

Offer Document

Issued by the Arabian Shield Cooperative Insurance Company (hereinafter referred to as "Arabian Shield Company" or "the Merging Company" or "the Offeror") which is addressed to the shareholders of Alinma Tokio Marine Company (hereinafter referred to as "Alinma Tokio Company" or the "Merged Company") in connection with the offer submitted to the shareholders of Alinma Tokio Company in order to merge Alinma Tokio Company with the Arabian Shield Company and transfer all the assets and liabilities of Alinma Tokio Company to the Arabian Shield Company (the "Merger Transaction").



This Offer Document ("Offer Document" or "Document") contains important information in connection with the Merger Transaction (as mentioned above). Therefore this document shall be read completely, and all of its sections shall be reviewed carefully especially the section of ("Important Notice") as well as the circular of the Board of Directors of Alinma Tokio Company shall be read fully and carefully before taking any decision regarding voting on the merger transaction. You are recommended to obtain advice from an independent financial advisor authorized by the Capital Market Authority (the "CMA") if you are in doubt about a matter relating hereto.

The Arabian Shield Company and Alinma Tokio Company entered into a merger agreement on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G) (its articles are detailed in Section (2.6) ("Merger Agreement and Summary of Terms and Conditions of the Merger Transaction") from this Offer Document). The Arabian Shield Company and Alinma Tokio Company agreed to merge Alinma Tokio Company into the Arabian Shield Company and to transfer all the assets and liabilities of Alinma Tokio Company to the Arabian Shield Company. Whereas a number of (0.53209443333333330000) shares in the Arabian Shield Company will be issued to the shareholders of Alinma Tokio Company for each share owned by them in Alinma Tokio Company ("Exchange Ratio"), in accordance with the terms and conditions of the offer contained in Section (2.6) ("Merger Agreement and Summary of Terms and Conditions of the Merger Transaction") hereof. The exchange of securities will be carried out according to the increase in the capital of the Arabian Shield Company from six hundred and thirty-eight million, five hundred and twenty-four thousand, six hundred and twenty (638,524,620) Saudi riyals to seven hundred and ninety-eight million, one hundred and fifty-two thousand, nine hundred and fifty (798,152,950) Saudi riyals. Meaning that there will be an increase of one hundred and fifty-nine million six hundred and twenty-eight thousand three hundred and thirty (159,628,330) Saudi riyals through increasing the number of shares from sixty-three million eight hundred and fifty-two thousand four hundred and sixty-two (63,852,462) ordinary shares to seventy-nine million eight hundred and fifteen thousand two hundred and five Ninety (79,815,295) ordinary shares in the amount of fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new fully paid-up ordinary shares with a nominal value of ten (10) Saudi riyals per share, which shall be registered in favor of the shareholders of Alinma Tokio Company ("New Shares" or "Consideration shares"). The total nominal value of the new shares is one hundred and fifty-nine million, six hundred and twenty-eight thousand, three hundred and thirty (159,628,330) Saudi riyals. In case that the transaction is approved by the shareholders of the Arabian Shield Company and the shareholders of Alinma Tokio Company, the articles of association of the Arabian Shield Company will be amended to include the new capital (Annex 1 hereof). Taking into consideration that all the shares in the Arabian Shield Company, including the shares that will be issued for the interest of the shareholders of Alinma Tokio Company, are of one class, and none of them gives preferential rights to its holder. It is pointed out that if the process of calculating the number of shares due to any of the shareholders of Alinma Tokio Company results based on a fractional share exchange ratio, the resulting number will be rounded to the lowest whole number. For example, if a shareholder of Alinma Tokio Company owns (50) shares in Alinma Tokio Company, (26) shares of the consideration shares will be allocated to the said shareholder and not (27) shares. Fractional shares will be collected and sold in trading at the market price at that time on behalf of the entitled shareholders of Alinma Tokio Company. Subsequently, the proceeds resulting from the sale will be distributed to those entitled thereto on a proportional basis within a maximum period of thirty (30) days from the date of completion of the merger transaction. The costs related to the sale of fractional shares will be deducted from the total proceeds of such sale.

The Arabian Shield Company submitted a request to the Capital Market Authority ("CMA") in order to increase its capital for the purpose of merging Alinma Tokio Company into the Arabian Shield Company and another request to the Saudi Tadawul Company ("Tadawul") in order to list the new shares issued for the interest of the shareholders of Alinma Tokio Company. It shall be explained that the proposed increase in the capital of the Arabian Shield Company for the purpose of the merger transaction is conditional on the approval of the shareholders of the Arabian Shield Company during the meeting of the Extraordinary General Assembly of the Arabian Shield Company to increase its capital for the purpose of merging Alinma Tokio Company into the Arabian Shield Company, in addition to the approval of the shareholders of Alinma Tokio Company during the Extraordinary General Assembly meeting regarding the offer submitted by the Arabian Shield Company. The Arabian Shield Company will also call for an extraordinary general assembly to vote on the capital increase for the purpose of merging with the Alinma Tokio Company. In this context, the Arabian Shield Company will be merged into the Alinma Tokio Company and all the assets and liabilities of Alinma Tokio Company will be transferred to the Arabian Shield Company in exchange for the issuance of consideration shares. Whereas (0.53209443333333330000) shares will be issued in the Arabian Shield Company for the interest of the shareholders of Alinma Tokio Company in exchange for each share owned by them in Alinma Tokio Company. The call will be announced on Tadawul website.

The Arabian Shield Company and Alinma Tokio Company declare their ability to pay their debts in accordance with the provisions of Article 225 of the Companies Law. Alinma Tokio Company will invite its shareholders to attend the Extraordinary General Assembly in order to vote on the offer submitted by the Arabian Shield Company for the merger transaction through an offer to exchange securities in accordance with what mentioned above and subject to the conditions specified in Section No. 2 - (Overview of the Merger Transaction) hereof. The call will be announced on Tadawul website.

In the event that the required majority, which is three quarters of the shares represented in the Extraordinary General Assembly meeting, is approved by the shareholders of Alinma Tokio Company, whether first, second or third, and after fulfilling all other conditions of the merger transaction as detailed in Section No. (2.6) ("Merger Agreement and Summary of Terms and Conditions of the Merger Transaction") hereof, including but not limited to (1) the General Authority for Competition's non-objection to the economic focus resulting from the merger transaction; and (2) the Saudi Central Bank's approval of the merger transaction and the capital increase of the Arabian Shield Company; and (3) Tadawul's approval of the request to list the new shares of the Arabian Shield Company for the interest of the shareholders of Alinma Tokio Company in accordance with the listing rules; and (4) the Capital Market Authority's approval of the request to increase the capital of the Arabian Shield Company by issuing new shares to the shareholders of Alinma Tokio Company in order to implement the merger transaction and agree to publish the offer document in accordance with the Merger and Acquisition Regulations and the Rules for Offering Securities and Continuing Obligations issued by the Capital Market Authority.

