspection to Alinma Tokio Marine	06/03/1445h (Corresponding to 21/09/2023G)
Announcing the commencement of the creditor objection period for Alinma Tokio Marine.	06/03/1445h (Corresponding to 21/09/2023G)
The approval of the Capital Market Authority (CMA) to hold an extraordinary general assembly meeting for the Arabian Shield regarding the merger transaction, in addition to holding an extraordinary general assembly meeting in Alinma Tokio Marine Company (ATMC) regarding the merger transaction. The general assembly's meeting will be held after completing the required documents from the relevant authorities (according to what is applicable). This is in order to amend the data of the commercial registry of the Arabian Shield and add the data of the Alinma Tokio Marine to the commercial registry of the Arabian Shield.	13/03/1445H (Corresponding to 29/09/2023G)
The announcement on Tadawul website shall be inviting the extraordinary general assembly of the Arabian Shield to merge transaction (this announcement shall include a reference to the possibility of holding a second meeting one hour after the end of the period specified for holding the first meeting. This occurs in	18/03/1445H (Corresponding to 03/10/2023G)



Event	Timetable/ Date
the event that the quorum required holding the first meeting is not met).	
The announcement on Tadawul website shall be inviting the extraordinary general assembly of the Alinma Tokio Marine to merge transaction (this announcement shall include a reference to the possibility of holding a second meeting one hour after the end of the period specified for holding the first meeting. This occurs in the event that the quorum required holding the first meeting is not met.)	18/03/1445H (Corresponding to 03/10/2023G)
The expiry of creditors' objection period	21/03/1445H (Corresponding to 06/10/2023G)
Alinma Tokio Marine announces the presence or absence of objections from creditors.	23/03/1445H (Corresponding to 08/10/2023G)
The beginning of the electronic voting period for shareholders in the extraordinary general assembly of the Arabian Shield.	Starting from 04/04/1445H (corresponding to 19/10/2023G) until the end of the Extraordinary General Assembly period.
The beginning of the electronic voting period for shareholders in the extraordinary general assembly of the Alinma Tokio Marine.	Starting from 04/04/1445H (corresponding to 19/10/2023G) until the end of the Extraordinary General Assembly period.
This period is for the Extraordinary General Assembly of the Arabian Shield Merger transaction (the first meeting). The quorum of the assembly is complete if at least a number of shareholders are present who own half of the capital of the Arabian Shield.	09/04/1445H (corresponding to 24/10/2023G)
This period shall be the Extraordinary General Assembly of the merger transaction of the Arabian Shield (the second meeting). This meeting will be held if the quorum required for the first meeting is not met. The quorum of the second meeting is complete if a number of shareholders owning at least a quarter of the capital of the Arabian Shield attend.	This meeting takes place one hour after the end of the period set for the first meeting of the Extraordinary General Assembly, in which the necessary legal quorum was not reached.
This period is for the Extraordinary General Assembly of the Alinma Tokio Marine Merger transaction (the first meeting). The quorum of the assembly is complete if at least a number of shareholders are present who own half of the capital of the Alinma Tokio Marine.	09/04/1445H (corresponding to 24/10/2023G)
This period shall be the Extraordinary General Assembly of the merger transaction of the Alinma Tokio Marine (the second meeting). This meeting will be held if the quorum required for the first meeting is not met. The quorum of the second meeting is	This meeting takes place one hour after the end of the period set for the first meeting of the Extraordinary General Assembly,



Event	Timetable/ Date
complete if a number of shareholders owning at least a quarter of the capital of the Alinma Tokio Marine attend.	in which the necessary legal quorum was not reached.
2- Procedures that will take place in the event that a quorum is not achieved for the first and second extraordinary general assembly meetings of both companies.	
The approval of the Capital Market Authority (CMA) to convene the third extraordinary general meeting of the Arabian Shield Company for a merger transaction, or the approval of the Capital Market Authority (CMA) to convene the third extraordinary general meeting of Alinma Tokio Marie for merger transaction.	16/04/1445H (corresponding to 31/10/2023G)
The Arabian Shield publishes an announcement on the Tadawul website that includes an invitation to the third meeting of the extraordinary general assembly of the Arabian Shield for the merger transaction, or Alinma Tokio Marine announces on the Tadawul website the invitation to the third meeting of the extraordinary general assembly of the company for the merger transaction.	16/04/1445H (corresponding to 31/10/2023G)
The beginning of the electronic voting period for shareholders will be at the third extraordinary general assembly meeting for both the Arabian Shield and Alinma Tokio Marine.	This period begins from 02/05/1445H (corresponding to 16/11/2023G) until the end of the extraordinary general assembly meeting period.
The third extraordinary general meeting of the Arabian Shield is for a merger transaction, or the third extraordinary general meeting of Alinma Tokio Marine is for a merger transaction. In this case, the quorum is achieved for the third meeting of the Extraordinary General Assembly, regardless of the number of shares represented.	07/05/1445H (corresponding to 21/11/2023G)
3- Completion of the merger transaction	
The merger transaction resolution and other relevant decisions taken at the first or second meeting of the Extraordinary General Assembly of the Arabian Shield for the merger transaction shall be published. This publication shall be on the Tadawul website (or an announcement that the Extraordinary General Assembly will not be held if a quorum is not available).	10/04/1445H (corresponding to 25/10/2023G)
The merger transaction resolution and other relevant decisions taken at the first or second meeting of the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction shall be published. This publication shall be on the Tadawul website (or an announcement that the Extraordinary General Assembly will not be held if a quorum is not available).	10/04/1445H (corresponding to 25/10/2023G)
The merger transaction resolution and other relevant decisions taken at the first or second meeting of the Extraordinary General Assembly of the Arabian Shield or Alinma Tokio Marine (As the	08/05/1445H (corresponding to 22/11/2023G)



Event	Timetable/ Date
case may be) shall be published. This publication shall be on the Tadawul website.	
Suspension of trading in shares of Alinma Tokio Marine.	<p>10/04/1445H (corresponding to 25/10/2023G). This shall be if a decision is issued approving the merger transaction during the first or second extraordinary general assembly meeting of the Arabian Shield and Alinma Tokio Marine.</p> <p>08/05/1445H (corresponding to 22/11/2023G). This shall be if a decision is issued approving the merger transaction during the first or second extraordinary general assembly meeting of the Arabian Shield and Alinma Tokio Marine.</p>
The new shares shall be registered in transaction and allocated to the eligible shareholders of Alinma Tokio Marine. This registration will take place on the second trading day following the date of suspension of the shares of Alinma Tokio Marine.	This shall take place during a period not less than the third trading period after the publication of the decision approving the merger transaction during the extraordinary general assembly meeting of the Arabian Shield and the extraordinary general assembly meeting of Alinma Tokio Marine; And not more than the sixth trading period after announcing the decision to approve the merger transaction during the extraordinary general assembly meeting of the Arabian Shield and the extraordinary general assembly meeting of Alinma Tokio Marine.
Deregistration of Alinma Tokio Marine shares from Tadawul	This shall take place during a period of not less than the third trading period after the publication of the approval decision of the merger transaction during the extraordinary general assembly meeting of the Arabian Shield, the extraordinary general assembly meeting of Alinma Tokio Marine and not more than the sixth trading period after the



Event	Timetable/ Date
	publication of the approval decision of the merger transaction, during the Extraordinary General Assembly Meeting of the Arabian Shield and the Extraordinary General Assembly Meeting of Alinma Tokio Marine.
Deadline for distributing dividends on fractional shares sold.	09/05/1445H (corresponding to 23/11/2023G). This shall be if a decision is issued approving the merger transaction during the first or second extraordinary general assembly meeting of the Arabian Shield and Alinma Tokio Marine. 08/06/1445H (corresponding to 21/12/2023G). This shall be if a decision is issued approving the merger transaction during the first or second extraordinary general assembly meeting of the Arabian Shield and Alinma Tokio Marine.

4- The merger transaction decision enters into force

Amending the foreign investment license for the Arabian Shield.	The procedure shall begin immediately if a decision is issued approving the merger transaction during the extraordinary general assembly meeting of Arabian Shield and Alinma Tokio Marine.
The commercial registry of the Arabian Shield shall be amended, the data of Alinma Tokio Marine shall be registered in the commercial registry of the Arabian Shield, and the commercial registry of Alinma Tokio Marine shall be deleted.	The procedure shall begin immediately if a decision is issued approving the merger transaction during the extraordinary general assembly meeting of Arabian Shield and Alinma Tokio Marine.

*Note: Any changes to these dates shall be announced on the Tadawul website (www.saudiexchange.sa).

* * Copies of the circulars available for inspection during the period from the date of publication of the Circular until the end of the offer period will be provided at the headquarters of Alinma Tokio Marine (Address: Riyadh - King Fahd Road - Anoud Tower 2 - Floor 21, P.O Box 643 Riyadh 11421, Kingdom of Saudi Arabia, Tel: +966 112129438) from Sunday to Thursday from 9:00 am to 5:00 pm excluding public holidays in KSA



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1. Definitions and Terminology

The following expressions and terms, wherever stated herein, shall have the meanings assigned to them, unless the context requires otherwise:

Term or Abbreviation	Definition
Alinma Tokio Marine or the Company	Alinma Tokio Marine, a Saudi public joint stock company, was established by Ministerial Resolution No. (140) issued on 02/05/1430H (corresponding to 27/04/2009G), and by Royal Decree No. 25/M issued on 03/05/1430H (corresponding to 28/04/2009G), and registered in the Commercial Register No. 1010342527 dated 28/07/1433H (corresponding to 18/06/2012G) in Riyadh. Alinma Tokio Marine began to practice insurance activity after obtaining the approval of the Central Bank of Saudi Arabia under license No. (TMN/33/20129) on 14/11/1433AH (corresponding to 30/09/2012AD). Alinma Tokio Marine is currently headquartered at 21st Floor, Al Anoud Tower II, King Fahad Road, 11421 Riyadh, Saudi Arabia. Its shares were listed in Saudi Tadawul on 04/08/1433H (corresponding to 24/06/2012G). Its current capital is three hundred million (300,000,000) Saudi riyals divided into thirty million (30,000,000) shares with a nominal value of ten (10) Saudi riyals per share, all of which are fully paid and listed in Tadawul.
Arabian Shield, Merged Entity, or Issuer	Arabian Shield, is a Saudi public joint stock company, established by virtue of the Council of Ministers Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G), and Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G), and registered in the Commercial Register No. (1010234323) in Riyadh on 27/05/1428H (corresponding to 13/06/2007G). The Arabian Shield began practicing insurance activity after obtaining the approval of the Central Bank of Saudi Arabia under license No. (TMN/6/200709) on 29/08/1428AH (corresponding to 11/09/2007AD). The current headquarters of Arabian Shield is located at 3rd Floor, Circon Building No. 15, Olaya Street, P.O. 61352, Riyadh 11565, Kingdom of Saudi Arabia. Arabian Shield was listed in Saudi Tadawul on 09/09/1436 AH (corresponding to 26/06/2015AD). The Arabian Shield's current capital is six hundred and thirty-eight million five hundred and twenty-four thousand six hundred and twenty (638,524,620) Saudi riyals divided into sixty-three million eight hundred and fifty-two thousand four hundred and sixty-two (63,852,462) shares with a nominal value of ten (10) Saudi riyals per share, all of which are fully paid and listed in Tadawul Saudi Arabia ("Tadawul")
Board of Directors of Alinma Tokio Marine, or members of the Board of Directors of Alinma Tokio Marine	Board of Directors of Alinma Tokio Marine Company.
Circular/Alinma Tokio Marine Board of Directors' Circular	This circular, which is available to the shareholders of Alinma Tokio Marine with regard to the transaction, contains, among other things, the opinion of the Board of Directors of Alinma Tokio Marine on the transaction and the plans of the Arabian Shield regarding Alinma Tokio Marine and its employees, in addition to other information related to ownership shares, transactions and substantive contracts in accordance with Article (39) of the Merger and Acquisition Regulations, which also includes the invitation to attend the Extraordinary General Assembly Meeting of Alinma Tokio Marine and voting, in addition to any other circulars related to the transaction as required by the context and the merger and acquisition regulations.
Offer	The offer for the exchange of securities submitted by the Arabian Shield to the shareholders of Alinma Tokio Marine included in the Offer Document.
Alternative offer or competitor offer	Any of the following: (1) an actual offer, or a potential offer made by any third party other than Arabian Shield, or

Term or Abbreviation	Definition
	<p>(2) the actual sale, or potential sale, of any assets of Alinma Tokio Marine, is material in the course of Alinma Tokio Marine's business or in the course of the transaction, or</p> <p>(3) any other transaction which, had it been executed, may have resulted in a change in the Controlling Shares in Alinma Tokio Marine, or</p> <p>(4) Any transaction entered into by Alinma Tokio Marine includes an unusual proposal regarding the distribution of dividends to its shareholders.</p> <p>Regardless of the proposed method of execution of the offer, proposal, or transaction.</p>
Request to Increase the Capital of Arabian Shield for the Purpose of Merger	It is a request to increase the capital of the Arabian Shield for the purpose of merging Alinma Tokio Marine into the Arabian Shield in accordance with the rules of offering securities and continuing obligations, where the capital of the Arabian Shield will be increased by (25.00%) from (638,524,620) Saudi riyals to (798,152,950) Saudi riyals and increase the number of its issued shares from (63,852,462) ordinary shares to (79,815,295) ordinary shares.
Shareholders Circular	Shareholders circular related to increasing the capital of the Arabian Shield by issuing new shares for the purpose of merging Alinma Tokio Marine into the Arabian Shield, prepared by the Arabian Shield, and addressed to and available to the shareholders of the Arabian Shield in connection with the transaction and the capital increase for the purpose of merging with Alinma Tokio Marine.
Extraordinary General Assembly of Alinma Tokio Marine for Merger Transaction	<p>The Extraordinary General Assembly Meeting of Alinma Tokio Marine, which will be held to vote on the merger transaction and a number of other related resolutions. These resolutions are as follows:</p> <ol style="list-style-type: none"> 1. Approval of the terms and conditions of the merger agreement concluded between the Arabian Shield and Alinma Tokio Marine on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G). 2. To authorize the Board of Directors of Alinma Tokio Marine to pass any resolution or take any action that may be necessary to implement any of the above resolutions. <p>The terms of the Extraordinary General Assembly of Alinma Tokio Marine will be to vote on the provisions of the merger agreement, and to vote on authorizing the Board of Directors of Alinma Tokio Marine to authorize any person authorized by the Board of Directors of Alinma Tokio Marine to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions related to the merger transaction.</p>
Extraordinary General Assembly of the Arabian Shield for the merger transaction	The Extraordinary General Assembly Meeting of the Arabian Shield, which will be held to vote on the merger transaction and a number of other related resolutions.
Shares of Arabian Shield	Ordinary shares in Arabian Shield with a nominal value of (10) Saudi riyals per share.
Listing	To list the new shares of the Arabian Shield in the market in accordance with the listing rules, to be traded on "Tadawul", or where the context allows, to submit the registration with the Capital Market Authority and/or Tadawul to accept the listing.
Listing Date	The date on which the listing of the new shares of Arabian Shield will become effective.
Declaration, or Declaration of Confirmed Intent	It is the declaration issued on 12/01/1445H (corresponding to 30/7/2023G) Regarding the transaction in accordance with paragraph (e) of Article 17 of the Mergers and Acquisitions Regulations.
Business Day	Any working day except Fridays and Saturdays and any day that is an official holiday in the Kingdom of Saudi Arabia or any day on which banking institutions are closed in accordance with the regulations in force and other government procedures.