Thirty (30) days prior to the approval of the merger transaction by the required percentage of the shareholders of the Arabian Shield Company and the required percentage of the shareholders of Alinma Tokio Company, the

beginning of the period of objection of the creditors of the Arabian Shield Company will be announced to give a period of fifteen (15) days to express any objection from the creditors of Alinma Tokio Company as stipulated under the provisions of Article 227 of the Companies Law ("Creditors Objection Period"). The creditors' objection period will start from the date of Alinma Tokio's announcement of the start of the creditors' objection period for Alinma Tokio Company. It will enable the creditors of Alinma Tokio Company to submit their objection to the merger transaction (if any) by means of registered letters sent to Alinma Tokio Company or by any other means specified by the announcement of the merger transaction above-mentioned. The creditors' objection period expires after the fifteen (15) days period expires without registering any objection, or until the creditors waive their objection to the merger (if any), or until the Alinma Tokio Company fulfills the debt, if it is current, or that the company provides sufficient guarantee to fulfill the said debt, if it is deferred.

The merger transaction shall be completed after the end of the creditors' objection period and the publication of the approval decisions of the Extraordinary General Assembly of the Arabian Shield Company regarding the merger transaction and the Extraordinary General Assembly of Alinma Tokio Company regarding the merger transaction ("Completion of the Merger Transaction"). The shares of Alinma Tokio Company will be cancelled, and the new shares in the Arabian Shield Company will be issued for the interest of the eligible shareholders of Alinma Tokio Company according to the shareholder register, taking into account the settlement procedures (T+2) at the end of the second trading day following the date of completion of the merger transaction after its completion, provided that the new shares shall be deposited in the portfolios of the shareholders of Alinma Tokio Company during a period not less than the third trading period after the completion of the merger transaction and not exceeding 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 Company at the number of 0.53209443333333330000 shares in the Arabian Shield Company for each share owned in Alinma Tokio Company. The shareholders of Alinma Tokio Company will own 20.00% of the capital of the Arabian Shield Company. Subsequently, the data of Alinma Tokio Company will be entered in the commercial register of the Arabian Shield Company, and the Arabian Shield Company will issue the updated commercial registry in accordance with the provisions of Article 228 of the Companies Law ("The Effective Date of the Merger Transaction Resolution"). All the assets and liabilities of Alinma Tokio Company shall be transferred to the Arabian Shield Company in accordance with the provisions of Article 229 of the Companies Law. Furthermore, the commercial registration of Alinma Tokio Company will be written off, and Alinma Tokio Company will be dissolved.

The total value of the merger transaction was determined based on the total nominal value of the consideration shares, so that the total nominal value of the consideration shares is one hundred and fifty-nine million, six hundred and twenty-eight thousand, three hundred and thirty (159,628,330) Saudi riyals. The total market value of the shares is based on the exchange ratio and the closing price of the share of the Arabian Shield Company amounting to (19.08) Saudi riyals as of 11/24/1444H (corresponding to 06/13/2023G) (which is the last trading day preceding the date of signing the Merger Agreement). The amount of three hundred and four million five hundred and seventy thousand eight hundred and fifty-four (304,570,854) Saudi riyals. The total market value of the consideration shares is based on the exchange ratio and the closing price of the Arabian Shield Company share amounting to (19.30) Saudi riyals as on the date of [05/03/1445H (corresponding to 20/09/2023G) (according to the nearest trading day before the publication of this Document) an amount of three hundred eight million eighty-two thousand six hundred seventy-seven (308,082,677) Saudi Riyals. The total value of the consideration shares that will be reflected in the financial statements of Arabian Shield Company will be identified at a later time subject to the closing price of Arabian Shield shares on the last trading day preceding the date of completion of the merger transaction.

It shall be taken into account that after the approval of the merger transaction by the shareholders of the merging company and by the merged company and all other conditions of the merger (detailed in Section No. 2.6 hereof) are met. Especially after the period of objection of the creditors to the aforementioned merger is expired, the shares of Alinma Tokio Company will be delisted, and all licenses issued thereto will be cancelled. Eventually, its commercial register will be written off, and Alinma Tokio Company will be dissolved.

All shareholders of Alinma Tokio Company, including those who did not vote on the proposed resolutions approving the merger transaction, or those who voted against it, will get new shares in the Arabian Shield Company in accordance with the terms and conditions hereof. It was also agreed that the name of the Arabian Shield Company will continue after the merger transaction becomes effective. All of these steps are expected to take place in accordance with the projected schedule of milestones described on page (5) hereof. The shareholders of Alinma Tokio Company will become owners of 20% of the capital of the Arabian Shield Company. They will have the right to receive the dividends announced by the Arabian Shield Company after the issuance of the shares.

The transaction shall be subject to certain conditions (which are fully outlined in Section 2.6 ("Merger Agreement and Summary of Terms and Conditions of the Merger Transaction") of this Document), including but not limited to: (1) Approval of the capital increase by the shareholders of the Arabian Shield Company at the extraordinary general assembly meeting; and (2) acceptance of the offer by the shareholders of Alinma Tokio Company at the extraordinary general assembly meeting of Alinma Tokio Company (Noting that the merger transaction shall not be completed except after the approval of the shareholders in the Extraordinary General Assembly of the Arabian Shield Company and the Extraordinary General Assembly of the Alinma Tokio Company, and in accordance with the Companies Law and with the continuous validity of the merger agreement concluded between the Arabian Shield Company and the Alinma Tokio Company, signed on 25/11/1444H (corresponding to 14/06/2023G) and amended on 07/01/1445H (corresponding to 25/07/2023G).

This document is issued by Arabian Shield Company and has been prepared in accordance with the requirements of Article (38) of the Mergers and Acquisitions Regulations. In this context, the Arabian Shield Company does not bear any responsibility for the validity and accuracy of the information contained herein related to Alinma Tokio Company. All information contained herein related to Alinma Tokio Company is based on the information provided by Alinma Tokio Company in addition to the information obtained from Alinma Tokio Company during the stage of conducting the Arabian Shield Company - with the help of its consultants - the necessary professional diligence studies on Alinma Tokio Company. Noting that Alinma Tokio Company acknowledged, in the merger agreement, the validity of the information and data provided to Arabian Shield Company - or to its advisors, including its financial advisor, Aljazira Capital Company ("Aljazira Capital" or "Financial Advisor") - in relation to the merger transaction or during the due diligence studies stage.

Financial Advisor



The Capital Market Authority (CMA) and the Saudi Tadawul Company (Tadawul) shall bear no responsibility for the contents of this offer document. They shall not make any assurances on its accuracy or completeness and expressly disclaim any liability in respect of any loss that may result from or reliance on any part hereof.

The Offer Document was prepared in both Arabic and English, and the Arabic language is considered the approved language, therefore in the event of a discrepancy between the Arabic and English text, the Arabic text shall prevail.

This Document is issued on 06/03/1445H (Corresponding to 21/09/2023G)



الدرع العربي للتأمين
Arabian Shield Insurance



Important Notice

This Offer Document was prepared by Arabian Shield Company in accordance with the requirements of the Merger and Acquisition Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-50-2007 dated 21/09/1428H (corresponding to 03/10/2007G) subject to the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G) as amended by CMA Board Resolution No. 8-45-2023 dated 25/06/1444H corresponding to 18/01/2023G subject to the Capital Market Law issued By Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/03/2003G) and the Companies Law issued by Royal Decree No. M/132 dated 12/01/1443H (corresponding to 30/06/2022G). This is to provide information to the shareholders of Alinma Tokio Company regarding the offer of the Arabian Shield Company to merge with the Alinma Tokio Company, whereby all the assets and liabilities of Alinma Tokio Company will be transferred to the Arabian Shield Company in exchange for the issuance of shares. It shall be considered that the vote of the shareholders of Alinma Tokio Company on the merger transaction is subject to the information contained herein and, on the circular, issued by the Board of Directors of Alinma Tokio Company in relation to the merger transaction.

The statements contained herein were prepared on the date of this document (unless otherwise stated). The publication of this document shall not be construed as no change in the information and matters related to the Arabian Shield Company or Alinma Tokio Company since that date. This document does not contain any text that could be considered a prediction, planning, or estimate of the current or future financial performance of Arabian Shield Company or of Alinma Tokio Company. Nor shall any statements contained herein be construed that the earnings 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 both companies.

Arabian Shield Company did not authorize any person to provide any information or make any statements or clarifications to the shareholders of Alinma Tokio Company on its behalf in connection with the offer and the merger transaction other than those mentioned herein. In the event that any unauthorized person provides any information or gives any information related to the merger transaction, it shall not be relied upon or considered to have been provided with an authorization by Arabian Shield Company or by its financial advisor, or any other party to the transaction or any of their advisors.

No person shall interpret or consider the contents hereof as legal, financial or tax advice. It is recommended to obtain advice from an independent financial advisor authorized by the Capital Market Authority if there is any doubt about a matter related to this offer. The contents of the website of the Arabian Shield Company or of Alinma Tokio Company, or the contents of any other website in which this document is published, does not constitute a part of or supplement to this document. Neither the consultants nor the Arabian Shield Company and Alinma Tokio Company are responsible for the contents of these websites.

Arabian Shield Company appointed Aljazira Capital Company (“**Aljazira Capital**”) as its financial advisor in connection with the merger transaction. Aljazira Capital operates in accordance with the applicable laws and regulations in force in KSA, and it obtains the necessary license for that from the Capital Market Authority, and works exclusively for Arabian Shield Company as its independent financial advisor in the merger transaction, and does not work for the benefit of any other party in relation to the merger transaction. Aljazira Capital shall not provide advice related to the merger transaction, or make any other order or arrangement referred to herein to any party other than Arabian Shield Company.

The purpose of this document is: (1) to explain the background and reasons for the merger transaction, (2) to provide the shareholders of Alinma Tokio Company with the details of the merger transaction (3) to provide the shareholders of Alinma Tokio Company with information about the offer submitted by the Arabian Shield Company to enable them to vote for or against the decisions proposed to approve the merger transaction at the Extraordinary General Assembly meeting of Alinma Tokio Company.

Forecasts and Forward-Looking Statements

This document, including the information contained herein, contains “forward-looking statements” relating to the Arabian Shield Company and Alinma Tokio Company. In general, words such as “will,” “may,” “shall,” “continue,” “believe,” “expect,” “intend,” “expect,” or any similar expressions that carry references to the future represent forward-looking statements. Forward-looking statements involve risks and uncertainties that may result in actual results being materially different from future statements and expectations. Many of these risks and uncertainties relate to factors and conditions beyond the control of the concerned company, or its ability to make accurate estimates such as future market conditions, and the behavior of other market participants. Therefore, it shall not rely entirely on forward-looking statements and expectations. Neither the Arabian Shield Company nor any other party to the transaction or their advisors bears any responsibility regarding forward-looking statements and expectations, and none of the above intends to update these forward-looking statements and expectations except as required by law.

It shall be taken into consideration that these forward-looking statements include risks that may be apparent or not, and other factors that may lead to the actual results, performance, strategy or events differing materially from those included in these statements expressly or implicitly. In other words, the risks related to forward-looking statements are outside the control of Arabian Shield Company, such as future market conditions and the behavior of other market participants, and therefore cannot be accurately estimated, and therefore these statements shall not be relied upon completely. Additionally, these forward-looking statements shall not be considered a guarantee of the actual future performance of Arabian Shield Company and have not been reviewed by the accountants of Arabian Shield Company except in the cases exclusively referred to herein. These forward-looking statements are based on several assumptions, including assumptions related to the current and future business strategies of Arabian Shield Company and the regulatory environment within which Arabian Shield Company will conduct its business in the future. We would like to clarify that all future oral and written statements made by Arabian Shield Company or any persons acting on its behalf are expressly restricted in their entirety to the important notice in this section.

Restrictions on Publication, Distribution, Approval and Transmission

This document is addressed to the shareholders of Alinma Tokio Company, and shall not be published or distributed in any jurisdiction other than KSA or any other jurisdiction where this document may be considered in violation of its laws. Additionally, any restrictions in the laws and regulations in force in KSA shall also be taken into account.

Notice to the shareholders of Alinma Tokio residing outside KSA

Although all the shareholders of Alinma Tokio Company have the right to attend the extraordinary general assembly of the Company related to the merger transaction and vote on its decisions, the shareholders of Alinma Tokio Company residing outside KSA shall take into account that this document was not submitted or registered with any regulatory body outside KSA. Therefore, in case that any of the shareholders of Alinma Tokio Company resides in any country whose regulations require that Alinma Tokio Company take specific legal steps so that the shareholder may vote on the merger decisions on a regular basis, then the concerned shareholder shall not participate in voting on the decisions proposed in the Extraordinary General Assembly of Alinma Tokio Company regarding the merger transaction. In case that the concerned shareholder votes on the merger decisions despite all of this, the Arabian Shield Company, in connect with Alinma Tokio Company, has the right not to proceed with the merger transaction unless the merger transaction was approved by the required majority of the shareholders of Alinma Tokio Company without counting the votes of the concerned shareholder.

Presentation of Financial and Other Information

The financial statements of the Arabian Shield Company for the financial years ending on December 31, 2020, 2021, and 2022 were prepared in accordance with the International Financial Reporting Standards approved in KSA and other standards and publications issued by the Saudi Organization for Auditors and Accountants. Except as otherwise stated herein, all financial statements contained herein shall be in Saudi Riyals.

This document was prepared in accordance with the laws and regulations in force in KSA. The amount, type and nature of the information contained herein may differ if this document was prepared in accordance with the laws or regulations of other jurisdictions outside the KSA. The merger transaction with securities relates to the securities of Saudi joint-stock companies listed in Tadawul, and therefore, this document, and any other documents or announcements related to the merger transaction, have been or will be prepared in accordance with the information disclosure requirements applicable in KSA only, which may differ from those applicable in other jurisdictions.