Term or Abbreviation	Definition
Capital Increase	It is the proposed increase in the capital of the Arabian Shield from (638,524,620) Saudi riyals to (798,152,950) Saudi riyals through the issuance of (15,962,833) ordinary shares in favor of the shareholders of Alinma Tokio Marine for the purpose of the merger of Alinma Tokio Marine in the Arabian Shield and the transfer of all assets and liabilities of Alinma Tokio Marine to the Arabian Shield.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia, issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 27/06/1444H (corresponding to 20/01/2023G).
Terms and Conditions	These are the conditions for the implementation of the transaction as set out in paragraph (8.1) of this circular (provided that any amendments, deletions or additions as (1) are required to comply with the requirements of the Capital Market Authority, (2) are required in the regulations and regulations in force, or (3) are agreed upon between the Arabian Shield and Alinma Tokio Marine, and "conditions" means one or more conditions as the context requires.
Control	As it is meant in the Merger and Acquisition Regulation, the ability to influence the actions or resolutions of another person, directly or indirectly (with the exception of indirect ownership through an exchange agreement or through an investment fund whose unit owners have no right in its investment resolutions), individually or collectively with a person or persons acting with him by agreement, through owning (directly or indirectly) a percentage equal to 30% or more of the voting rights in a company, and the term "linear" shall be interpreted accordingly.
Subordinate	The person who controls another person, or is controlled by that other person, or shares with him being controlled by a third person. In any of the foregoing, the control is direct or indirect.
Dividend distribution	Any form of dividend or distribution (whether in cash or in kind).
To act in connection with	<p>It means, at the discretion of the Authority, actual cooperation under an agreement (whether binding or non-binding) or an understanding (whether formal or informal) between persons to control (whether directly or indirectly, excluding indirect ownership by way of a swap agreement or through an investment fund in which the owner of its units has no right in its investment resolutions) a company, through the acquisition by any of them (through direct or indirect ownership) of voting shares in that company. Without prejudice to the application of this definition, the following persons shall be deemed, without limitation, to have acted in concert with other persons in the same category unless proven otherwise:</p> <ol style="list-style-type: none"> 1. Persons who are members of the same group; 2. the person's relatives; <p>A person or persons who have provided financial assistance (other than in the ordinary course of business) to the offeror or persons who are members of the same group as that person for the purpose of purchasing shares with voting rights or convertible debt instruments.</p>
Market or financial market	Saudi Tadawul Company "Tadawul" includes any committee, sub-committee, employee, official, affiliate, or agent that may be assigned at the present time to carry out any of the functions of the market, and the phrase "in the market" means any activity carried out through or by the equipment provided by Tadawul.
Yaqeen Financial Company "Yaqeen Capital"	Yaqeen Financial Company "Yaqeen Capital", the financial advisor to Alinma Tokio Marine in connection with the merger transaction.
Shares of Alinma Tokio Marine	Ordinary shares in Alinma Tokio Marine with a nominal value of 10 Saudi riyals per share.
Extraordinary General Assembly Meeting	It is the extraordinary general assembly meeting of the shareholders of Alinma Tokio, or the shareholders of Arabian Shield, as the context requires, which will be held in connection with this transaction.

Term or Abbreviation	Definition
The Kingdom	Kingdom of Saudi Arabia.
Insurance company	It is an insurance company subject to the supervision of the Central Bank of Saudi Arabia and the law of monitoring cooperative insurance companies issued by Royal Decree No. M/32 dated 02/06/1424AH corresponding to 31/07/2003G, as amended by Royal Decree No. M/30 dated 27/05/1434H corresponding to 08/04/2013G, and amended by Royal Decree No. M/12 dated 23/01/1443H corresponding to 01/09/2021G and the Executive Regulations of the Law of Monitoring Cooperative Insurance Companies issued by Ministerial Order No. 1/561 dated 01/03/1425H corresponding to 20/04/2004G.
Saudi Central Bank or SAMA	It is the Central Bank of Saudi Arabia operated in the Kingdom of Saudi Arabia.
Traded	It means the shares that are traded in the main market (Tadawul).
Listed	They are securities or shares that have been accepted for listing on the main market in Tadawul.
Rules for Offering Securities and Continuing Obligations	Rules of offering securities and continuous obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 3-123-2017 dated 09/4/1439H (corresponding to 27/12/2017G). Based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H amended by the Authority's Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G).
Listing Rules	Listing rules issued by Saudi Tadawul Company (Saudi Tadawul) and approved by CMA Board Resolution No. 2017-123-3 dated 09/04/1439H (corresponding to 27/12/2017G), amended by its Resolution No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G), amended by its Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G), amended by its Resolution No. (1/19/2022) dated 12/07/1443H (corresponding to 13/02/2022G), amended by its Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G), amended by its Resolution No. (3-96-2022) dated 10/02/1444H (corresponding to 06/09/2022G), amended by its Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G), and any amendments thereto.
Law	The Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (31/07/2003G).
Negative Substantial Change or Negative Substantial Changes	It is any of the cases described in paragraph (8.1.8) ("Negative Substantial Changes") in this document, the occurrence of which may lead to the termination of the merger agreement and the payment of the termination fee (except in the case of force majeure whose conditions result in the termination of the merger agreement but without the payment of the termination fee).
Offer Document	The offer document prepared by Arabian Shield in accordance with Article (38) of the Mergers and Acquisitions Regulations regarding the offer submitted by Arabian Shield to the shareholders of Alinma Tokio Marine for the purpose of merging Alinma Tokio Marine with Alinma Arabian Shield in exchange for transferring the assets and liabilities of Alinma Tokio Marine to the Arabian Shield.
Offer Period	The period from the date of the announcement of the confirmed intention of the Arabian Shield to submit an offer to the shareholders of Alinma Tokio Marine until the date of the issuance of the resolution of the Extraordinary General Assembly of the merger transaction for each of the two companies or that the merger agreement is terminated in accordance with its provisions.
Mergers and Acquisitions Regulation	It is the merger and acquisition regulation issued by the Board of the Capital Market Authority by virtue of Resolution No. 1-50-2007 dated 21/09/1428H, (corresponding to 03/10/2007G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/06/1444H corresponding to 18/01/2023G, based on the Capital Market

Term or Abbreviation	Definition
	Law issued by Royal Decree No. M/30 dated 02/06/1424H and the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H.
Person	It is any natural or legal person approved by the Kingdom's laws in this capacity.
Related Person	The Managing Director is a member of the Board of Directors, senior executives or any major shareholder of the Arabian Shield or Alinma Tokio Marine, or the financial advisor or legal advisor of any of the Arabian Shield or Alinma Tokio Marine, or any person related to a person to whom this definition applies.
Major Shareholder(s)	A person who owns 5% or more of the shares of either Arabian Shield or Alinma Tokio Marine.
Direct Ownership	Direct Ownership means the shares owned directly by the Shareholder in Arabian Shield or Alinma Tokio Marine (where applicable).
Indirect Ownership	Indirect Ownership means shares owned indirectly by the Shareholder in the Company (Arabian Shield or Alinma Tokio Marine) (where applicable) through their ownership in companies that own shares in Arabian Shield or Alinma Tokio Marine (where applicable) or shares owned by the Shareholder's relatives (husband, wife, children and parents) either directly or through their ownership in companies that own shares in Alinma Tokio Marine (where applicable).
Senior Executives	Any natural person who manages and is responsible for the development and execution of the strategic resolutions of the Company including the CEO, his/her deputies and the CFO.
Related Party or Parties	<p>In the Rules of the Offer of Securities and Continuing Obligation means:</p> <ol style="list-style-type: none"> 1. Affiliates of the Issuer except for wholly-owned companies; 2. Substantial shareholders of the issuer; 3. Directors and senior executives of the issuer; 4. Directors of the affiliates of the issuer; 5. Directors and senior executives of substantial shareholders of the issuer; 6. Any relatives of persons described at (1), (2), (3) or (5) above; 7. Any company controlled by any person described at (1), (2), (3), (5) or (6) above. <p>In the merger and acquisition regulation, it means a person (whether acting in agreement with the offeror, the company offered to it, or any of their subsidiaries, or not acting in agreement with them) who owns or transactions, directly or indirectly, with the shares of the offeror or the company offered to it, whether through a private sale and purchase transaction or an offer or any person (in addition to his usual interests as a shareholder) who has an interest or potential interest - whether personal, financial or commercial - in what will result from the acquisition or merger or a related party with both the offeror and the company offered thereto, and in a manner that does not conflict with the general application of this definition, the definition includes, but is not limited to the following:</p> <ol style="list-style-type: none"> 1- A person or persons who have provided financial assistance (other than by a bank in the ordinary course of its business) to the Offeror or the Offeree company. 2- Member of the Board of Directors of the Offeror or the Offeree company (or any of their affiliates). <p>A person who owns 20% or more in the Offeror or the Offeree company (whether individually or with a person or persons acting with him by agreement.</p>
Other Jurisdiction	It is any scope of authority outside the Kingdom of Saudi Arabia in which it is prohibited to distribute the offer document, establish, extend, or accept any other offer related to

Term or Abbreviation	Definition
	the transaction that would violate the law, or the legislation in force to implement it within the aforementioned scope of authority, including, but not limited to, Australia, Canada, the Dubai International Financial Center, Japan, Jordan, the Kingdom of Bahrain, Kuwait, the Sultanate of Oman, the United Arab Emirates, the United Kingdom, and the United States of America.
SAR	The Saudi Riyal is the official currency of the Kingdom of Saudi Arabia.
General Authority for Competition	It is the General Authority for Competition in the Kingdom of Saudi Arabia, which was established by virtue of the Competition Law issued by Royal Decree No. (M/25) dated 04/05/1425H.
Capital Market Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Supervisory Body	It is the authority, the Saudi Central Bank (formerly the Saudi Arabian Monetary Authority), or any other authority in the Kingdom or abroad that monitors and supervises the exercise of securities, banking, financial, insurance, or investment business, including self-regulatory bodies.
Saudi Stock Exchange, Capital Market, Stock Market, or Market	Saudi Stock Exchange (Tadawul).
Tadawul Saudi Arabia	Saudi Tadawul Company (formerly Saudi Stock Exchange Company), established in accordance with the resolution of the Council of Ministers on 29/02/1428H (corresponding to 19/03/2007G), in implementation of the Capital Market Law, is a Saudi closed joint stock company, and the only entity authorized to operate as a stock exchange in the Kingdom of Saudi Arabia, where it lists and trades securities. Saudi Stock Exchange.
Financial Advisor	Independent financial advisor to Alinma Tokio, Yaqeen Financial Company ("Yaqeen Capital").
Alinma Tokio Marine's Financial and Tax Professional Due Diligence Advisor	KPMG Professional Consulting
Alinma Tokio Marine's Actuarial Due Diligence Consultant	Badri Management Consultancy
Valuation Consultant for Alinma Tokio Marine's Insurance Portfolio	Badri Management Consultancy
Legal Advisor to Alinma Tokio Marine	Independent Legal Advisor to Alinma Tokio Marine, Al Tamimi & Co. Advocates & Legal Consultants
Termination Date	The date on which the Merger Agreement terminates in accordance with its terms and conditions.
Transaction or Merger	The proposed merger transaction between the Arabian Shield and Alinma Tokio Marine in accordance with the provisions of Article (225), Article (227), Article (228), Article (229) of the Companies Law and Subparagraph (1) of Paragraph (A) of Article (49) of the Mergers and Acquisitions Regulations, through which all assets and liabilities of Alinma Tokio Marine will be transferred to the Arabian Shield by increasing the capital of the Arabian Shield by issuing fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new ordinary shares to the shareholders of Alinma Tokio Marine without paying any cash consideration, in accordance with the terms agreed upon between the two companies under the merger agreement.
Enforcement of merger resolution	The day on which the updated commercial register of Arabian Shield is issued and the data of Alinma Tokio Marine is recorded in the commercial register of Arabian Shield and all assets and liabilities of Alinma Tokio Marine are transferred to Arabian Shield.

Term or Abbreviation	Definition
Completion of the Merger Transaction	The completion of the merger transaction shall be after the end of the creditor objection period and after the publication of the resolutions of the approval of the Extraordinary General Assembly of the Arabian Shield for the merger transaction and the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction.
Memorandum of Understanding	Non-binding Memorandum of Understanding concluded between Arabian Shield and Alinma Tokio Marine on 19/05/1444H (corresponding to 13/12/2022G)
Merger Agreement or Agreement	The contract signed between the Arabian Shield and Alinma Tokio Marine on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445 AH (corresponding to 25/07/2023G), which includes the terms and conditions related to the implementation of the merger transaction.
Creditor Objection Period	The period during which the creditors of Alinma Tokio Marine have the right to submit their objections to the merger transaction referred to in Article 227 of the Companies Law and settle any objections submitted during it in accordance with the provisions of the Companies Law, where the creditors of Alinma Tokio Marine have the right to object to the merger transaction within a minimum period of 15 days from the date of the announcement by Alinma Tokio Marine of the start of the creditor objection period. Alinma Tokio Marine shall announce the start of the creditor objection period at least thirty (30) days before the date of the Extraordinary General Assembly of Alinma Tokio Company for the merger transaction.
Exchange Ratio	It is the number of shares issued in the Arabian Shield in favor of the shareholders of Alinma Tokio Marine for every one share of Alinma Tokio Marine, which is specified as follows, (0.53209443333333330000) shares of the Arabian Shield for every one share of Alinma Tokio Marine.
New Shares or Consideration Shares	They are the shares of the Arabian Shield that will be issued to the shareholders of Alinma Tokio Marine as a result of the merger transaction, amounting to fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) ordinary shares with a nominal value of ten (10) Saudi riyals per share (these new shares do not differ from the current shares issued to the Arabian Shield in any way).
Business Integration	Merging the business of the Arabian Shield and Alinma Tokio Marine (including the merger of administrative functions, organizational structure, information systems, etc.) to achieve the progress of the business of the merged entity after the completion of the merger transaction.

2. Introduction

2.1 Circular of Alinma Tokio Marine

This circular includes the legal information to be provided to Alinma Tokio Marine's Shareholders in accordance with the requirements of the Mergers and Acquisitions Regulations. This circular also includes the opinion of Alinma Tokio Marine's Board regarding the merger transaction as well as the independent financial advice provided hereto by Yaqeen Capital.

2.2 Overview of the Merger Transaction

On 20/05/1444H (corresponding to 14/12/2022G), Alinma Tokio Marine announced the signing of a non-binding memorandum of understanding with the Arabian Shield in order to assess the feasibility of merging the two companies, in addition to initiating due diligence studies from the financial, legal, actuarial, tax and zakat aspects, enter into non-binding discussions in relation to the details of the terms and conditions of the proposed merger. The signing of the non-binding MOU follows the preliminary results of studies and discussions on the proposed merger. In this context, the two companies have agreed under this non-binding memorandum that the proposed merger will be made through a securities exchange offer through which the assets and liabilities of Alinma Tokio Marine will be transferred to Arabian Shield in exchange for the issuance of new shares in favor of the shareholders of Alinma Tokio Marine in Arabian Shield. Additionally, the two companies also agreed in principle that the basis of the valuation will be using the adjusted book value of the ownership (Adjusted Ownership Book value) after making the amendments that will be agreed upon according to the results of the inspection and due diligence process. In addition, the book value of the ownership of Alinma Tokio Marine will be adjusted at the implied value (Embedded Value) of the portfolio of Takaful insurance policies to secure the protection and savings of Alinma Tokio Marine, and that the exchange ratio between the Arabian Shield and the shareholders of Alinma Tokio Marine will be calculated using the adjusted book value of the share of each of the two companies according to a date agreed upon by both parties. Accordingly, the two companies formed a working group consisting of members of the executive management of each company to study and review the commercial, financial and legal aspects of the proposed structure of the merger transaction.