Important Dates and Key Stages of Merger Transaction

The dates shown in the table below are the final dates. They may change because it is based on several matters, including the completion of the necessary quorum to hold the first meeting of the Extraordinary General Assembly of the Arabian Shield Company. Arabian Shield Company will announce any changes to the dates described in the timetable shown below on its website and/or on the Tadawul website:

Event	Timetable/ Date
1. Procedures relating to the Extraordinary General Assembly and Creditors Objection Period	
Final draft of the Offer Document and Shareholders' Circular shall be submitted to the Capital Market Authority.	29/02/1445H (corresponding to 14/09/2023G)
Capital Market Authority's approval shall be obtained for the capital increase request and the Shareholders' Circular and the Offer Document shall be published.	03/03/1445H (corresponding to 18/09/2023G)
Arabian Shield's Shareholders' Circular and the Offer Document addressed to the shareholders of Alinma Tokio Marine shall be published.	06/03/1445H (corresponding to 21/09/2023G)
Circular of the Board of Directors of Alinma Tokio Marine shall be published.	06/03/1445H (corresponding to 21/09/2023G)
Documents of Arabian Shield shall be made available for inspection.	06/03/1445H (corresponding to 21/09/2023G)
Documents of Alinma Tokio Marine shall be made available for inspection.	06/03/1445H (corresponding to 21/09/2023G)
Announcement of the beginning of the Creditors' Objection Period for Alinma Tokio Marine.	06/03/1445H (corresponding to 21/09/2023G)
The approval of the Capital Market Authority to convene the Extraordinary General Assembly of Arabian Shield related to the Merger Transaction and the Extraordinary General Assembly of Alinma Tokio Marine related to the Merger Transaction.	13/03/1445H (corresponding to 28/09/2023G)
The invitation to the Extraordinary General Assembly of Arabian Shield of the Merger Transaction shall be posted on Tadawul's website (with reference to the possibility of holding a second meeting, which shall be held one hour after the expiry of the period specified for the first meeting, if the required quorum of the first meeting is not represented).	18/03/1445H (corresponding to 03/10/2023G)
The invitation to the Extraordinary General Assembly of Alinma Tokio Marine of the Merger Transaction shall be posted on Tadawul's website (with reference to the possibility of holding a second meeting, which shall be held one hour after the expiry of the period specified for the first meeting, if the required quorum of the first meeting is not represented).	18/03/1445H (corresponding to 03/10/2023G)
End of Creditor Objection Period.	21/03/1445H (corresponding to 06/10/2023G)
Any creditors' objections received shall be announced by Alinma Tokio Marine	23/03/1445H (corresponding to 08/10/2023G)
Electronic vote period for shareholders in the Extraordinary General Assembly of Arabian Shield shall proceed.	From 04/04/1445H (corresponding to 19/10/2023G) until the end of the Extraordinary General Assembly
Electronic vote period for shareholders in the Extraordinary General Assembly of Alinma Tokio Marine shall proceed.	From 04/04/1445H (corresponding to 19/10/2023G) until the end of the Extraordinary General Assembly
Arabian Shield's Extraordinary General Assembly of the Merger Transaction (First Meeting) shall be convened. The quorum for the Extraordinary General Assembly shall be quorate by the presence of a number of shareholders representing at least half of the share capital of Arabian Shield.	09/04/1445H (corresponding to 24/10/2023G)

Event	Timetable/ Date
If the required quorum for the first meeting is not met (the second meeting), Arabian Shield's Extraordinary General Assembly of the Merger Transaction (Second Meeting) shall be convened. The second Extraordinary General Assembly shall be quorate by the presence of a number of shareholders representing at least a quarter of the share capital of Arabian Shield.	One hour after the end of the period specified for the first meeting of the Extraordinary General Assembly, in which the required quorum for was not met.
Alinma Tokio Marine's Extraordinary General Assembly of the Merger Transaction (First Meeting) shall be convened. The quorum for the Extraordinary General Assembly shall be quorate by the presence of a number of shareholders representing at least half of the share capital of Alinma Tokio Marine.	09/04/1445H (corresponding to 24/10/2023G)
If the required quorum for the first meeting is not met (the second meeting), Alinma Tokio Marine's Extraordinary General Assembly of the Merger Transaction (Second Meeting) shall be convened. The second Extraordinary General Assembly shall be quorate by the presence of a number of shareholders representing at least a quarter of the share capital of Alinma Tokio Marine.	One hour after the end of the period specified for the first meeting of the Extraordinary General Assembly, in which the required quorum for was not met.
2. If the quorum is not met for the First and Second Meetings of the Extraordinary General Assembly of Both Companies, the following Procedures shall be observed:	
The approval of Capital Market Authority shall be obtained for the invitation to the third meeting of Arabian Shield's Extraordinary General Assembly of the Merger Transaction, or the approval of Capital Market Authority shall be obtained for the invitation to the third meeting of Alinma Tokio Marine's Extraordinary General Assembly of the Merger Transaction.	16/04/1445H (corresponding to 31/10/2023G)
The invitation to the Third Meeting of Arabian Shield's Extraordinary General Assembly of the Merger Transaction shall be posted on Tadawul's website, or the invitation to the Third Meeting of Alinma Tokio Marine Extraordinary General Assembly of the Merger Transaction shall be posted on Tadawul's website.	16/04/1445H (corresponding to 31/10/2023G)
Electronic Vote Period of Shareholders in the Third Meeting of Arabian Shield's Extraordinary General Assembly shall proceed, or Electronic Vote Period of Shareholders in the Third Meeting of Alinma Tokio Marine's Extraordinary General Assembly shall proceed.	From 02/05/1445H (corresponding to 16/11/2023G) until the end of the Extraordinary General Assembly
The Third Meeting of Arabian Shield's Extraordinary General Assembly of the Merger Transaction shall be convened, or The Third Meeting of Alinma Tokio Marine's Extraordinary General Assembly of the Merger Transaction shall be convened. The quorum for the third meeting of the Extraordinary General Assembly shall be met, regardless of the number of shares represented therein.	07/05/1445H (corresponding to 21/11/2023G)
3. Completion of the Merger Transaction	
The resolution of the Merger Transaction and other resolutions taken at the first meeting or the second meeting of Arabian Shield's Extraordinary General Assembly of the Merger Transaction shall be posted on Tadawul's website (or it should be posted that the Extraordinary General Assembly will not be convened due to the absence of the quorum).	10/04/1445H (Corresponding to 25/10/2023G)