Accordingly, the Arabian Shield and Alinma Tokio Marine signed a binding merger agreement on 25/11/1444H corresponding to 14/06/2023G, amended on 07/01/1445H (corresponding to 25/07/2023G), according to which it was agreed to take the necessary steps to implement the merger transaction in accordance with the provisions of Articles (225, 227, 228 and 229) of the Companies Law and subparagraph (1) of paragraph (a) of Article (149) of the Mergers and Acquisitions Regulations. The two parties agreed that the only consideration for the merger is that the Arabian Shield issues new shares on the date of completion of the merger transaction (taking into account the settlement procedures) exclusively for the benefit of the eligible shareholders of Alinma Tokio Marine in exchange for the merger

of Alinma Tokio Marine in the Arabian Shield, where the Arabian Shield will issue (0.53209443333330000) shares in the Arabian Shield Company in exchange for each share owned in Alinma Tokio Marine. The following are the most important historical events related to the integration process:

Event	Date
Alinma Tokio Marine and Arabian Shield have signed a non-binding Memorandum of Understanding to assess the feasibility of merging the two companies	19/05/1444H (corresponding to 13/12/2022G)
Alinma Tokio Marine and Arabian Shield have signed the Merger Agreement and Arabian Shield has announced its willingness to submit an offer document to Alinma Tokio Marine's shareholders for the purpose of merging with Alinma Tokio Marine through a financial exchange offer.	25/11/1444AH (corresponding to 14/06/2023G). Amended on 07/01/1445H (corresponding to 25/07/2023G)
The General Authority for Competition announced that it has no objection to the merger transaction	01/12/1444AH (corresponding to 19/06/2023G).
Alinma Tokio Marine Announces Saudi Central Bank Approval of the Merger Transaction issued on 26/02/1445H corresponding to 11/09/2023G	27/02/1445H (Corresponding to 12/09/2023G).
Tadawul's conditional approval was obtained on the request for the registration of the shares and the capital increase of the Arabian Shield for the benefit of Alinma Tokio Marine's shareholders who are entitled to those shares.	27/02/1445H (Corresponding to 12/09/2023G).
The Capital Market Authority approved the request to increase the capital of the Arabian Shield by issuing new shares to the shareholders of Alinma Tokio Marine for the purpose of executing the merger.	03/03/1445H (Corresponding to 18/09/2023 G).

3. Merger Transaction

The merger transaction will be executed in accordance with Articles (225), (227), (228) and (229) of Companies Law and Sub-paragraph (1) of Paragraph (A) of Article (49) of the Mergers and Acquisitions Regulations. Upon satisfying the the merger conditions mentioned briefly in this circular, all assets and liabilities of Alinma Tokio Marine will be transferred to Arabian Shield on the effective date and Arabian Shield will continue to exist, Alinma Tokio Company will be dissolved as a legal entity and all its shares will be canceled, and Alinma Tokio Marine shareholders registered in the Alinma Tokio Marine Shareholders Register will be issued as consideration shares at the end of the second trading period after the completion of the merger resolution.

The shareholders of Alinma Tokio Marine will receive (15,962,833) shares in the Arabian Shield for the entire share capital of Alinma Tokio Marine. These shares will be issued by increasing the fully paid-up capital of the Arabian Shield Company from (638,524,620) Saudi riyals to (798,152,950) Saudi riyals and increasing the number of its issued shares from (63,852,462) shares to (79,815,295) shares. The total number of consideration shares will be (15,962,833) ordinary shares with a nominal value of (10) Saudi riyals per share, so that the total value of consideration shares will be (159,628,330). On the date of completion of the merger transaction, the current shareholders of the Arabian Shield will own (80.00%) of the share capital of the merged entity, while the shareholders of Alinma Tokio Marine will own (20.00%) of the share capital of the merged entity.

In the event that the calculation of the number of shares due to any of the shareholders of Alinma Tokio Marine based on the exchange ratio results in fractions of shares, the resulting number will be rounded down to the lowest integer. For example, if a shareholder of Alinma Tokio Marine owns (50) shares in Alinma Tokio Marine, he will be allocated (26) shares of the consideration shares and not (27) shares. The fractions of the shares will be collected and sold in Tadawul at the market price at the time on behalf of the shareholders of Alinma Tokio Marine who are entitled thereto, and then the proceeds resulting from the sale of the fractions of the shares will be distributed to their beneficiaries, each according to what it is entitled to within a maximum period of thirty (30) days from the date of completion of the merger transaction. Knowing that the costs related to the sale of the fractions of the shares will be deducted from the total proceeds of the sale of the fractions of the shares.

The consideration shares will be issued fully paid and of the same class as the ordinary shares of Arabian Shield, and the shareholders of Alinma Tokio Marine will enjoy in all respects all rights and without any mortgages or encumbrances. The two companies will continue to use their names and trademarks during the execution period of the merger transaction.

The terms of the merger were approved by the Board of Directors of Arabian Shield and the Board of Directors of Alinma Tokio Marine, including the agreed exchange ratio, i.e. (0.5320944333333333) new shares in Arabian Shield in favor of the shareholders of Alinma Tokio Marine for every one share owned in Alinma Tokio Marine.

The proposed capital increase of the Arabian Shield for the purpose of the merger transaction is conditional on the approval of the shareholders of the Arabian Shield during the extraordinary general assembly meeting of the Arabian Shield for the purpose of increasing its capital for the purpose of merging

Alinma Tokio Marine into the Arabian Shield, in addition to the approval of the shareholders of the Alinma Tokio Marine during the extraordinary general assembly meeting on the offer submitted by the Arabian Shield. The new shares in Arabian Shield will be issued on the completion date of the merger transaction as fully paid shares. These shares will be equal to the shares of Arabian Shield currently issued with all related rights. The shares will also be owned by the shareholders of Alinma Tokio Marine free from any mortgages, restrictions, fees, encumbrances, pre-emptive rights, or other rights or interests of third parties. In addition, the shareholders of Alinma Tokio Marine will receive all rights arising from the acquisition of those shares, including the right to receive any profits announced by Arabian Shield after the completion of the merger transaction.

After the merger transaction is approved by the shareholders of Alinma Tokio Marine during the extraordinary general assembly meeting of the company for the approval of the offer submitted by the Arabian Shield related to the merger, and after the effectiveness of the merger resolution and the issuance of shares to the shareholders of Alinma Tokio Marine in the Arabian Shield, the shares of Alinma Tokio Marine will be canceled on the Saudi Stock Exchange (Tadawul Saudi Arabia) and all licenses issued thereto will be canceled and then its commercial register will be canceled and Alinma Tokio Marine will be dissolved.

It is expected that all this will be done according to the expected schedule of key events, which is shown on page (I).

Table No. (1): Ownership of the Arabian Shield before and after increasing the capital of the merged entity and completing the merger transaction, as on 28/01/1445H (corresponding to 15/08/2023G).

Shareholder	Before the Completion of the Merger Transaction				After the Completion of the Merger Transaction			
	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage
Saudi National Bank	7,155,738	11.21%	None	11.21%	7,155,738	8.97%	None	8.97%
Bahrain National Holding B.S.C.	6,000,000	9.40%	None	9.40%	6,000,000	7.52%	None	7.52%
Sultan Holding Company	5,700,000	8.93%	None	8.93%	5,700,000	7.14%	None	7.14%
Board Members and Senior Executives of Arabian Shield Company*	3,466	0.0054%	10.27%	10.27%	3,466	0.0043%	None	8.22%
Arabian Shield Company's Shareholders Other than the Public (Excluding Substantial shareholders, Board Members, and Senior Executives) **	850,000	1.33%	None	1.33%	850,000	1.06%	None	1.06%
Tokio Marine & Nichido Fire Insurance Co. (TMNF)					4,589,314	5.75%	None	5.75%
Alinma Bank Company					4,589,314	5.75%	None	5.75%
Board Members and Senior Executives of Alinma Tokio Marine***			None		None		0.006%	0.006%
The Public	44,143,258	69.13%	N/A		50,927,463	63.81%		N/A
Total	63,852,462	100%	N/A		79,815,295	100%		N/A

Source: Arabian Shield Company

*Direct ownership by the Board members of Arabian Shield Company is due to the direct ownership by 1) Prince/ Naif bin Sultan bin Mohammed bin Saud Al-Kabeer, 2) Turki bin Nasser Al-Mutawa Al-Otaibi, and 3) Raed bin Ali Al-Saif. Indirect ownership by the Board members of Arabian

Shield Company is due to 1) the direct ownership by Sultan Holding Company totally owned by the father of the Chairman of Arabian Shield Company, 2) direct ownership by the father of the Board member of Arabian Shield Company, Mr. Turki bin Nasser Mohammad Al-Otaibi, and 3) direct ownership by the Issuer's Board member, Mr. Abdallah Abdulrahman Al-Obeikan of 10.49% in Obeikan Investment Group, which group owns 0.01% of the issued capital before the Merger Transaction.

**The ownership by Arabian Shield Company's shareholders other than the public is due to the direct ownership by Nasser Mohamed Hamoud Al-Otaibi (father of the Issuer's Board member, Mr. Turki bin Nasser Mohammad Al-Otaibi).

*** The indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Marine results from: 1/ Direct ownership in Alinma Bank by (1/ Abdul Mohsen Abdulaziz Al Fares (Chairman of the Board of Directors) by 0.063%, 2/ Imad Abdul Rahman Al Butairi (Member of the Board of Directors) By 0.004%, 3/ Abdullah Ali Al Khalifa (Member of the Board of Directors) by 0.003%, 4/ Khaled Abdullah Al Rumaih (Member of the Board of Directors) by 0.0004%), as Alinma Bank owns 28.75% of the capital of Alinma Tokio Marine Company, 2 / As well as the direct ownership in Tokio Marine Holding Company of (1/ Hironari Iwakuma (Vice Chairman of the Board of Directors) 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) 0.01%, 3/ Kentaro Kita (CEO) 0.01%.) (Tokio Marine Holding Company is a company listed on the Japanese capital market, and ownership results from monthly in-kind distributions and it is difficult to estimate the exact number) which in turn owns 100% of the capital of Tokio Marine and Nichido Fire Insurance Company, which in turn owns 28.75% of Capital of Alinma Tokio Marine Company.

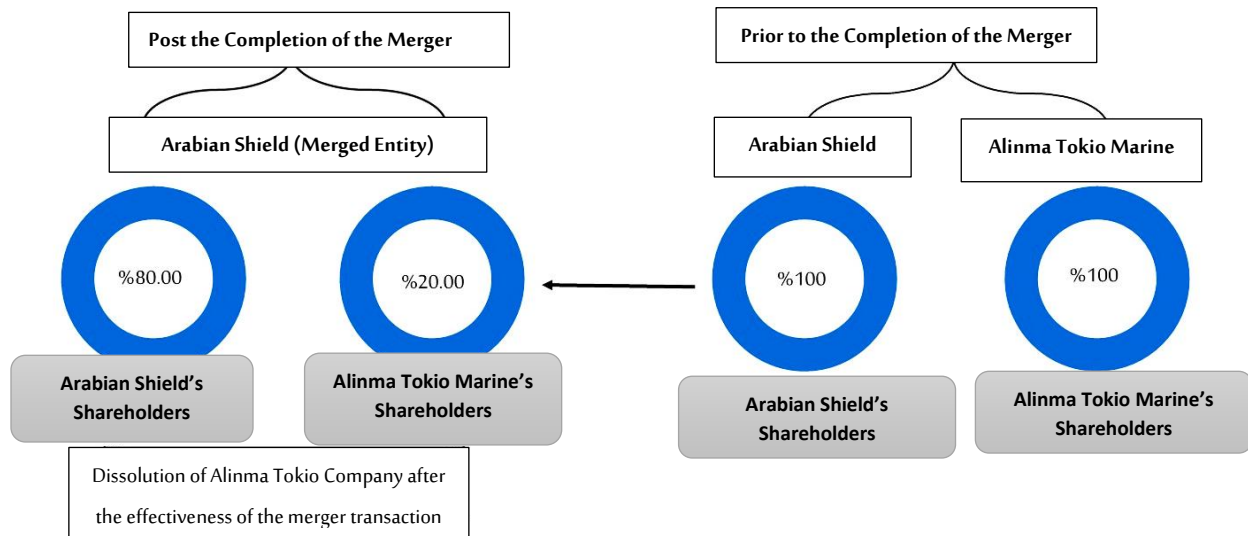
The details of the major shareholders in Alinma Tokio Marine, their number of shares, and their ownership percentages before and after the completion of the merger transaction can be found in the table below:

Shareholder	Prior to the completion of the merger				Post the completion of the merger			
	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage
Alinma Bank Company	8,625,000	28.75%	None	28.75%	Not applicable, as Alinma Tokio Marine shares will be delisted			
Tokio Marine & Nichido Fire Insurance Co. Ltd (TMNF)	8,625,000	28.75%	None	28.75%				
Board members and senior executives at Alinma Tokio Marine*	83	0.0003%	0.03%	0.03%				
The Public	12,749,917	42.50%		N/A				
Total	30,000,000	100%		N/A				

Source: Alinma Tokio Company

*The direct Ownership of the board members and senior executives at Alinma Tokio Company is due to the direct ownership of the board member Khaled Abdullah Al-Rumaih. Whereas, the indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Marine results from: 1/ Direct ownership in Alinma Bank by (1/ Abdul Mohsen Abdulaziz Al Fares (Chairman of the Board of Directors) by 0.063%, 2/ Imad Abdul Rahman Al Butairi (Member of the Board of Directors) By 0.004%, 3/ Abdullah Ali Al Khalifa (Member of the Board of Directors) by 0.003%, 4/ Khaled Abdullah Al Rumaih (Member of the Board of Directors) by 0.0004%), as Alinma Bank owns 28.75% of the capital of Alinma Tokio Marine Company, 2 / As well as the direct ownership in Tokio Marine Holding Company of (1/ Hironari Iwakuma (Vice Chairman of the Board of Directors) 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) 0.01%, 3/ Kentaro Kita (CEO) 0.01%.) (Tokio Marine Holding Company is a company listed on the Japanese capital market, and ownership results from monthly in-kind distributions and it is difficult to estimate the exact number) which in turn owns 100% of the capital of Tokio Marine and Nichido Fire Insurance Company, which in turn owns 28.75% of Capital of Alinma Tokio Marine Company.

Figure No. (1): The structure of the two companies before and after the merger process



Source: The Company

3.1 Implications of the Merger Transaction

The insurance sector witnessed an estimated growth of 26.9% during 2022 (according to the Saudi Insurance Market Report for 2020, issued by the Saudi Central Bank), where the total written premiums amounted to 53.4 billion riyals in 2022 compared to 42.03 billion riyals in 2021. In this context, health insurance maintained its position as the largest insurance activity in 2022, growing by 26.8% and accounting for 59.7% of total written premiums. The share of general insurance in the total insurance increased from 36.2% in 2021 to 36.8% in 2022. Protection and savings insurance, which constitutes the lowest share in the insurance market, witnessed a decrease from 4.1% in 2021 to 3.5% in 2022.