Event	Timetable/ Date
The resolution of the Merger Transaction and other resolutions taken at the first meeting or the second meeting of Alinma Tokio Marine's Extraordinary General Assembly of the Merger Transaction shall be posted on Tadawul's website (or it should be posted that the Extraordinary General Assembly will not be convened due to the absence of the quorum).	10/04/1445H (Corresponding to 25/10/2023G)
The resolution of the Merger Transaction and other resolutions taken at the third meeting of the Extraordinary General Assembly of Arabian Shield or Alinma Tokio Marine (as the case may be) shall be posted on Tadawul's website.	08/05/1445H (Corresponding to 22/11/2023G)
The trading of the shares of Alinma Tokio Marine shall be suspended.	<ul style="list-style-type: none"> 10/04/1445H (Corresponding to 25/10/2023G) in case the approval resolution of the Merger Transaction is passed during the first or second meeting of Extraordinary General Assembly of Arabian Shield or Alinma Tokio Marine. 08/05/1445H (Corresponding to 22/11/2023G) in case the approval resolution of the Merger Transaction is passed during the third meeting of Extraordinary General Assembly of Arabian Shield or Alinma Tokio Marine.
New Shares shall be listed on Tadawul and shall be allocated to the shareholders of Alinma Tokio Marine who are registered in the Shareholder Register of Alinma Tokio Marine who are eligible on the second trading day following the date of suspending the shares of Alinma Tokio Marine.	Within no less than the third trading period after publishing the approval resolution of the Merger Transaction as passed during the Extraordinary General Assembly of Arabian Shield and during the Extraordinary General Assembly of Alinma Tokio Marine, and no more than the sixth trading period after publishing the approval resolution of the Merger Transaction as passed during the Extraordinary General Assembly of Arabian Shield and during the Extraordinary General Assembly of Alinma Tokio Marine.
The shares of Alinma Tokio Marine shall be delisted from Tadawul.	Within no less than the third trading period after publishing the approval resolution of the Merger Transaction as passed during the Extraordinary General Assembly of Arabian Shield and during the Extraordinary General Assembly of Alinma Tokio Marine, and no more than the sixth trading period after publishing the approval resolution of the Merger Transaction as passed during the Extraordinary General Assembly of Arabian Shield and during the Extraordinary General Assembly of Alinma Tokio Marine.
Deadline of distribution of proceeds of sold fractional shares.	<ul style="list-style-type: none"> 09/05/1445H (Corresponding to 23/11/2023G) in case the approval resolution of the Merger Transaction is passed during the first or second meeting of the Extraordinary General Assembly of Arabian Shield or Alinma Tokio Marine. 08/06/1445H (Corresponding to 21/12/2023G) In case the approval resolution of the Merger Transaction is passed during the third meeting of the Extraordinary General Assembly of Arabi-an Shield or Alinma Tokio Marine.
4. Effectiveness of the Merger Transaction	
Amendment of the foreign investment license for Arabian Shield.	<ul style="list-style-type: none"> The procedure will commence immediately in the event of a decision approving the Merger Transaction during the Extraordinary General Assembly meetings of Arabian Shield and Alinma Tokio Marine.
Modifying the commercial register of Arabian Shield and registering the data of Alinma Tokio Marine in the Commercial Register of Arabian Shield. The commercial register of Alinma Tokio Marine shall be cancelled and the effectiveness of the Merger Transaction shall be declared.	<ul style="list-style-type: none"> The procedure will commence immediately in the event of a decision approving the Merger Transaction during the Extraordinary General Assembly meetings of Arabian Shield and Alinma Tokio Marine.

*Note: Any amendments to these dates will be announced on the Tadawul website (www.tadawul.com.sa).

*Copies of the documents available for inspection during the period from the date of publishing the Offer Document until the end of the offer period will be provided at the headquarters of the Arabian Shield Company (Address: Riyadh - Olaya Road, Sircon Building No. 15, Floor 3, P.O. Box 61352, Riyadh 11565, KSA, Tel: +966112505400, from Sunday to Thursday from 9:00 until 5:00 pm, except for official holidays in the Kingdom.

Company and Advisors Directory

Arabian Shield Company

Arabian Shield Cooperative Insurance Company

Riyadh - Sircon Building No. 15, Floor 3 - Olaya Road
B.O. 61352, Riyadh 11565
Kingdom of Saudi Arabia
Tel: +966 112505400
Fax No: +966114631294
Email: customerservice@arabianshield.com
website: www.der3.com



The Company's Representatives

Description	The company's first authorized representative	The company's second authorized representative
Name	Basil Abdullah Mohammed Al-Abd Al-Karim	Raed Ali Abdul Latif Al-Saif
Title	CEO	Member of the Board of Directors
BussinessAddress:	B.O. 61352, Riyadh 11565	B.O. 8124, Riyadh 11482
Tel:	+966 112505400 (Ext.: 1,195)	+966114600400 (Ext.: 100)
Fax:	966114633931+	966112000288+
E-mail:	basel@arabianshield.com	ralseif@gmail.com

Stock Market

Saudi Exchange Company (Tadwaul)

King Fahad Road - Olaya 6897
Unit No.: 15
B.O No. 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 Company

King Fahd Road - Olaya 6897
Unit No.: 11
B.O No. 3388
Riyadh 12211
Kingdom of Saudi Arabia
Phone: +966 (92) 0026000
Fax: +966 (11) 2189133
website: www.edaa.com.sa
E-mail : cc@edaa.com.sa



من مجموعة تداول السعودية
From Saudi Tadawul Group

The Financial Advisor of the Arabian Shield Company

Aljazira Capital Company ("Aljazira Capital")

King Fahad Road - Rahmaniyah district
B.O No. 20438
Riyadh 11455
Kingdom of Saudi Arabia
Phone: +966 (11) 2256000
Fax: +966 (11) 2256246
E-mail : contactus@Aljaziracapital.com.sa
website: www.Aljaziracapital.com.sa



The Legal Advisor of the Arabian Shield Company

Mohammed Majdi Zaree and Khaled Nasser Al-Hamdan Law Firm and Legal Consultations

2908 Prince Muhammad bin Abdulaziz Road - Olaya District
Riyadh 12241 P.O. Box 6055
Kingdom of Saudi Arabia
Phone: +966 112288058
Fax No.: +966 112885405
E-mail: info@zh-partners.com
website: www.zh-partners.com



Advisor for Financial, Actuarial, Zakat and Tax Due diligence, and Advisor for Impairment Testing of the Protection and Savings Portfolio for Arabian Shield Company.

Deloitte Financial Advisory Services Limited

Riyadh - Al-Waha Building, Floor (2), Al-Salmaniya District
B8680,52, Riyadh 11492
Kingdom of Saudi Arabia
Phone: +966 011 258 500
Fax : +966 0112158501
E-mail : azhussain@deloitte.com
Website: www.deloitte.com/sa/



The auditors of the Arabian Shield Company for the financial years ending on December 31, 2020, and 2021

Ibrahim Ahmed Al-Bassam and Partners Chartered Accountants - Al-Bassam and Partners

Riyadh, Sulaymaniyah district, Prince Abdulaziz bin Musa'ed Street
B.O. 69658, Riyadh 11557
Kingdom of Saudi Arabia
Phone: +966 (11) 2065333
Fax: +966 (11) 20665444
Website: www.pkfalbassam.com
E-mail : info.sa@pkf.com



شركة إبراهيم أحمد البسام وشركاؤه
محاسبون قانونيون - البسام وشركاؤه
(عضو بي كي اف العالمية)

Al Azem, Al Sudairy, Al Shaikh & Consulting Partners

B.O. (10504)
Riyadh (11443)
Kingdom of Saudi Arabia
Phone: +966 (11) 2175000
Fax: +966 (11) 2176000
E-mail: info@crowe.sa
website: http://www.crowe.com/sa