On the other hand, the main motives of the transaction revolve around the competitiveness and concentration of market shares in the insurance sector currently, and according to the Saudi Insurance Market Report for 2022 issued by the Saudi Central Bank (formerly the Saudi Arabian Monetary Authority), in 2022 the eight largest insurance companies achieved 77.5% of the total insurance premiums written in the insurance market in the Kingdom, while the rest of the 19 companies mentioned in the report achieved 22.5% of the total insurance premiums written in the insurance market in the Kingdom. The market share of the Arabian Shield during the year 2022 amounted to 2.1% of the total written premiums in the insurance market. The market share of the general insurance sector of the Arabian Shield of the total general insurance premiums written in the Kingdom in 2022 amounted to 1.14%. The market share of the health insurance sector of the Arabian Shield of the total health insurance premiums written in the Kingdom in 2022 amounted to 1.44%. The market share of the protection and savings insurance sector of the Arabian Shield of the total protection and savings insurance premiums written in the Kingdom amounted to 22.53% in 2022.

The insurance sector in the Kingdom of Saudi Arabia in the past year 2022 faced two completed mergers of a number of insurance companies, in addition to a number of announced mergers that are being completed during the current year 2023. The year 2022 witnessed the effectiveness of the merger of Walaa Cooperative Insurance Company and **SABB** Takaful Company, and the merger of the Arabian Shield and Al-Ahli Takaful Company. The insurance sector is expected to witness more mergers in the foreseeable

future, as the initiatives of the Financial Sector Development Program included an initiative to encourage and facilitate mergers in the insurance sector, which aims to sustain the growth, stability and durability of the sector, increase its contribution to GDP, diversify its products and digitization, and promote innovation and competition therein.

The proposed merger of the Arabian Shield with Alinma Tokio Marine is an important step to acquire a larger market share, which enhances the competitive position of the merged entity upon effectiveness of the merger transaction resolution. The members of the Board of Directors of the Alinma Tokio Marine believe that the experience that the team of the Arabian Shield owns and the technical infrastructure that the Arabian Shield owns with regard to insurance in the branches of public insurance will be a positive point with a relative advantage to improve the market share of the merged entity, and that the merged entity will cover all insurance products in its various sectors (health protection and savings, vehicles, property and accidents). In addition, since the merged entity will have stronger capital, it will be better able to bear the risks, accept more insurance subscriptions and provide better insurance services to its customers. It is also expected that the new capital of the merged entity will contribute to improving the ability of the merged entity to invest its funds and thus the investment returns resulting from those investments. On the other hand, the new capital of the merged entity is expected to contribute to obtaining a better assessment by international financial rating agencies. Additionally, by virtue of the increase in the volume of expected work, the merged entity will have a better ability to negotiate prices with reinsurance companies.

The members of the Board of Directors of Alinma Tokio Marine believe that the merged entity will be able to reduce the percentage of public and administrative expenses (G&A Expense Ratio) commensurate with the size of its new business, which will include the work of Alinma Tokio Marine. In addition, the members of the Board of Directors of Alinma Tokio Marine believe that the merged entity will be able in the long term to offer more competitive prices to its customers in the insurance market at the level of the individual sector and the corporate sector.

The motives for integration include, but are not limited to, the following:

- Increasing the market share and increasing the customer base: The market share of the merged entity is expected to increase by a significant increase in the gross written premiums compared to the gross written premiums of all companies in the insurance sector, as the market share of the merged entity after the merger is expected to reach 2.9% compared to 2.1% for the Arabian Shield before the merger and 0.8% for Alinma Tokio Marine before the merger, an increase of 0.8% in the market share of the merged entity after the merger from the market share of the Arabian Shield before the merger. In addition, the merged entity is expected to have a larger customer base as a result of merging the customer base of both companies, which in turn will improve the position of the merged entity and the results of its operational and financial operations compared to the current centers of the Arabian Shield and Alinma Tokio Marine. The following table shows the underwritten insurance subscriptions according to the classification of customers for each of Arabian Shield and Alinma Tokio Marine before the merger transaction resolution and the merged entity took effect after the merger transaction resolution took effect.

Table No. (3): Underwritten insurance contributions according to the classification of customers before and after effectiveness of the merger transaction resolution as of 31 December 2022

Rating (Thousand Saudi Riyals)	Arabian Shield 31 December 2022	Alinma Tokio Marine 31 December 2022	Merged entity 31 December 2022	Percentage of increase in the merged entity
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				compared to the Arabian Shield
Large companies	699,096	228,318	927,414	33%
Medium Enterprises	76,834	93,963	170,797	122%
Small Businesses	41,128	46,017	87,145	112%
Micro-enterprises	45,971	11,431	57,402	25%
Individuals	243,256	58,856	302,112	24%
Total	1,106,285	438,585	1,544,870	40%

Source: The financial statements ending on December 31, 2022 for Arabian Shield Company and Alinma Tokio Company, and the proforma consolidated financial statements of the merged entity ending on December 31, 2022.

- Improving the ability of the merged entity to invest its funds: As a result of the merger transaction, the ability of the merged entity to invest its funds better is expected to improve as a result of the accumulation of experience with regard to the investment aspect of the Arabian Shield and Alinma Tokio Marine after the merger, as well as the increase in the financial strength and volume of investments of the merged entity. The following table shows the details of these investments for both Arabian Shield and Alinma Tokio Marine before the merger transaction resolution and the merged entity took effect after the merger transaction resolution took effect.

Table No. (4): Investments as of 31 December 2022 based on the proforma consolidated financial statements of the merged entity

Item (Thousand Saudi Riyals)	Arabian Shield 31 December 2022	Alinma Tokio Marine 31 December 2022	Merged entity 31 December 2022	Percentage of increase in the merged entity compared to the Arabian Shield
Short-term deposits	342,815	100,970	443,785	29%
Unit-Linked Investments	554,861	98,273	653,134	18%
Investments	636,612	99,968	736,580	16%
Total	1,534,288	299,211	1,833,499	20%

Source: Proforma consolidated financial statements of the merged entity ending on December 31, 2022.

- Reducing the ratio of operating expenses to total underwritten premiums and the ability to provide products at competitive prices: As a result of the merger transaction, the merged entity will be able to reduce operating expenses and general and administrative expenses commensurate with its new business volume, as a result of the merger of the joint services of Alinma Tokio Marine and the Arabian Shield which will lead to a decrease in the ratio of operating expenses to total underwritten premiums. Subject to the financial statements ending on December 31, 2022, the ratio of operating expenses to the total underwritten premiums of the Arabian Shield reached 8.3%, while it reached 10.9% in the merged entity, based on the consolidated proforma financial statements ending on December 31, 2022. It shall be noted that the ratio of operating expenses increased by 2.6% in the merged entity, but in contrast, written insurance contributions increased by 40%. In addition, the low operating expenses of the merged entity will cast a shadow over the company's ability to offer insurance products at more competitive prices in the long term.
- Improving the ability of the merged entity to negotiate prices with the reinsurers: As a result of the merger, which will create more value for the merged entity in terms of the market share of the total written insurance contributions compared to the sector as a whole, where the total subscribed insurance contributions of the Arabian Shield as of 31 December 2022 amounted to SAR 1,106 million, while the total subscribed insurance contributions amounted to SAR 1,544.9 million for the merged entity based on the consolidated proforma financial statements for the year ended 31 December 2022, the ability of the merged entity to negotiate with the reinsurers will be stronger due to the large volume of business of the merged entity after the merger, which will put the company in a stronger position in front of negotiations on prices and conditions with the reinsurers, which in turn will reduce reinsurance costs. The Arabian Shield deals with 81 reinsurers while Alinma Tokio Marine deals with 12 reinsurers.
- Enhancing the geographical spread of the merged entity's business: It is expected that after the merger, the merged entity will enjoy a wider geographical spread through the merger of the network of branches owned by both the Arabian Shield and Alinma Tokio Marine. In addition, the increase in the geographical spread of the merged entity will achieve the required targets of the merger transaction in terms of growth in the total written premiums across the network of branches, which has become more widespread, which in turn will increase the economic strength of the merged entity and will also increase the ability of the merged entity to compete in the insurance sector. The following table shows the current geographical distribution of Arabian Shield C and Alinma Tokio Marine:

Table No. (5): Geographical distribution of branches and points of sale of the Arabian Shield and Alinma Tokio Marine

City	Arabian Shield		Alinma Tokio Marine	
	Branch	Point of Sale	Branch	Point of Sale
Riyadh	2	2	1	-
Jeddah	1	-	1	-
Khobar	1	-	1	-
Abha	-	1	-	-
Total	4	3	3	-

Source: Management information of Arabian Shield Company and Alinma Tokio Marine.

- Improving the capital efficiency of the merged entity: As a result of the merger transaction, the merged entity will enjoy stronger capital and a stronger level of solvency, and thus will raise its ability to bear a higher level of risk and provide better insurance services, and it is expected that the new capital will contribute to obtaining a better rating by global financial rating agencies. The capital of the merged entity after the effectiveness of the merger transaction resolution will amount to (798.2) million Saudi riyals, an increase of (25%) over the capital of the Arabian Shield before the effectiveness of the merger transaction resolution amounting to (638.5) million Saudi riyals.
- Benefiting from the integration of administrative and technical expertise that may result from the business combination: It is predicted after the merger transaction that the merged entity will benefit from the cumulative experience in terms of administrative and technical aspects, technical structure and risk management owned by both companies.

The merger transaction is endorsed and recommended by the Boards of Directors of both Alinma Tokio Marine Company (ATMC) Arabian Shield Cooperative Insurance company.

3.2 Method of Determining the Exchange Ratio of Shares

The Arabian Shield and Alinma Tokio Marine agreed on the exchange ratio, which determines the number of shares that the shareholders of Alinma Tokio Marine will obtain in the merged entity upon the completion of the merger transaction, after negotiation and discussion between the two companies. During this negotiation phase, Alinma Tokio Marine took the advice of its consultants in addition to reviewing the necessary due diligence data for the work of the Arabian Shield.

The discussions on the exchange ratio were subject to the provisions of the memorandum of understanding signed between the Arabian Shield and Alinma Tokio Marine on 19/05/1444H (corresponding to 13/12/2022G), so that it was agreed between the two companies that in the event of a final resolution on the merger transaction, this will be done by merging Alinma Tokio Marine into the Arabian Shield through the issuance of new shares by the Arabian Shield to the shareholders of Alinma Tokio Marine, in return for the transfer of the assets and obligations of Alinma Tokio Marine to the Arabian Shield. Additionally, it was also agreed between the two companies that the valuation will be based on the book value method of ownership and the modified book value method of ownership according to the declared financial statements of each of the two companies as of 31 December 2022, after making the amendments that will be agreed upon according to the results of the necessary professional examination and due diligence process. In addition, the book value of the ownership of Alinma Tokio Marine will be adjusted by the implicit value (Embedded Value) of the Takaful Insurance Policies Portfolio (Protection and Savings takaful Portfolio) of the Arabian Shield.

Accordingly, the valuation was carried out using the modified book value methodology for ownership as in the financial statements for the year ended 31 December 2022, after making the necessary due diligence adjustments in order to reach the exchange ratio related to the merger transaction. Below is a table showing the valuation method and the calculation of the exchange ratio.

Table No. (6): Valuation method and calculation of the exchange ratio

In Saudi Riyals, except as otherwise noted			
As of the announced financial statements for the year 2022	Arabian Shield	Alinma Tokio Marine	Merged entity
A. The book value of ownership as of 31/12/2022	1,112,886,000	194,372,000	
<u>Amendments to the book value of the ownership of the Arabian Shield Company</u>			
(+) Assessment of the implied value of the protection and savings insurance portfolio *	28,200,000		
(+) Revaluation of the share of the Arabian Shield in Najm Insurance Services Company	37,780,000		
(-) Intangible assets resulting from the previous merger with Al-Ahli Takaful Company	(34,244,000)		
(-) 50% of the goodwill resulting from the previous merger with Al-Ahli Takaful Company in 2022 and the acquisition of the Bahraini Arabian Shield Company in 2007	(182,474,000)		NOT APPLICABLE
B. Total amendments for Arabian Shield (represented by the amendments of due diligence and the inputs of Arabian Shield and Alinma Tokio Marine agreed upon by both parties)	(150,738,000)		
<u>Amendments to the book value of the ownership of Alinma Tokio Company</u>			
(+) Impact of the transition to IFRS (17) and (9)		5,750,000	
(+) Assessment of the implied value of the protection and savings insurance portfolio *		2,630,755	

In Saudi Riyals, except as otherwise noted			
As of the announced financial statements for the year 2022	Arabian Shield	Alinma Tokio Marine	Merged entity
(+) Revaluation of Alinma Tokio Marine's share in Najm Insurance Services Company		37,780,000	
C. Total Amendments to Alinma Tokio Marine (consisting of due diligence amendments and inputs to Alinma Tokio Marine and Arabian Shield agreed upon by both parties)		46,160,755	
Final evaluation after due diligence amendments and inputs of Arabian Shield and Alinma Tokio Marine agreed by both parties	(A + B) 962,148,000	(A + C) 240,532,755	1,202,680,755
Ownership in the merged entity %	80.00%	20.00%	100%
Number of shares of Arabian Shield currently issued (share)			63,852,462
Number of Alinma Tokio Marine shares currently issued (share)			30,000,000
Number of shares to be issued in favor of Alinma Tokio Marine shareholders (share)			15,962,833
Exchange ratio for each (1) shares owned in Alinma Tokio Marine (number of shares to be issued in favor of Alinma Tokio Marine ÷ number of Alinma Tokio Marine shares currently issued)			0.532094433333333000
Total number of shares of the merged entity (after the completion of the merger transaction) (share)			79,815,295

The implied value of the portfolio of Alinma Tokio Marine and Arabian Shield was determined by each party appointing an appraisal consultant for the insurance portfolio, and the implied value was determined through the use of the methodology of determining the present value of the expected future profits. Noting that the implied value has been evaluated at SAR (2,630,755) by Badri Management Consultancy (Alinma Tokio Marine's Advisor for the preparation of actuarial due diligence and valuation consultant for the insurance portfolio), and at SAR (28,200,000) by Deloitte Financial Consultancy Services Limited (Alinma Tokio Company Advisor for the Arabian Shield Company for the valuation of the insurance portfolio).

Based on the above-mentioned Exchange Factor, the Arabian Shield Cooperative Insurance Company will increase its capital and issue fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) ordinary shares with a nominal value of (10) ten Saudi Riyals per share and registered for the shareholders of Alinma Tokio Marine (ATMC). The total nominal value of the consideration shares is an amount of one hundred fifty-nine million, six hundred and twenty-eight thousand, three hundred and thirty (159,628,330) Saudi Riyals. The total market value of the consideration shares based on the exchange factor and the closing price of Arabian Shield's share which amounts (19.08) Saudi Riyals as of 24/11/1444H (corresponding to 13/06/2023G) (the last trading day preceding the date of signing the merger agreement) is an amount of three hundred four million five hundred seventy thousand eight hundred and fifty-four (304,570,854) Saudi Riyals. The total value of the issuance of the new shares (as reflected in Arabian Shield's financial statements) will be determined at a later date based on the closing price of Arabian Shield's share price on the last trading day preceding the completion of the merger. It should also be noted that the shareholders of Alinma Tokio Marin will not receive any cash compensation as a result of the merger.

Table No. (7): Method of calculating the exchange ratio

Item	Rating
Evaluation of the merged entity “after the merger”	Evaluation of Arabian Shield + Evaluation of Alinma Tokio Marine
Percentage of ownership of the Arabian Shield in the merged entity “after the merger”	$\frac{\text{Evaluation of Arabian Shield}}{\text{Evaluation of the merged entity (after the merger transaction)}}$
The percentage of Alinma Tokio Marine’s ownership in the merged entity “after the merger”	$\frac{\text{Alinma Tokio Company Evaluation}}{\text{Evaluation of the merged entity (after the merger transaction)}}$
Number of new shares of existing Arabian Shield shareholders after the merger	As before the capital increase, i.e. (63,852,462) shares.
Number of new shares of Alinma Tokio Marine's existing shareholders	$\text{Number of shares of Arabian Shield currently issued} - \frac{\text{Number of shares of Arabian Shield currently issued}}{\text{Percentage of ownership of the Arabian Shield in the merged entity (after the completion of the merger transaction)}}$
Exchange ratio for each (1) shares owned in Alinma Tokio Marine	$\frac{\text{Number of shares to be issued in favor of Alinma Tokio Marine's shareholders for the purpose of the merger transaction}}{\text{Number of Alinma Tokio Marine shares currently issued}}$

Source: Arabian Shield Company and Alinma Tokio Company

3.3 Terms and Condition of the Completion of the Merger Transaction

The execution of the merger transaction depends on the fulfillment of a number of preconditions (please refer to section (8.1) entitled "Merger Agreement" and section (10) entitled "Procedures for completing the merger transaction") hereof.

4. Alinma Tokio Marine Board of Directors' Opinion on the Merger transaction

The members of the Board of Directors consider that the merger transaction is a fair and reasonable transaction, after completing the due diligence study with the assistance of their advisors, and after taking into account the market situation on the date of publication of this circular, and the future growth opportunity of the merged entity, and including the expected benefits of the merger transaction, and the independent financial advice submitted by Yaqeen Capital to Alinma Tokio Marine Board of Directors on 25/11/1444H (corresponding to 14/06/2023G) and a copy of it in Annex No. (1) of this circular, to the effect that it is the same as the situation in that date, and taking into account the factors and assumptions shown in the discussion, the financial company believes that the exchange of the proposed merger is normal for the financial system of the merged entity.

The members of Alinma Tokio Marine Board of Directors also believe that the merger transaction is in the interest of Alinma Tokio Company and its shareholders, and therefore they unanimously recommend approval of the merger resolutions described in the call form for the Extraordinary General Assembly Meeting of Alinma Tokio Marine. When making this recommendation, the members of Alinma Tokio Marine Board of Directors took into account the external consultations they received on legal, financial, accounting, strategic and other issues related to the merger transaction.

It shall be noted that the members of Alinma Tokio Marine Board of Directors did not take into account the individual investment objectives, financial situation, Zakat and tax status or the special circumstances of each of Alinma Tokio Marine contributors due to the different circumstances, situations and objectives of each of them. Accordingly, the members of the Board of Directors Alinma Tokio Marine recommend that each Alinma Tokio Marine shareholder obtain an independent consultation from a licensed financial advisor regarding the merger transaction and shall rely on his own review of the merger transaction to ensure that the merger transaction and the information contained in this circular are compatible with the investment objectives and financial positions.

5. The opinion of the Board of Directors of Alinma Tokio Marine on the plans of the Arabian Shield for Alinma Tokio Marine and the benefits of the merger transaction

5.1 Overview

As large insurance companies continue to acquire a larger market share, SMEs are forced to compete for a fraction of the market, and for the purposes of this competition, these companies may engage in unhealthy practices for the purpose of reducing costs that limit their growth potential. Therefore, consolidating the market through mergers and acquisitions creates strong financial institutions that can enter different sectors and acquire larger market shares.

5.2 Benefits to shareholders of Alinma Tokio Marine and Arabian Shield

The merger will be beneficial to both Alinma Tokio Marine and Arabian Shield shareholders, as it is believed that the merger will contribute to the following:

- Improving the competitive position of the merged entity in the insurance market: As a result of the merger transaction, the market share of the merged entity with a larger and more diversified customer base is expected to increase, and thus this will improve the company's position and the results of its operational and financial operations compared to the current positions of the Arabian Shield and Alinma Tokio Marine separately.
- Improving the ability of the merged entity to invest its funds: As a result of the merger transaction, the ability of the merged entity to invest its funds better is expected to improve as a result of the accumulation of experience with regard to the investment aspect of the Arabian Shield and Alinma Tokio Marine after the merger, as well as the increase in the financial strength and volume of investments of the merged entity. The following table shows the details of these investments for both Arabian Shield and Alinma Tokio Marine before the merger transaction resolution and the merged entity took effect after the merger transaction resolution took effect.
- Reducing the ratio of operating expenses to total underwritten premiums and the ability to provide products at competitive prices: As a result of the merger transaction, the merged entity will be able to reduce operating expenses and general and administrative expenses commensurate with its new business volume, as a result of the merger of the joint services of the Arabian Shield and Alinma Tokio Marine, which will lead to a decrease in the ratio of operating expenses to total underwritten premiums.
- Improving the ability of the merged entity to negotiate prices with the reinsurers: As a result of the merger, which will create more value for the merged entity in terms of market share of the total subscribed insurance contributions compared to the sector as a whole, so the ability of the merged entity to negotiate with the reinsurers will be stronger due to the large volume of business of the merged entity after the merger, which will make it in a stronger position to negotiate prices and conditions with the reinsurers, which in turn will reduce reinsurance costs.

- Enhancing the geographical spread of the merged entity's business: It is expected that after the merger, the merged entity will enjoy a wider geographical spread through the merger of the network of branches owned by both the Arabian Shield and Alinma Tokio Marine. In addition, the increase in the geographical spread of the merged entity will achieve the required targets of the merger transaction in terms of growth in the total written premiums across the network of branches, which has become more widespread, which in turn will increase the economic strength of the merged entity and will also increase the ability of the merged entity to compete in the insurance sector.
- Improving the capital efficiency of the merged entity: As a result of the merger transaction, the merged entity will enjoy stronger capital and a stronger level of solvency, and thus will raise its ability to bear a higher level of risk and provide better insurance services, and it is expected that the new capital will contribute to obtaining a better rating by global financial rating agencies.

6. The opinion of the Board of Directors of Alinma Tokio Marine regarding the merger with Arabian Shield for the employees of Alinma Tokio Marine

With reference to the contract signed between the Arabian Shield and Alinma Tokio Marine on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G), which includes the terms and conditions related to the implementation of the merger transaction, the Arabian Shield will accommodate all Alinma Tokio Marine employees within the merged entity after the merger. The merger, if completed, will not result in any layoffs for any of Alinma Tokio Marine's employees. Accordingly, Alinma Tokio Marine Board of Directors considers that these plans are in the interest of Alinma Tokio Marine staff.

7. Ownership Shares and Transactions

The following table shows the direct and indirect shareholding of the members of the Board of Directors of Alinma Tokio Marine and the senior executives of the capital of Alinma Tokio Marine.

Table No. (8) Ownership of the members of the board of directors and senior executives of Alinma Tokyo Marine (ATMC) as in the shareholders' register on 28/01/1445h (corresponding to 15/08/2023g)

Name	Position	Number of shares (Directly owned) (number)	Direct Ownership Percentage (%)	Indirect Ownership Percentage (%)	Total Ownership Percentage (%)
Abdalmohsen Abdulaziz Al-Fares*	Chairman	-	-	0.018%	0.018%
Hironari Iwakuma**	Vice Chairman	-	-	0.003%	0.003%
Bishr Muhammad Burhanuddin Bakheet	Board Member	-	-	-	-
Abdullah Ali Abdullah Al-Khalifa*	Board Member	-	-	0.001%	0.001%
Satoshi Furuya**	Board Member	-	-	0.003%	0.003%
Khaled Abdullah Al-Rumaih*	Board Member	83.00	0.0003%	0.0001%	0.0004%
Emad Abdul Rahman Al-Butairi*	Board Member	-	-	0.001%	0.001%
Hisham Mohammad Al-Barrak	Board Member	-	-	-	-
Kentaro Kita**	CEO	-	-	0.003%	0.003%
Total - Directors	-	83	0.0003%	0.0261%	0.0264%
Total - Senior Executive	-	-	-	0.003%	0.003%
Total - Directors and Senior Executive	-	83	0.0003%	0.0291%	0.0294%

Source: Alinma Tokio Marine and Tadawul

*The indirect ownership of the members of the Board of Directors (Abdalmohsen Abdulaziz Al-Fares, Abdullah Ali Al-Khalifa, Khaled Abdullah Al-Rumaih, Emad Abdul Rahman Al-Butairi) is the result of their direct ownership in Alinma Bank.

**The indirect ownership of the members of the Board of Directors (Hironari Iwakuma, Satoshi Furuya) and the CEO (Kentaro Kita) is the result of their direct ownership of 0.01% for each of the shares of Tokio Marine Holding Company, which in turn owns 100% of the shares of Tokio Marine & Nichido Fire Insurance Company, which in turn owns 28.75% of the share capital of Alinma Tokio Marine.

Table No. (9): Major Shareholders in Alinma Tokio Marine

Shareholders	Number of Shares (share)	Ownership Percentage (%)	Description
Alinma Bank Company	8,625,000	28.75%	A Saudi public joint stock company licensed to provide banking services.
Tokio Marine & Nichido Fire Insurance Company (TMNF)	8,625,000	28.75%	A Japanese insurance company registered and licensed to provide insurance products in Japan and other countries"

Source: Alinma Tokio Marine and Tadawul

All members of the Board of Directors of Alinma Tokio Marine who are entitled to vote on the merger resolutions in the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction will vote in favor of those resolutions in proportion to the number of their shares.

As Alinma Tokio Marine Board of Directors confirms the following:

- Alinma Tokio Marine does not currently own or control or at any time during the twelve months preceding the date of publication of this circular any shares in the Arabian Shield.
- All of its members did not deal in the shares of Alinma Tokio Marine or the shares of the Arabian Shield during the twelve months preceding the date of this circular.
- There are no ownership interests in Alinma Tokio Marine and Arabian Shield owned or controlled by: (i) Alinma Toko Marine; (ii) a pension fund of Alinma Toko Marine; (iii) an advisor of Alinma Toko Marine; or (iv) any person acting in agreement with Alinma Toko Marine.
- The non-existence of any proprietary shares in Alinma Toko Marine and Arabian Shield owned or controlled by a person who has concluded an agreement on any compensation arrangement, option, arrangement or understanding, whether formal or informal, and whatever its nature, which may be an incentive for anyone to keep, deal or refrain from dealing in Alinma Toko Marine securities.
- That Alinma Tokio Marine has not purchased or redeemed any of its shares during the twelve months prior to the publication of this circular.

The non-existence of any ownership interests in Alinma Tokio Marine and Arabian Shield is managed on the basis of the discretionary authority of a manager of a controlled or even controlled investment fund with Alinma Tokio Marine or any person acting in agreement therewith; or with any "related advisor" with Alinma Tokio Marine or any person acting with or in agreement with them. The term "Related Advisor" means Yaqeen Capital or any advisor of Alinma Tokio Marine regarding the merger, or any advisor who provides consultations to a person acting in agreement with Alinma Tokio Marine regarding the merger transaction, or to a person licensed by the Saudi Financial Market Authority to practice securities activity in favor of Alinma Tokio Marine, or with regard to the subject, which is considered by reason of the person as a party to act in agreement with Alinma Tokio Marine.

8. Substantial Contracts

During the two years preceding the beginning of the offer period, with the exception of the merger agreement signed with the Arabian Shield, Alinma Tokio Marine did not conclude any substantial contracts outside the framework of the normal activity at a rate of 10% or more of the revenues of Alinma Tokio Company in accordance with its financial statements for the financial year ending on December 31, 2022.

8.1 Merger Agreement

The Board of Directors of Alinma Tokio Marine and the Board of Directors of the Arabian Shield concluded the merger agreement on 25/11/1444H (corresponding to 14/06/2023G), amended on 07/01/1445H (corresponding to 25/07/2023G). This agreement included special conditions for the execution of the merger transaction in accordance with the steps, procedures and exchange ratios specified in the circular of the Board of Directors, in addition to certain undertakings and guarantees by the management of the

two companies. The Merger Transaction will therefore be subject to the terms set out in the terms of the Merger Agreement and set out below. The following is a summary of the substantive terms and conditions, preconditions or undertakings contained in the Merger Agreement as follows:

8.1.1 Agreement on Merging

In accordance with Clause 2 of the Merger Agreement, Alinma Tokio Marine and Arabian Shield have agreed to merge in accordance with the Companies Law, the Mergers and Acquisitions Regulations and other applicable laws and regulations in accordance with the provisions of the Merger Agreement, and subject to the conditions contained in Section 8.1.2 ("Conditions Precedent") and the following:

1. That Alinma Tokio Marine shall be merged and incorporated into Arabian Shield and that all its rights, obligations, assets and liabilities be transferred to Arabian Shield under the Companies Law with effect from the effective date of the Merger Transaction Resolution;
2. On the date of completion of the Merger Transaction, or as soon as reasonably practicable after the date of completion of the Merger Transaction, the New Shares will be issued to the shareholders appearing on Alinma Tokio Marine's share register on the second trading day following the date of suspension of Alinma Tokio Marine's Shares, or on such other day as the Capital Market Authority, Tadawul or the Securities Depository Centre (Depository) may determine in accordance with the Exchange ratio;
3. On the effective date of the merger transaction resolution, Alinma Tokio Marine will cease to exist as an independent company.
4. "Exchange ratio" shall be as follows (0.53209443333333330000) shares in Arabian Shield for every one share owned in Alinma Tokio Marine.
5. In the event that the calculation of the number of shares due to any of the shareholders of Alinma Tokio Marine based on the exchange ratio shown above results in fractions of shares, the resulting number will be rounded down to the lowest integer.
6. In accordance with the applicable laws and regulations, Arabian Shield will collect the partial entitlements and sell the shares of the concerned Arabian Shield on behalf of all shareholders of Alinma Tokio Marine who are entitled to receive the partial shares of Alinma Tokio Marine in the market in cash, after which, Arabian Shield will distribute the net cash proceeds to the shareholders of Alinma Tokio Marine in proportion to their partial entitlements.
7. Arabian Shield and Alinma Tokio Marine shall cooperate to announce the signing of the Merger Agreement on Tadawul immediately upon its signing (or as soon as reasonably practicable thereafter).
8. The Arabian Shield and Alinma Tokio Marine expressly confirm under the Merger Agreement that the purpose of the merger is to transfer the economic activities of Alinma Tokio Marine to the full and final benefit of Alinma Tokio Marine. The Arabian Shield and Alinma Tokio Marine also seek to conform to the aforementioned assertion of Article (17) of the Executive Regulations of the VAT Law and agree to take all other actions and sign and deliver all other documents before the effective date as necessary to ensure that the merger is exempt from VAT under the VAT Law.
9. The Arabian Shield and Alinma Tokio Marine agreed that at the date of completion of the merger transaction, (80.00%) of the share capital of the merged entity shall be allocated to the shareholders of the Arabian Shield, and the remaining (20.00%) of the share capital of the merged entity shall be allocated to the shareholders of Alinma Tokio Marine.