The auditors of the Arabian Shield Company for the financial year ending on December 31, 2022

AlKharashi & Co. – Certified Accountants and Auditors

7425 Sahab Tower - Al-Takhasosi Street
B.O No. 8306
Riyadh 11482
Kingdom of Saudi Arabia
Phone: +966920028229
Fax: +966114774924
Website: www.mazars.com
E-mail: general@alkharashicaa.com



Al Azem, Al Sudairy, Al Shaikh & Consulting Partners

B.O. No (10504)
Riyadh (11443)
Kingdom of Saudi Arabia
Phone: +966 (11) 2175000
Fax: 2176000 (11) 966+
E-mail: info@crowe.sa
Website: http://www.crowe.com/sa



Accountant of the pro-forma financial statements of the Arabian Shield Company

Baker Tilly MKM & Co. Chartered Accountants

Al Diwan Building - Office 310
King Faisal Street
Al-Khobar
B.O No. 34422
Kingdom of Saudi Arabia
Phone: +966138300906
Fax: +966138347582
Website: www.bakertillyjfc.com
E-mail: info@bakertillyjfc.com



Note:

All the consultants and chartered accountants whose names are mentioned above have provided their written consents to include their names, logos and statements in the form and content contained herein, and none of them has withdrawn this approval until the date of this document. None of the consultants, chartered accountants, or their employees, or any of their relatives, owns any shares or interest of any kind in Arabian Shield Company as of the date hereof.

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1. Terms and Definitions

The following table sets forth a list of definitions and terms for terms used herein.

Table No. (1): Terms and Definitions

Term or Abbreviation	Definitions
Name of the issuer (merging company), its description, and information about its incorporation	<p>Arabian Shield Cooperative Insurance Company (ASCIC) is a Saudi joint stock company, established in accordance with Cabinet Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G), and Royal Decree No. (R/60) dated 18/09/1427H (corresponding to 11/10/2006G). The company is registered in the Commercial Registry No. (1010234323) issued from Riyadh city on 27/05/1428H (corresponding to 13/06/2007G). The Arabian Shield Company (ASCIC) began practicing insurance activity after obtaining the approval of the Central Bank of Saudi Arabia in accordance with License No. (TMN/6/200709) dated 29/08/1428H (corresponding to 11/09/2007G). The current headquarters of Arabian Shield Company (ASCIC) is located on the third floor, Sircon Building No. 15, Olaya Street, P.O. Box 61352, Riyadh 11565, Kingdom of Saudi Arabia.</p> <p>The Arabian Shield Company (ASCIC) was listed in the “Tadawul” Stock Exchange in the Kingdom of Saudi Arabia on 09/09/1436H (corresponding to 26/06/2015G). The current capital of the Arabian Shield Company (ASCIC) is six hundred, thirty-eight million five hundred, twenty-four thousand six hundred and twenty (638,524,620) Saudi riyals. The company’s capital is divided into sixty-three million eight hundred, fifty-two thousand four hundred and sixty-two (63,852,462) shares. The nominal value of each share is equal to ten (10th) Saudi riyals. All of these shares are fully paid and listed in the Saudi stock exchange (Tadawul).</p>
The Board of Directors of the Arabian Shield Company, or members of the Board of Directors of the Arabian Shield Company	The Board of Directors of Arabian Shield Company as defined in Paragraph (4.13) (“ Board Members ”) hereof.
Management	Senior management and managers at senior management levels in Arabian Shield Company, unless the context indicates otherwise.
Offer	The special offer for the exchange of securities submitted by the Arabian Shield Company to the shareholders of Alinma Tokio Company, which is included in the offer document.
Alinma Tokio Company or the Merged Company	<p>Alinma Tokio Marine Company (ATMC), a Saudi public joint stock company, was established pursuant to Ministerial Resolution No. (140) issued on 02/05/1430H (corresponding to 27/04/2009G), and pursuant to Royal Decree No. 25/M issued on 03/05/1430H. (Corresponding to 28/04/2009G). The company is listed in Commercial Registry No. 1010342527 dated 28/07/28/1433H (corresponding to 18/06/2012G) issued by the Riyadh city. The company began practicing insurance activity after obtaining the approval of the Central Bank of Saudi Arabia under License No. (T.M.N/33/20129) dated 14/11/1433H (corresponding to 30/09/2012G).</p> <p>The current headquarters of Alinma Tokio Marine Company is located at 21st Floor, Al Anoud Tower II, King Fahad Road, 11421 Riyadh- Kingdom of Saudi Arabia. The company’s shares were listed in Saudi Tadawul on 04/08/1433H (corresponding to 24/06/2012G). Currently, the company’s capital amounts to (300,000,000) three hundred million Saudi riyals. The capital is divided into thirty million (30,000,000) shares with a nominal value of ten (10) Saudi riyals per share. All of these shares are fully paid up and listed in Tadawul.</p>
Shareholder’s Circular	It is the circular addressed and available to the shareholders of the Arabian Shield Company regarding the merger and capital increase transaction for the purpose of merging with Alinma Tokio Company.
The two companies	Arabian Shield Company and Alinma Tokio Company combined.
The Extraordinary General Assembly of the Arabian Shield Company regarding the merger transaction	<p>An extraordinary general assembly meeting shall be held by the Arabian Shield Company in order to vote on the merger transaction and a number of other relevant decisions. These decisions include the following:</p> <ol style="list-style-type: none"> 1. Vote on increasing the capital of the Arabian Shield Company from (638,524,620) six hundred, thirty-eight million five hundred, twenty-four thousand, six hundred and twenty Saudi riyals to (798,152,950) seven hundred, ninety-eight million one hundred, fifty-two thousand, nine hundred, and fifty Saudi riyals; increasing the number of shares from (63,852,462) Sixty-three million eight hundred, fifty-two thousand four hundred and sixty-two ordinary shares to (79,815,295) seventy-nine million eight hundred, fifteen thousand two hundred and ninety-five shares. This process is in accordance with the terms and conditions of the merger transaction in accordance with the terms and conditions of the merger transaction. 2. Vote on the proposed amendments to the bylaws of the Arabian Shield Company in accordance with the form shown in Annex (1) entitled (“Amendments to the bylaws of the Arabian Shield Company related to the merger transaction”) hereof. 3. Authorizing the Board of Directors of the Arabian Shield Company to issue any decision or take any action that may be necessary to implement any of the decisions mentioned above.