8.1.2 Preconditions

In accordance with Clause 3 of the Merger Agreement, Arabian Shield and Alinma Tokio Marine shall make reasonable effort (to the extent of their respective capabilities) to ensure that the following conditions are met as soon as practicable, and each party shall coordinate with the other as required in this regard. Furthermore, Alinma Tokio Company and Arabian Shield have agreed that the conditions may not be waived or amended except with the written consent of both companies:

1. Obtain the non-objection of the General Authority for Competition, on the economic concentration resulting from the merger transaction, or a conditional non-objection regarding the merger (but on acceptable terms for the Arabian Shield and Alinma Tokio Marine) or the expiry of the applicable legal review period, in accordance with the Competition Law.
2. The approval of the Central Bank of Saudi Arabia on the merger agreement and increase the capital of the Arabian Shield.
3. The approval of the Authority on the application for registration and offering of shares to increase the capital of the Arabian Shield and approve the publication of the Offer Document.
4. Tadawul approval to apply for listing the new shares of Arabian Shield in Tadawul in accordance with the listing rules.
5. Obtain the approval of the Ministry of Commerce or the Authority (as applicable) on the proposed amendments to the articles of association of the Arabian Shield, as stipulated in the resolutions of the Arabian Shield regarding the merger.
6. The approval of the Extraordinary General Assembly of the Arabian Shield by a majority of not less than three quarters of the voting shares represented at the meeting on the terms of the merger transaction and other relevant resolutions, namely approval of the capital increase of the Arabian Shield in accordance with the terms and conditions of the merger agreement, approval of the proposed amendments to the articles of association of the Arabian Shield for the merger transaction and approval of authorizing the Board of Directors of the Arabian Shield or any person authorized by the Board of Directors of the Arabian Shield to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions related to the merger transaction;
7. The approval of the Extraordinary General Assembly of Alinma Tokio Marine by a majority of not less than three-fourths of the voting shares represented at the meeting on the Merger Transaction and other relevant resolutions, namely to vote on the offer made by Arabian Shield in accordance with the terms and conditions of the Merger Agreement, and to authorize the Board of Directors of Alinma Tokio Marine, or any person authorized by the Board of Directors of Alinma Tokio Marine, to pass any resolution or take any action that may be necessary to implement any of the resolutions relating to the Merger Transaction; and
8. No court order, judgment, decree or other action of any governmental body having jurisdiction in the Kingdom of Saudi Arabia that is valid and prohibits the effectuation of the merger transaction resolution in accordance with the terms of the merger agreement or renders it illegal.

Alinma Tokio Marine undertakes that its Board of Directors shall issue a letter addressed to Arabian Shield confirming whether (i) any of Alinma Tokio Marine's employees, senior executives or advisors are entitled to remuneration, commission compensation or any other remuneration in connection with the merger and providing full details of such benefits; (ii) any payments have been or will be made (and the date of such payment); and (iii) the amount of any payment has accrued in Alinma Tokio Marine's accounts as reflected in the financial statements. To the extent that payments have been or will be made, but have

not been accounted for as in the financial statements, this amount will be reduced from Alinma Tokio Marine's final valuation.

Arabian Shield further undertakes that its Board of Directors shall issue a letter addressed to Alinma Tokio Marine confirming whether (i) any of Arabian Shield's employees, senior executives or advisors are entitled to remuneration, commission compensation or any other remuneration in respect of the merger with full details of such benefits provided; (ii) any payments have been or will be made (and the date of such payment); and (iii) the amount of any payment has accrued in Arabian Shield's accounts as reflected in the financial statements. To the extent that payments have been made or will be made, but have not been accounted for as in the financial statements, this amount will be reduced from the final valuation of Arabian Shield.

Arabian Shield undertakes to notify Alinma Tokio Marine, under the applicable law, immediately upon becoming aware of (i) the fulfillment of any of the above conditions; or (ii) the delay in fulfilling any condition, act, omission, event, or any other reason whatsoever, which may result in delaying the fulfillment of the above conditions or not fulfilling them at all.

Alinma Tokio Marine undertakes to notify Arabian Shield, under the applicable law, immediately upon becoming aware of (i) the fulfillment of any of the above conditions; or (ii) the delay in fulfilling any condition, act, omission, event, or any other reason whatsoever, which may result in delaying the fulfillment of the above conditions or not fulfilling them at all.

8.1.3 Termination

Subject to paragraph 2 of Clause 14 of the Merger Agreement, the Merger Agreement shall terminate with immediate effect and all rights and obligations of the Parties under the Merger Agreement shall cease upon the occurrence of any of the following:

- A. Written notice of termination by one Party to the other Party following a breach by the other Party of the Merger Agreement where said breach constitutes a Material Adverse Event, including a breach by one Party of:
 - 1. An obligation under Clause 5 of the Merger Agreement, relating to the obligations of Arabian Shield and Alinma Tokio Marine to provide the necessary documentation to the CMA and obtain the CMA's approval of all documents necessary for the completion of the Merger Agreement, and to co-operate and provide each other with such information as is reasonably necessary in order for each of the two companies to terminate the documents required to be submitted to the CMA;
 - 2. An undertaking pursuant to paragraph 1 of Clause 10 of the Merger Agreement, which has not been or is not deemed to be endorsed by the other Party;
 - 3. A warranty under Clauses 12.3 (d) and 12.3(q) of the Merger Agreement, which provide that the Parties have collected and prepared disclosure material in good faith in response to written requests for information provided by the other Party for the purposes of making economic feasibility in connection with the merger (including during due diligence), that is true and accurate in all material respects and is not misleading in any material respect as at the date such information was provided, and that it has not withheld any material information in the course of the merger;
 - 4. Warranties contained in Clause 12.4 of the Merger Agreement.

Provided always that such breach shall constitute a Material Adverse Event under the Merger Agreement.

- B. The preconditions have not been fulfilled or waived, in part or in full, prior to the date of termination;
- C. By either Party in accordance with Sub-Clause 2 of Clause 15 of the Merger Agreement;
- D. Give written notice of termination by a party who is the beneficiary of a guarantee given under Clause 12.2 in respect of a breach of a guarantee provided that notice is given within thirty (30) days from the date on which that party becomes aware of the occurrence of the breach of a guarantee;
- E. Give written notice of termination to be given by one Party to the other Party in the event of a material breach of Applicable Law and thereby except in the cases set out in Clause 14.1 (a)

The Merger Agreement shall be terminated without prejudice to any rights that may have arisen to either party prior to such termination. The provisions of the Agreement relating to confidentiality, termination, material adverse event, termination fees, notices, additional guarantees, non-existence of third-party rights, the entire agreement, expenses and expenses, dispute settlement and the governing law, shall remain in force even after the termination of the Merger Agreement.

If the Merger Agreement is terminated in accordance with its terms, neither party shall be able to bring any claim whatsoever against the other party under the Merger Agreement, except in the following cases:

- A. for the purpose of paying the Termination Fee in accordance with Clauses 15 of the Merger Agreement, or
- B. in respect of any rights or obligations accrued to any Party prior to such termination, or
- C. under any of the provisions which shall continue in full force and effect as set out in paragraph 2 of Clause 14 of the Merger Agreement.

8.1.4 Termination Fee

In consideration of Alinma Tokio Marine agreeing to allocate resources and incur expenses, attorneys' fees and other costs to achieve Alinma Tokio Marine's interest in the merger, Arabian Shield undertakes under the Merger Agreement to pay the termination fee of SAR 3,750,000 immediately to Alinma Tokio Marine or the entity designated by Alinma Tokio Marine (in any event not later than five (5) business days after Alinma Tokio Marine's first request) in the event that, after the date of signing the Merger Agreement, the merger is cancelled, withdrawn, or terminated prior to the effective date, as a result of any of the following:

- A. The inability of the Board of Directors of the Arabian Shield to make a merger recommendation to the shareholders of the Arabian Shield, or if the Board of Directors of the Arabian Shield Company withdraws from the merger, or makes a negative and substantial amendment to its recommendation to complete the merger as described in the circular of shareholders of the Arabian Shield or if it recommends another offer to the shareholders of the Arabian Shield other than the offer contained in the offer document of the Arabian Shield;
- B. Failure of the Arabian Shield to take all actions that are reasonably appropriate and necessary and within its authority to effect the merger as required pursuant to the Merger Agreement, to achieve the effectiveness of the Merger Agreement prior to the final date of completion of the Merger Transaction (except for actions that Alinma Tokio Marine has expressly agreed in writing not to oblige or require the Arabian Shield to take in accordance with the terms of the Merger Agreement);
- C. Except that the Parties have agreed in writing to terminate the Merger Agreement, Arabian Shield shall cause the offer contained in the Arabian Shield Offer Document or the Arabian Shield Shareholders Circular, as the case may be, to be cancelled or withdrawn; or
- D. Alinma Tokio Marine terminates this Agreement by written notice as a result of Arabian Shield breaching a warranty given in accordance with Clause 12.3(d) or Clause 12.3(f) or otherwise in the event of a material breach of applicable law.

In consideration of Arabian Shield's agreement to allocate resources and incur expenses, attorneys' fees and other costs to achieve the interest of Arabian Shield in the merger, Alinma Tokio Marine undertakes under the merger agreement to pay the termination fees immediately to Arabian Shield or the entity specified by Arabian Shield (in any case not later than five (5) working days after the first request from Arabian Shield) in the event that, after the date of signing the merger agreement, the merger is canceled, withdrawn, or terminated before its effective date, as a result of any of the following:

- A. the inability of the Board of Directors of Alinma Tokio Marine to recommend the merger to the shareholders of Alinma Tokio Marine, or if the Board of Directors of Alinma Tokio Marine withdraws from the merger, or makes a negative and substantial modification to its recommendation to complete the merger as described in the circular of the Board of Directors of Alinma Tokio Marine, or if it recommends another offer to the shareholders of Alinma Tokio Marine other than the offer contained in Alinma Tokio Marine's offer document;
- B. The failure of Alinma Tokio Marine to take all such actions as are reasonably appropriate and necessary and within its authority to effect the merger as required pursuant to the Merger Agreement, to achieve the effectiveness of the Merger Agreement prior to the final date of completion of the Merger Transaction (except for actions which Alinma Tokio Marine has

expressly agreed in writing not to oblige or require Alinma Tokio Marine to take in accordance with the terms of the Merger Agreement);

- C. Except for the Parties' agreement in writing to terminate the Merger Agreement, Alinma Tokio Marine shall cause the Offer contained herein or the Offer Document to be cancelled or withdrawn, where applicable;
- D. The Arabian Shield terminates this Agreement by written notice as a result of Alinma Tokio Marine's breach of a warranty given in accordance with Clause 12.3(d) or Clause 12.3(f) or otherwise in the event of a material breach of applicable law.

8.1.5 Governance of the merged entity after the completion of the merger transaction

Pursuant to Clause 9 and Schedule 1 of the Merger Agreement:

- A. The Arabian Shield and Alinma Tokio Marine agree that the Board of Directors of the merged entity on the date of completion of the merger transaction shall consist of eleven (11) members.
- B. The Arabian Shield shall, on the date of completion of the merger transaction, increase the number of members of the Board of Directors of the Arabian Shield from eight (8) members to eleven (11) members.
- C. Subject to the receipt of all approvals from the Board of Directors, the shareholders and the relevant regulatory authorities, Arabian Shield and Alinma Tokio Marine intend, after the completion of the merger, to form the Board of Directors of Arabian Shield in accordance with the following:
 - 1. Eight (8) members to be appointed by Arabian Shield, whether from existing Arabian Shield Board members or otherwise. The table below shows the two members nominated by Arabian Shield as follows:

Table No. (10): Members of the Board of Directors of the Arabian Shield

Name	Position	Membership Status
His Highness Prince Nayef bin Sultan bin Mohammed bin Saud Al-Kabeer	Chairman	Non-executive
Mr. Samir Ibrahim Al-Wazzan	Vice Chairman	Non-executive
Mr. Abdullah bin Abdul Rahman Al-Obeikan	Member of the Board of Directors	Non-executive
Mr. Turki bin Nasser Al-Mutawa Al-Otaibi	Member of the Board of Directors	Non-executive
Mr. Raed bin Ali Al-Saif	Member of the Board of Directors	Independent
Mr. Abdullah bin Abdulaziz Al-Mishal	Member of the Board of Directors	Independent
Mr. Saud bin Abdulaziz Bajbeer	Member of the Board of Directors	Non-executive
Mr. Mohammed bin Ahmed bin Ali	Member of the Board of Directors	Independent

Source: Merger Agreement signed on 25/11/1444H (corresponding to 14/06/2023G)

2. Two (2) members to be appointed by Alinma Tokio Marine, whether from current Alinma Tokio Marine board members or otherwise. The table below shows the two members nominated by Alinma Tokio Marine as follows:

Table No. (11): Alinma Tokio Marine's candidates in the Board of Directors of the merged entity

Name	Position	Membership Status
Nominated by Alinma Bank	Member of the Board of Directors	Non-executive
Nominated by Tokio Marine & Nichido Fire Insurance Company	Member of the Board of Directors	Non-executive

Source: Merger Agreement signed on 25/11/1444H (corresponding to 14/06/2023G)

3. One (1) of the members will be publicly appointed as an independent member of the Board of Directors of Arabian Shield.

- D. According to the merger agreement, the Board of Directors will appoint four (4) Executive Directors in the following positions: Chief Executive Officer, Deputy Chief Executive Officer, Chief Technical Officer, Chief Financial Officer, and Chief Governance Officer to manage the day-to-day operations of Arabian Shield and their names are as follows:

Table No. (12): Senior Management of the Merged Entity

Name	Position
Mr. Basil bin Abdullah Al-Abdulkarim	CEO
Mr. Kentaro Kita	Deputy CEO & Chief Technical Officer
Mr. Mohamed Atef	Chief Financial Officer
Mr. Abdulaziz bin Saeed	Chief Governance Officer

Source: Merger Agreement signed on 25/11/1444H (corresponding to 14/06/2023G)

- E. The parties have agreed in accordance with Schedule (1) of the Merger Agreement and within a period not exceeding twenty (20) working days prior to the publication of the Arabian Shield Shareholders' Circular that: (a) Alinma Tokio Marine shall, by written notice addressed to the representative of Arabian Shield, nominate two members of the Board of Directors who shall meet all the conditions for the work in the Board of Directors of an insurance company in the Kingdom of Saudi Arabia in accordance with the rules and regulations issued by the Capital Market Authority and the Saudi Central Bank, who shall be approved by Saudi Central Bank to appoint them to the Board of Directors of Arabian Shield and approve them during the General Assembly meeting of Arabian Shield, as of the date of completion of the Merger Transaction.
- F. Arabian Shield and Alinma Tokio Marine shall disclose the arrangements set forth in this paragraph in the Circular for the Board of Directors of Alinma Tokio Marine (the arrangements related to Alinma Tokio Marine) and in the Arabian Shield Shareholders' Circular and the Offer Document (the arrangements related to Arabian Shield), in accordance with the requirements of the applicable Law.
- G. On the date of completion of the merger or as soon as practicable thereafter, Arabian Shield shall submit a request to the Ministry of Commerce to include (as applicable) the arrangements set forth in this paragraph in its Commercial Registration Certificate.

8.1.6 Integration of business

In accordance with Clause 11 of the Merger Agreement, Arabian Shield and Alinma Tokio Marine each appoint two of their senior executives to represent them in connection with the integration of the business and to discuss its affairs after the effective date of the merger between Arabian Shield and Alinma Tokio Marine. Such representatives may submit their recommendations to the Parties for consideration and adoption.