Term or Abbreviation	Definitions
Shares of Arabian Shield Company	Ordinary shares in the Arabian Shield Company with a nominal value of (10) Saudi riyals per share.
Request to increase the capital of the Arabian Shield Company	It is a request to increase the capital of the Arabian Shield Company for the purpose of merging Alinma Tokio Company into the Arabian Shield Company in accordance with the rules of offering securities and continuing obligations and the merger and acquisition regulations.
Declaration of confirmed intention	It is the announcement that was issued on 12/01/1445H corresponding to 30/07/2023G regarding the transaction in accordance with Article 17(e) of the Merger and Acquisition Regulations.
Warranties and representations	They are the mutual guarantees and undertakings between Arabian Shield Company and Alinma Tokio Company in the merger agreement, which are summarized in Paragraph No. (2.6.8) ("Warranties") of this document.
Annual report and accounts	The annual report and final audited accounts of Alinma Tokio Company or the Arabian Shield Company for the financial year ending on December 31, 2022.
Business Day	Any day, except for Friday and Saturday and any day that is an official holiday in the Kingdom of Saudi Arabia or any day when banking institutions are closed in accordance with applicable regulations and other government procedures.
Capital Increase	It is the proposed increase in the capital of the Arabian Shield Company from six hundred and thirty-eight million, five hundred and twenty-four thousand, six hundred and twenty (638,524,620) Saudi riyals to seven hundred and ninety-eight million, one hundred and fifty-two thousand, nine hundred and fifty (798,152,950) Saudi riyals through the issuance of fifteen million, nine hundred and two Sixty thousand eight hundred and thirty-three (15,962,833) shares in favor of the shareholders of Alinma Tokio Company for the purpose of merging Alinma Tokio Company with the Arabian Shield Company and transferring all the assets and liabilities of Alinma Tokio Company to the Arabian Shield Company.
Closing Price	It is the closing price of the mentioned share in the market, which is obtained from the Saudi Stock Exchange "Tadawul" on any date mentioned in the context of the text.
Companies Law	The Companies Law in the Kingdom of Saudi Arabia, issued by Royal Decree No. (M / 132) dated 01/12/1443H (corresponding to 06/30/2022G), which entered into force on 06/27/1444H (corresponding to 01/20/2023G).
Conditions	These are the terms of the effectiveness of the merger transaction resolution as set forth in Section No. (2.6) ("Merger Agreement and Summary of Terms and Conditions of the Merger Transaction") of this document (provided that any amendments, deletions or additions are included as (1) is required to comply with the requirements of the Capital Market Authority, or (2) it is required in the applicable laws and regulations, or (3) it is agreed upon between the Arabian Shield Company and Alinma Tokio Company, and "conditions" means one or more conditions as the context requires.
Control	It is, as it is meant in the Mergers and Acquisitions Regulations, the ability to influence the actions or decisions of another person, directly or indirectly (with the exception of indirect ownership through a swap agreement or through a mutual fund). An investment property in which the unitholder does not have any right to its investment decisions, individually, or jointly with a person or persons acting with him in agreement, by owning (directly or indirectly) a percentage equal to 30% or more of the voting rights in a company, and the term "Controller" is interpreted accordingly.
Subordinate	A person who controls another person, is controlled by that other person, or is jointly controlled by a third person. In any of the above, the control is direct or indirect.
Relative	Husband, wife and minor children. In the Mergers and Acquisitions Regulations, it means husband, wife, children, and parents
Dividend Distribution	A form of dividend or distribution (whether in cash or in kind).
To act in connection with	<p>In the CMA's discretion, it means actual cooperation under an agreement (whether binding or non-binding) or understanding (whether formal or informal) between persons to control (whether directly or indirectly, excluding indirect ownership by swap agreement or through an investment fund whose unitholder does not have any right to its investment decisions) in a company, through the acquisition by any of them (through direct or indirect ownership) of voting shares in that company. Without conflicting with the application of this definition, the persons mentioned below will be considered, but not limited to, those acting 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 has provided financial assistance (other than in the ordinary course of business) to the offeror or persons who are members of the same group with that person for the purpose of purchasing voting shares or convertible debt instruments.</p>

Term or Abbreviation	Definitions
Market or Capital Market	Saudi Tadawul Company “Tadawul” includes, where the context so permits, any committee, subcommittee, employee, officer, affiliated person, or agent who may for the time being be assigned to carry out any of the market’s functions, and the expression “in the market” means any activity carried out through or by means of the equipment provided by Tadawul.
Circular of the Board of Directors of Alinma Tokio Company	It is the circular addressed to, and available to, Alinma Tokio Company shareholders in relation to the transaction, which contains, among other things, the opinion of the Board of Directors of Alinma Tokio Company about the transaction and the plans of the Arabian Shield Company regarding Alinma Tokio Company and its employees, in addition to other information related to ownership shares, transactions and essential contracts, which also includes a call to attend the extraordinary general assembly meeting of Alinma Tokio Company and vote, in addition to any other documents related to the transaction as required by the context and the regulations. Mergers and acquisitions.
Aljazira Capital or financial advisor	Aljazira Capital Company, the financial advisor to the Arabian Shield Company regarding the merger transaction.
The Extraordinary General Assembly of the Alinma Tokio Marine Company (ATMC) with regard to the merger transaction	An extraordinary general assembly meeting shall be held by the Alinma Tokio Marine Company in order to vote on the merger transaction and a number of other relevant decisions. These decisions include the following: <ol style="list-style-type: none"> 1. Approval of the provisions of the merger agreement concluded between the Arabian Shield Company and Alinma Tokio Company on 25/11/1444H (06/14/2023G), and amended on 07/01/1445H (corresponding to 25/07/2023G). 2. Authorizing the Board of Directors of the Alinma Tokio Marine Company (ATMC) or authorizing any other person to perform the same function through the Board of Directors of the Alinma Tokio Marine Company (ATMC). This authorization grants the right to issue any decision or take any action that may be necessary to implement any of the aforementioned decisions related to the merger transaction.
Shares of Alinma Tokio Company	Ordinary shares in Arabian Shield Company 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 Company, or the shareholders of the Arabian Shield Company, depending on the context, which will be held in connection with this transaction.
The Kingdom	The Kingdom of Saudi Arabia
Insurance Company	It is an insurance company subject to the supervision of the Central Bank of Saudi Arabia and the Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 dated 06/02/1424H corresponding to 31/07/2003G, and amended by Royal Decree No. M/30 dated 27/05/1434H corresponding to 08/ 04/2013G, amended pursuant to Royal Decree No. M/12 dated 23/01/1443H corresponding to 01/09/2021G and the Executive Regulations for the Cooperative Insurance Companies Control Law issued by Ministerial Order No. 1/561 dated 03/01/1425H corresponding to 20/04/2004G.
Central Bank of Saudi Arabia or SAMA	It is the central bank of Saudi Arabia in the Kingdom of Saudi Arabia.
Traded	It means traded in the main market (Tadawul).
Listed	Securities or shares accepted for listing in the main market in Tadawul.
Listing of shares	Listing of securities in (Tadawul).
Rules for offering securities and continuing obligations	Rules for Offering Securities and Continuing 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. And amended by the Authority’s Council Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G).
Listing Rules	The Listing Rules issued by the Saudi Tadawul Company (Tadawul) and approved by the Board of the Capital Market Authority No. 3-123-2017 dated 04/09/1439H (corresponding to 12/27/2017G) and amended by its Resolution No. (1-104-2019) dated 02/01/1441H (corresponding to 30/09/2019G) and amended by Resolution No. (1-22-2021) dated 12/07/1442H corresponding to 24/02/2021G and amended by Resolution No. (1-19-2022) dated 12/07 /1443H corresponding to 13/03/2022G and amended by its Resolution No. (1-52-2022) dated 12/09/1442H corresponding to 13/04/2022G and amended by its Resolution No. (3-96-2022) dated 10/02/144H corresponding to 09/06/2022G and amended pursuant to its Resolution No. (1-108-2022) dated 23/03/1444H corresponding to 19/10/2022G.
Law	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G).
A negative material changes or material adverse changes	It is any of the cases described in paragraph (2.6.12) (“Material Adverse Changes”) herein, 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).