8.1.7 Costs and Expenses

- A. All costs incurred by each Party in preparing, negotiating and entering into the Merger (including the fees of each Party's advisors) shall be borne by each Party. The Arabian Shield shall bear all legal costs and expenses incurred by any government agency, trading and depositing in connection with the merger and the documents to be concluded in connection therewith.
- B. The Parties agreed that Arabian Shield shall bear all costs incurred in preparing the initial consolidated financial statements of the Parties as well as all statutory costs and expenses charged by the General Authority for Competition in connection with the merger.

8.1.8 Material Adverse Changes

If a party considers that a material adverse event occurred in relation to the other prior to the Merger Agreement effective date, it shall promptly give written notice to the other ("**Material Adverse Event Notice**"). Representatives of both parties shall then meet within ten (10) business days of receipt of the Material Adverse Event Notice to consider the circumstances. If neither party agrees that a specific event or incident has resulted in a material adverse event, the parties shall cooperate to appoint an independent expert from one of the Big Four audit firms (such as Deloitte, Ernst & Young, KPMG, and Price Waterhouse Cooper) (the "Expert"), which will act as an expert and not as an arbitrator to study the circumstances and issue a final and mutually binding report showing whether or not the scenario of the material adverse event actually occurred. All fees, costs, and expenses for the appointment of such expert shall initially be paid equally by the parties, but if the expert finds that no material adverse event has occurred, the party who alleged such an event shall be liable to compensate the other for the costs paid by the latter for appointing such expert. Both parties shall agree on the expert identity. If the representatives of both parties were unable to meet within ten (10) business days from the date of receipt of the Material Adverse Event Notice or if they reached no agreement on the identity of the expert within twenty (20) working days of receiving the Material Adverse Event Notice, the party alleging a material adverse event may apply to the Arbitration Center in the Kingdom of Saudi Arabia for the sole purpose of nominating an expert, and such nomination shall be binding on the parties.

Once the parties have agreed or the expert has issued a binding resolution on the occurrence of a material adverse event:

- a) The parties may complete the Merger Transaction by mutual agreement in accordance with the terms and conditions of the Merger Agreement; or
- b) A party whose business has not been affected by the material adverse event may terminate the Merger Agreement and require the other party to pay the termination fee immediately. However, before terminating the Merger Agreement and demanding prompt payment of the termination fee, the parties shall first enter into bona fide negotiation and review the terms and conditions of the Merger Agreement, including but not limited to renegotiating the exchange rate, so that the parties reach an agreement to complete the Merger Transaction. In the event that the parties are unable to agree on any review of the Merger Agreement by bona fide negotiation means within fourteen (14) business days of the agreement of the parties or the expert makes a binding

resolution that a material adverse event has occurred, the party whose business has not been affected by the material adverse event may immediately terminate the Merger Agreement and require the other party to pay immediately the termination fee.

Neither party may exercise its right to terminate the Merger Agreement nor demand prompt payment of the termination fee under Clause 15-2(b) except by written notice within a maximum period of thirty (30) business days of receipt of the Material Adverse Event Notice (If the expert confirms the existence of such a material adverse event and no party submits an objection thereto), otherwise, the right to terminate the Merger Agreement and claim the termination fee detailed in Clause 15-2 (b), and the party who has served the Material Adverse Event Notice shall be deemed to have agreed to complete the Merger Transaction in accordance with the terms and conditions of the Merger Agreement.

9. Zakat and Tax

The merger transaction may have Zakat and tax implications for Alinma Tokio Marine shareholders, and in the event of doubt regarding their Zakat or tax status, we recommend that they consult immediately with an independent professional tax advisor.

10. Procedures to complete the merger transaction

Subject to the satisfaction of all the conditions set out in the Merger Agreement, the main actions necessary to complete the Merger Transaction are as follows:

10.1 Necessary statutory approvals to enforce the merger transaction resolution

In order for the merger transaction resolution to be effective, it is required to carry out a number of legal procedures and obtain approvals from the legal authorities as follows:

- A. Obtaining the non-objection of the General Authority for Competition to the economic concentration resulting from the merger transaction. The non-objection of the General Authority for Competition was obtained on 1/12/1444H (corresponding to 19/06/2023G).
- B. Obtaining the non-objection of the Central Bank of Saudi Arabia on the merger transaction and increase the capital of the Arabian Shield. The non-objection of the Saudi Central Bank was obtained on 26/02/1445H (corresponding to 11/09/2023G).
- C. Obtaining Tadawul Approval to list the issued shares in favor of the shareholders of Alinma Tokio Marine according to the process of increasing the capital of the Arabian Shield. Trading approval was obtained on 27/02/1445H (corresponding to 12/09/2023G).
- D. Obtaining the approval of the Capital Market Authority on the request to increase the capital of the Arabian Shield and publish the offer document. The approval of the Capital Market Authority was obtained on 03/03/1445H (corresponding to 14/09/2023G).
- E. Obtaining the approval of the Capital Market Authority to invite the Extraordinary General Assembly of each of the Arabian Shield and Alinma Tokio Marine separately for the merger transaction.

10.2 Extraordinary General Meetings

In addition to the statutory approvals mentioned in paragraph 10.1 of the Board of Director's Circular, the completion of the merger transaction is subject to obtaining a number of approvals from the shareholders of the Arabian Shield and the shareholders of Alinma Tokio Marine within the extraordinary general assembly meetings of the two companies, as follows:

10.2.1 Extraordinary General Assembly Meetings of Arabian Shield

First Meeting:

The quorum for the Extraordinary General Assembly Meeting of the Arabian Shield is achieved by the presence of shareholders in the Arabian Shield who own a number of shares representing half of the capital of the Arabian Shield, either in person or by proxy, or by remote voting. In the event that the transaction is approved by the shareholders who own at least three quarters of the shares represented at the extraordinary general assembly meeting of the Arabian Shield, either in person or by proxy, or by remote voting, the merger transaction will be considered to have been approved by the Arabian Shield and the capital increase will be approved, provided that this increase becomes effective after the approval of the merger offer by the extraordinary general assembly of Alinma Tokio Marine and after the expiry of the creditor objection period or the settlement of all creditor objections to the merger transaction (whichever comes later) in accordance with the provisions of the Companies Law.

Second Meeting:

In the event that the necessary quorum is not met for the first Extraordinary General Assembly Meeting of the Arabian Shield, a second meeting of the Extraordinary General Assembly of the Company (the "Second Extraordinary General Assembly Meeting of the Arabian Shield") will be convened. The second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes what indicates the possibility of holding this second meeting. At this second meeting, a quorum is achieved by the presence of a number of shares representing one quarter of the capital of the Arabian Shield, either in person or by proxy, or by remote voting. In the event that the transaction is approved by the shareholders who own at least three quarters of the shares represented at the extraordinary general assembly meeting of the Arabian Shield, either in person or by proxy, or by remote voting, the merger transaction will be considered to have been approved by the Arabian Shield and the capital increase will be approved, provided that this increase becomes effective after the extraordinary general assembly of Alinma Tokio Marine approves the merger offer and after the expiry of the creditor objection period or settling all creditor objections to the merger transaction (whichever comes later) in accordance with the provisions of the Companies Law.

Third meeting:

In the event that the quorum necessary for holding the Second Extraordinary General Assembly Meeting of the Arabian Shield is not met, a third meeting of the Extraordinary General Assembly of the Company (the "Third Extraordinary General Assembly Meeting of the Arabian Shield ") will be called after obtaining the approval of the Capital Market Authority. The quorum at this meeting shall be whatever the number of Arabian Shield represented at it, either in person, by proxy or by remote voting. In the event that the transaction is approved by the shareholders who own at least three quarters of the shares represented at the extraordinary general assembly meeting of the Arabian Shield, either in person or by proxy, or by remote voting, the merger transaction will be considered to have been approved by the Arabian Shield and the capital increase will be approved, provided that this increase becomes effective after the approval of the merger offer by the extraordinary general assembly of Alinma Tokio Marine and after the expiry of the creditor objection period or the settlement of all creditor objections to the merger transaction (whichever comes later) in accordance with the provisions of the Companies Law.

Shareholders of Arabian Shield who are unable to attend in person the Extraordinary General Meeting of Arabian Shield (or the second or third Extraordinary General Meeting if necessary), may vote remotely in accordance with the mechanism described in paragraph 9.2 of this Offer Document, or delegate another person to vote on their behalf at the meeting.

10.2.2 Extraordinary General Assembly of Alinma Tokio Marine**First Meeting:**

The quorum for the Extraordinary General Meeting of Alinma Tokio Marine shall be achieved by the presence of shareholders of Alinma Tokio Marine holding shares representing half of the share capital of Alinma Tokio Marine, either in person or by proxy, or by remote voting. At this meeting, the transaction will be approved if voted for by the shareholders of Alinma Tokio Marine who own at least three quarters of the shares represented at the meeting, either in person or by proxy, or by remote voting.

Second Meeting:

In the event that the necessary quorum for the first Extraordinary General Meeting of Alinma Tokio Marine is not met, a second Extraordinary General Meeting of the Company (the “Second Extraordinary General Meeting of Alinma Tokio Marine”) will be called. The second meeting may be held one hour after the end of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes an indication of the possibility of holding this second meeting. At this second meeting, a quorum shall be achieved in the presence of a number of shareholders of Alinma Tokio Marine, either in person or by proxy, or by remote voting, who hold a number of shares representing at least one quarter of the capital of Alinma Tokio Marine. In the event that shareholders holding at least three-quarters of the shares represented at the Second Extraordinary General Meeting of Alinma Tokio Marine vote, either in person or by proxy, or by remote voting, the merger transaction will be approved by Alinma Tokio Marine in the event of a vote in favor thereof.

Third Meeting:

In the event that the necessary quorum for holding the Second Extraordinary General Meeting of Alinma Tokio Marine is not met, a third Extraordinary General Meeting of the Company (the “Third Extraordinary General Meeting of Alinma Tokio Marine”) will be called after obtaining the approval of the Capital Market Authority. The quorum at this meeting shall be whatever the number of Alinma Tokio Marine shareholders represented at it, either in person, by proxy or by remote voting. At this third meeting, the transaction will be approved if voted for by the shareholders of Alinma Tokio Marine holding at least three-quarters of the shares represented at this meeting, either in person or by proxy, or by remote voting.

The shareholders of Alinma Tokio Marine who cannot attend in person the Extraordinary General Meeting of Alinma Tokio Marine (or the second or third Extraordinary General Meeting if necessary) can vote remotely or delegate another person to vote on their behalf at the meeting.

10.3 Remote voting

According to the requirements of the Capital Market Authority regarding voting in the Extraordinary General Assemblies, and the desire of the Arabian Shield and Alinma Tokio Marine to give the largest number of shareholders the opportunity to vote on the resolutions to be proposed at the Extraordinary General Assembly Meeting of both companies, including the resolution to increase the capital of the Arabian Shield for the purpose of merger and the resolution to vote on the offer of the Arabian Shield to approve the transaction by the shareholders of Alinma Tokio Marine, the mechanism of remote voting will be adopted by the shareholders through the "Tadawulaty" service, which is a service provided by the Saudi Stock Exchange (Tadawul) that allows shareholders of listed companies to register and vote electronically on the proposed resolutions during the meetings of the General Assembly of the companies. You can register for Tadawulaty in one of the following ways:

- 1- Through the shareholder account for electronic trading without the need for personal attendance, by registering on the website of the "Tadawulaty" system. For more information, please visit the following link: <https://login.tadawulaty.com.sa/ir/user/login.xhtml?lang=en>
- 2- Through brokerage firms (i.e. licensed persons) in which the shareholder has a portfolio of investment activities.

The terms and conditions of remote voting that shall be taken into account before starting the remote voting process are as follows:

1. Remote voting will be counted within the quorum of the General Assembly held in this regard and when taking the relevant resolutions.
2. The vote will be circulated to all the shares that the shareholder owns or will own in Alinma Tokio Marine, whether in the investment portfolio through which it was voted or otherwise.
3. The last vote of a shareholder cancels previous votes.

All necessary measures will also be taken to ensure that all those who voted remotely own the shares subject to voting on the date of the extraordinary general meeting held in this regard, including the exclusion of votes related to shares that were sold or part of them during the period of remote voting.

If the transaction is approved by the shareholders of Alinma Tokio Marine and by the shareholders of Arabian Shield and after the completion of the merger transaction, the shares of Alinma Tokio Marine will be de-listed from Tadawul. All shareholders of Alinma Tokio Marine, including those who did not vote on the proposed resolutions to approve the transaction, or those who voted against it, will receive new shares in Arabian Shield in accordance with the terms and conditions of this Circular.

10.4 Creditor Objection Period

After obtaining the statutory approvals mentioned in paragraph (10.1) of this document, each of the two companies will announce the objection to the merger resolution at least thirty (30) days before the convening of the extraordinary general assembly of both the Arabian Shield and Alinma Tokio Marine in accordance with the mechanism specified in paragraph (10.2) of this document. The announcement will indicate the right of any creditor of Alinma Tokio Marine to object to the merger transaction by sending a registered letter to the headquarters of Alinma Tokio Marine within the first fifteen (15) days of the thirty (30) day minimum period preceding the convening of the extraordinary general assembly of Alinma Tokio Marine to vote in favor of completing the merger transaction. In the event that any of the creditors files their objection within the aforementioned period and Alinma Tokio Marine does not fulfill the debt, if it is current, or provides sufficient security to fulfill it, if it is delayed, to submit it to the competent judicial authority within a period not less than ten (10) days before the date specified for taking the merger resolution.

After the expiry of the creditor objection period, Alinma Tokio Marine will announce on the Tadawul website the results of that period as follows:

- that no objections were received during that period, or that objections were received but withdrawn or settled or that the competent court rejected the creditor's request to stop the merger, or
- By clarifying the details of the objections received that have not yet been settled and are still in place as agreed upon with the Arabian Shield. In this case, Alinma Tokio Marine, after the settlement of all the objections received, will announce the same on Tadawul website.

10.5 Completion of the Merger Transaction

The completion of the merger transaction shall be after the end of the creditor objection period and after the publication of the resolutions of the Extraordinary General Assembly of the Arabian Shield for the merger transaction and the Extraordinary General Assembly of Alinma Tokio Marine for the merger transaction. After the completion of the merger transaction, the Arabian Shield will issue shares to the shareholders of Alinma Tokio Marine who are registered in the Alinma Tokio Marine shareholder register within a period of not less than the second trading period after the completion of the merger transaction and not more than the sixth trading period after the completion of the merger transaction. Those shares will be deposited in the portfolios of the shareholders of Alinma Tokio Marine with a number of (0.5320944333333330000) shares in the Arabian Shield for each one share owned in Alinma Tokio Marine. The shareholders of Alinma Tokio Marine will become the owners of 20% of the capital of the Arabian Shield. The owners of the new shares will have the right to receive the distributed profits that the Arabian Shield announces after the date of completion of the merger transaction. The shareholder shall be entitled to his share in the profits in accordance with the General Assembly resolution issued in this regard. The resolution shall indicate the due date and the date of distribution. The entitlement to dividends of the shareholders registered in the shareholders' registers shall be at the end of the day fixed for vesting. After the merger transaction is completed, Alinma Tokio Marine's shares will be de-listed from Tadawul.

10.6 Effectiveness of Merger Transaction Resolution

The merger transaction resolution shall be effective from the date of issuance of the amended commercial register of the Arabian Shield, in which the data of Alinma Tokio Marine is registered, as a result of the completion of the merger transaction in accordance with Article 228 of the Companies Law. After the merger transaction resolution takes effect, all rights, obligations, assets and contracts of Alinma Tokio Marine will be transferred to Arabian Shield. After that, the commercial register of Alinma Tokio Marine will be written off, and Alinma Tokio Marine will be dissolved.

10.7 Details of Shareholders after Completion of Merger Transaction

Until the procedures for the cancellation of the commercial register of Alinma Tokio Marine are completed, Alinma Tokio Marine will become directly owned by Arabian Shield. No Shares will be transferred to any persons or parties other than the Arabian Shield. In addition, there is no special agreement, arrangement or understanding with any party owning shares in Alinma Tokio Marine that would affect the transfer of shares. After the completion of the merger transaction, the merged entity will not have controlling shareholders, that is, those who own or control 30% of the merged entity or are able to control its resolutions.

As a result of the completion of the merger transaction and the increase of the capital of the Arabian Shield and the registration of the issued shares in favor of the shareholders of Alinma Tokio Marine, the following will happen:

Table No. (13): Ownership of the Arabian Shield before and after increasing the capital of the merged entity and completing the merger transaction as of 28/01/1445H (corresponding to 15/08/2023G).

Shareholder	Prior to the completion of the merger transaction				Post the completion of the merger transaction			
	Number of Directly Owned Shares (Number)	Direct Ownership Percentage (%)	Indirect Ownership Percentage* (%)	Total Ownership Percentage (Direct and Indirect) (%)	Number of Shares Directly Owned (Number)	Direct Ownership Percentage (%)	Indirect Ownership Percentage* (%)	Total Ownership Percentage (Direct and Indirect) (%)
Saudi National Bank	7,155,738	11.21%	None	11.21%	7,155,738	8.97%	None	8.97%
Bahrain National Holding Company (Bahrain Joint Stock Company)	6,000,000	9.40%	None	9.40%	6,000,000	7.52%	None	7.52%
Sultan Holding Company	5,700,000	8.93%	None	8.93%	5,700,000	7.14%	None	7.14%
Board Members and Senior Executives of Arabian Shield* *	3,466	0.0054%	13.40%	13.41%	3,466	0.0043%	10.72%	10.72%
Non-public shareholders of Arabian Shield (not including major shareholders, board members and senior executives) * * *	2,850,000	4.46%	None	4.47%	2,850,000	3.57%	None	3.57%
Tokio Marine & Nichido Fire Insurance Company (TMNF)	None				4,589,314	5.75%	None	5.75%
Alinma Bank Company					4,589,314	5.75%	None	5.75%
Directors and Senior Executives of Alinma Tokio Marine* * * *					None	0.006%	0.006%	
The Public	42,143,258	66.00%	NOT APPLICABLE		48,927,463	61.30%	NOT APPLICABLE	
Total	63,852,462	100%	NOT APPLICABLE		79,815,295	100%	NOT APPLICABLE	

Source: Arabian Shield

*Direct ownership by the Board members of Arabian Shield Company is due to the direct ownership by 1) Prince/ Naif bin Sultan bin Mohammed bin Saud Al-Kabeer, 2) Turki bin Nasser Al-Mutawa Al-Otaibi, and 3) Raed bin Ali Al-Saif. Indirect ownership by the Board members of Arabian Shield Company is due to 1) the direct ownership by Sultan Holding Company totally owned by the father of the Chairman of Arabian Shield Company, 2) direct ownership by the father of the Board member of Arabian Shield Company, Mr. Turki bin Nasser Mohammad Al-Otaibi, and 3) direct ownership by the Issuer's Board member, Mr. Abdallah Abdulrahman Al-Obeikan of 10.49% in Obeikan Investment Group, which group owns 0.01% of the issued capital before the Merger Transaction.

**The ownership by Arabian Shield Company's shareholders other than the public is due to the direct ownership by Nasser Mohamed Hamoud Al-Otaibi (father of the Issuer's Board member, Mr. Turki bin Nasser Mohammad Al-Otaibi).

*** The indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Marine results from: 1/ Direct ownership in Alinma Bank by (1/ Abdol Mohsen Abdulaziz Al Fares (Chairman of the Board of Directors) by 0.063%, 2/ Imad Abdul Rahman Al Butairi (Member of the Board of Directors) By 0.004%, 3/ Abdullah Ali Al Khalifa (Member of the Board of Directors) by 0.003%, 4/ Khaled Abdullah Al Rumaih (Member of the Board of Directors) by 0.0004%), as Alinma Bank owns 28.75% of the capital of Alinma Tokio Marine Company, 2 / As well as the direct ownership in Tokio Marine Holding Company of (1/ Hironari Iwakuma (Vice Chairman of the Board of Directors) 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) 0.01%, 3/ Kentaro Kita (CEO) 0.01%.) (Tokio Marine Holding Company is a company listed on the Japanese capital market, and ownership results from monthly in-kind distributions and it is difficult to estimate the exact number) which in turn owns 100% of the capital of Tokio Marine and Nichido Fire Insurance Company, which in turn owns 28.75% of Capital of Alinma Tokio Marine Company.

Table No. (14): The details of the major shareholders in Alinma Tokio Company, their number of shares, and their ownership percentages before and after the completion of the merger transaction can be found in the table below:

Shareholder	Prior to the completion of the merger				Post the completion of the merger			
	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage	Number of shares directly owned	Direct Ownership Percentage	Indirect Ownership Percentage	Total (Direct and indirect) Ownership Percentage
Alinma Bank Company	8,625,000	28.75%	None	28.75%	Not applicable, as Alinma Tokio Marine shares will be delisted			
Tokio Marine & Nichido Fire Insurance Co. Ltd (TMNF)	8,625,000	28.75%	None	28.75%				
Board members and senior executives at Alinma Tokio Company*	83	0.0003%	0.03%	0.03%				
The Public	12,749,917	42.50%		N/A				
Total	30,000,000	100%		N/A				

Source: Alinma Tokio Company

*The direct Ownership of the board members and senior executives at Alinma Tokio Company is due to the direct ownership of the board member Khaled Abdullah Al-Rumaih. Whereas, the indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Marine results from: 1/ Direct ownership in Alinma Bank by (1/ Abdul Mohsen Abdulaziz Al Fares (Chairman of the Board of Directors) by 0.063%, 2/ Imad Abdul Rahman Al Butairi (Member of the Board of Directors) By 0.004%, 3/ Abdullah Ali Al Khalifa (Member of the Board of Directors) by 0.003%, 4/ Khaled Abdullah Al Rumaih (Member of the Board of Directors) by 0.0004%), as Alinma Bank owns 28.75% of the capital of Alinma Tokio Marine Company, 2 / As well as the direct ownership in Tokio Marine Holding Company of (1/ Hironari Iwakuma (Vice Chairman of the Board of Directors) by less than 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) by less than 0.01%, 3/ Kentaro Kita (CEO) by less than 0.01%.) (Tokio Marine Holding Company is a company listed on the Japanese capital market, and ownership results from monthly in-kind distributions and it is difficult to estimate the exact number) which in turn owns 100% of the capital of Tokio Marine and Nichido Fire Insurance Company, which in turn owns 28.75% of Capital of Alinma Tokio Marine Company.

11. Additional Information

The Offer Document contains additional information related to the Merger Transaction, and accordingly, the Offer Document shall be read carefully before taking any resolution to vote in favor of the resolutions presented at the Extraordinary General Assembly of Alinma Tokio Marine for the Merger Transaction.

This reference shall not be construed to mean that the members of the Board of Directors of Alinma Tokio Marine shall have, whether jointly or severally, any liability to the shareholders of Alinma Tokio Marine with respect to the information contained in the Offer Document, and accordingly, the members of the Board of Directors of Alinma Tokio Marine shall not, jointly or severally, make any representations or undertakings, express or implied, as to the correctness of the completeness of the information contained in the Offer Document except for the information provided by them.

12. Exemptions

Alinma Tokio Marine has applied for an exemption under paragraph (b) of Article (36) of the Mergers and Acquisitions Regulations issued by the Board of the Capital Market Authority, which stipulates that (the proposed termination fees shall be limited in value and shall not exceed (1%) of the value of the offer), as the current termination fees exceed (1%) of the value of the nominal deal and are estimated at about (1.56%) of the total value of the nominal deal, due to the increase in the volume of expenses related to the merger transaction.

13. Documents available for Inspection and Examination

Copies of the following documents will be available for inspection at the headquarters of Alinma Tokio Marine – Riyadh - King Fahad Road - Anoud Tower 2 - 21st Floor, Saudi Arabia, Tel: +966112129438, Fax: +966112129444, Sunday to Thursday from 8:00 am to 5:00 pm excluding public holidays in Saudi Arabia from the date of publication of this circular until the end of the offer period:

- Articles of Association of Alinma Tokio Company and Arabian Insurance Company.
- The audited financial statements of Alinma Tokio Company and Arabian Shield Company for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.
- Merger Agreement concluded between the Arabian Shield Company and Alinma Tokio Company (in English) on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G). (In English)
- Letters of approval of the advisors to use their names, logos and data in this circular.
- The valuation report and implied value reports of Alinma Tokio Company's insurance portfolio.
- Termination Fee Documents

14. Conclusion

Alinma Tokio Marine Board of Directors has endorsed the merger transaction and made its recommendation. We invite the members of Alinma Tokio Marine Board of Directors to attend the Extraordinary General Assembly Meeting and recommend voting in favor of the resolution presented at the meeting on the assumption that the financial position of the Arabian Shield will not suffer any fundamental or substantial deterioration after the date of publication hereof.

Abdulmohsen Abdulaziz Al-Fares

Chairman of the Board of Directors of Alinma Tokio Marine Company

15. Annexes

Annex No. (1): Independent Consultation Provided by the Financial Advisor

The opinion provided by the financial advisor regarding the exchange ratio

Date: 25/11/1444H

Corresponding to: 14/06/2023G

Alinma Tokio Marine Company

Dear Members of the Board of Directors,

Whereas, **Alinma Tokio Marine Company** (hereinafter referred to as "Alinma Tokio Marine") intends to merge with **Arabian Shield Cooperative Insurance Company** ("Arabian Shield") by offering a securities exchange to purchase the entire shares in the capital of Alinma Tokio Marine ("the **Transaction**"), through the process of increasing the capital of Arabian Shield by issuing new ordinary shares ("**New Shares**" or "**Consideration Shares**") for the benefit of the shareholders of Alinma Tokio Marine in accordance with the rules and regulations of the Capital Market Authority ("**CMA**"), the Companies Law, Competition Law and Its executive regulations issued pursuant to the resolution of Competition Council. With reference to your request to provide Alinma Tokio Marine with the opinion of Yaqeen Capital (hereinafter referred to as the "**Financial Advisor**") in our capacity as financial advisor to Alinma Tokio Marine in relation to the fairness of exchange **transactions** (hereinafter referred to as "the **Exchange Transactions**"). In accordance with Article (18) of the Mergers and Acquisitions Regulations ("**the Regulations**"), through this letter we would like to present to you our opinion regarding the fairness of the exchange ratio referred to in the merger agreement with the Arabian Shield signed on 25/11/1444H (corresponding to 14/06/2023G) ("**Merger Agreement**"), whereby pursuant to the Merger Agreement, Arabian Shield will issue (15,962,833) fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three new ordinary shares with a total nominal value of (159,628,330) one hundred and fifty-nine million Six hundred and twenty-eight thousand three hundred and thirty Saudi riyals in exchange for the purchase of all shares in the capital of Alinma Tokio Marine. One (1) share will be issued in Arabian Shield for every (1.87936564894214) share owned in Alinma Tokio Marine ("**Exchange Ratio**") which will result in an increase in the capital of Arabian Shield from (638,524,620) six hundred and thirty-eight million five hundred and twenty-four thousand six hundred and twenty Saudi riyals to (798,152,950) seven hundred and ninety-eight million one hundred and fifty-two thousand nine hundred and fifty Saudi riyals, and the number of shares increased from (63,852,462) sixty-three million eight hundred and fifty-two thousand four hundred and sixty-two shares to (79,815,295) seventy-nine million eight hundred and fifteen thousand two hundred and ninety-five shares.

In relation to providing this opinion, the scope of the review and the key assumptions relied upon by Yaqeen Capital include, but are not limited to:

1. Review the audited financial statements of Alinma Tokio Marine and Arabian Shield for the financial years ending on December 31, 2020, December 31, 2021, and December 31, 2022.
2. Review the outputs of the financial, legal, actuarial and tax due diligence reports of the Arabian Shield prepared by other independent advisors.
3. Review the outputs of the financial, legal, actuarial and tax professional due diligence reports for Alinma Tokio Marine prepared by other independent consultants.
4. Review the outputs of the implicit value assessment reports for each of the Takaful protection and savings insurance policies portfolio of Arabian Shield and Alinma Tokio Marine prepared by other independent advisors.

5. Review the merger agreement and memorandums of understanding signed between Alinma Tokio Marine and Arabian Shield.

For the purposes of providing this opinion, we at Yaqeen Capital have approved with your consent and assumed the accuracy, validity and completeness of all data, information, financial, legal, regulatory, tax, accounting and other information documents provided to us or discussed with us or viewed by us. Therefore, Yaqeen Capital does not bear any responsibility for the validity, accuracy and completeness of the data, information and documents submitted to it, especially those data, information and documents obtained from external sources, even though the financial advisor has no reason to believe that these data, information and documents are originally inaccurate, these data, information and documents have not been independently verified by the financial advisor. Therefore, there is no confirmation or guarantee regarding the accuracy or completeness of any of these data, information and documents. Yaqeen Capital also assumed that there had been no fundamental change in the financial position, assets and liabilities of Alinma Tokio Marine and Arabian Shield. Yaqeen Capital also assumes that there are no other facts whose failure to include could make any statement contained therein misleading. Additionally, Yaqeen Capital assumed that all governmental and regulatory approvals and other approvals necessary to complete the transaction will be obtained, without any consequences or negative impact on Alinma Tokio Marine and Arabian Shield.

Our opinion does not include the resolution taken by Alinma Tokio Marine to enter into the transaction; our opinion also does not address any aspects related to the validity or fairness of the legal or financial structure involved in the transaction, and this opinion only addresses the fairness of the exchange ratio from a financial point of view for Alinma Tokio Marine under the merger agreement as of the date set forth in this letter.

Yaqeen Capital, as the financial advisor to Alinma Tokio Marine in relation to the transaction, will receive professional fees from Alinma Tokio Marine in exchange for the services provided by Yaqeen Capital, which include this opinion. The financial advice services provided by us and our opinion are provided for the purpose of being used by the Board of Directors of Alinma Tokio Marine only to assist it in connection with the evaluation of the merger transaction and for purposes related thereto. Taking into account that this opinion does not constitute a recommendation as to how any holder of Alinma Tokio Marine common stock shall vote in connection with the transaction or any other matter. Such opinion may not be relied upon or used by others without prior written approval from Yaqeen Capital. Additionally, we have given our consent to include this opinion in the shareholder circular that Alinma Tokio Marine will publish in connection with the merger transaction.

Based on the above, Yaqeen Capital believes that the exchange ratio in accordance with the agreement, as at the date of this letter, is fair to Alinma Tokio Marine from a financial point of view.

Sincerely,