Term or Abbreviation	Definitions
Offer Document	The offer document prepared by the Arabian Shield Company in accordance with Article (38) of the Mergers and Acquisitions Regulations regarding the offer submitted by the Arabian Shield Company to the shareholders of Alinma Tokio Company for the purpose of merging Alinma Tokio Company with the Arabian Shield Company in exchange for the transfer of the assets and obligations of Alinma Tokio Company to the Arabian Shield Company.
Offering Period	The period from the date of the announcement of the confirmed intention of the Arabian Shield Company to submit an offer to the shareholders of Alinma Tokio Company until the date of the issuance of the decision 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 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 a member of the Board of Directors, senior executives or any major shareholder of the Arabian Shield Company or Alinma Tokio Company, or the financial advisor or legal advisor of any of the Arabian Shield Company or Alinma Tokio Company, or any person related to a person to whom this definition applies.
Shareholder (s)	Any person holding shares in Arabian Shield Company or Alinma Tokio Company (where applicable).
Major or substantial Shareholder (s)	A person who owns 5% or more of the shares of either Arabian Shield Company or Alinma Tokio Company.
Direct ownership	Direct ownership means the shares owned directly by the Shareholder in Arabian Shield Company or Alinma Tokio Company (where applicable).
Indirect ownership	Indirect Ownership means shares owned indirectly by the Shareholder in the Company (Arabian Shield Company or Alinma Tokio Company) (where applicable) through their ownership in companies that own shares in Arabian Shield Company or Alinma Tokio Company (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 Arabian Shield Company or Alinma Tokio Company (where applicable).
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>According to the Mergers and Acquisitions Regulations, a party is a person (whether this party is acting in agreement with the presenter (offeror or Offeror), the offeree company (Recipients of offers), or any of their subsidiaries, or not acting in agreement with them) - this person - has the right to deal, directly or indirectly, with the shares of the Presenter or the company. The offeree, whether through a private sale or purchase transaction, offer, or by any person (in addition to the normal business and interests of the shareholder). This person has an interest or potential interest - whether personal, financial, or commercial - in what will result from the acquisition, merger, or any related party with both the presenter (Offeror) and the offeree company. For further clarification about the person and in a way that does not conflict with the general application of this definition, the definition of the person includes, but is not limited to, the following:</p> <ol style="list-style-type: none"> 1. Any person who has provided financial assistance (other than a bank in the ordinary course of business) to the offeror or the offeree company; 2. The board members of the offeror or the offeree company (or any of their subsidiaries); 3. A person owing 20% of offeror or the offeree (whether individually or by acting in concert with other(s)); 4. A substantial shareholder with the offeror who in the same time is a board member in the offeree company, or vice versa.
Senior Executives	Any natural person who manages and is responsible for the development and execution of the strategic decisions of the Company including the CEO, his/her deputies and the CFO.

Term or Abbreviation	Definitions
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 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, UAE, UK, and the United States of America.
SAR	The Saudi Riyal is the official currency of the Kingdom of Saudi Arabia.
Saudi Organization for Certified Public Accountants (SOCPA)	Saudi Organization for Certified Public Accountants in 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.
Saudi Organization for Certified Public Accountants Standards	These are the standards applied by the Saudi Organization for Certified Public Accountants.
International Financial Reporting Standards (IFRS)	The set of accounting standards and their interpretations issued by the International Accounting Standards Board (International Financial Reporting Standards)
Financial statements	Audited financial statements for the financial years ended 31 December 2020, 2021 and 2022 prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances issued by the Saudi Organization for Auditors and Accountants, for the Arabian Shield Company or Alinma Tokio Company (where applicable).
Financial Year	The financial year ending on December 31 of each Gregorian year.
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, or any other authority in the Kingdom or abroad that monitors and supervises the practice of securities business, banking or financial business, insurance business, or investment business, including self-regulatory bodies.
Zakat, Tax and Customs Authority	Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.
VAT	It is an indirect tax imposed on all goods and services purchased and sold by enterprises with some exceptions.
Taxes or Zakat	Any fees, taxes, zakat dues, deductions or withholdings bearing the status of tax in any place where they are imposed or collected by or in support of any governmental, national, federal, regional, local or other governmental entity, entity or body, including (but not limited to) tax levied on gross or net income, profits or revenues (including any capital gains tax), taxes on receipts, usufruct rights, ownership, privilege, transfer of ownership, value added, personal property, social security contributions and related taxes, as well as any fines or penalties associated with any of the foregoing, and any fines, surcharges, interest, encumbrances or additions to taxes due in respect of any of the above types of taxes.
Ministry of Commerce	Ministry of Commerce in the Kingdom of Saudi Arabia.
Tadawul	Saudi Tadawul Company, a Saudi closed joint stock company affiliated with Tadawul Holding Group and the only entity authorized to practice the business of listing and trading securities in the Kingdom.
Tadawul Holding Group	Saudi Tadawul Group Holding Company, a Saudi listed joint stock company registered in the Commercial Register No. 1010241733 dated 02/12/1428H (corresponding to 12/12/2007G) and its headquarters is located in Riyadh, Kingdom of Saudi Arabia. Tadawul Holding Group, through its subsidiaries - licensed by CMA- is the main provider of trading, clearing and settlement services in Saudi securities.
Securities Depository Center Company ("Deposit")	Securities Depository Center Company (Edaa) is a subsidiary of Tadawul Holding Group and is the only entity in Saudi Arabia authorized to deposit securities traded in the financial market, register and transfer their ownership, and carry out settlement work.
Financial Advisor	Independent financial advisor to Arabian Shield Company, Aljazira Capital Company ("Aljazira Capital").

Term or Abbreviation	Definitions
Financial, tax and actuarial due diligence consultant for Arabian Shield Company, and implicit value review consultant for Arabian Shield's protection and savings portfolio	Deloitte Financial Advisory Services Ltd.
Pro-forma Financial Statements Accountant	Baker Tilly MKM Chartered Accountants.
Legal Advisor for Arabian Shield Company	Independent legal advisor to the Arabian Shield Company, Mohammed Magdi Zaree and Khaled Nasser Al-Hamdan Advocates and Legal Consultants.
Auditors of the Arabian Shield Company	<ul style="list-style-type: none"> - Al-Azm, Al-Sudairy, Al-Sheikh and Partners - Chartered Accountants and Auditors, Ibrahim Ahmed Al-Bassam and Partners Chartered Accountants, Arab Shield Company Auditors for the financial years ended December 31, 2020 and 2021. - Al-Kharashi & Partners Chartered Accountants and Auditors, Al-Azm, Al-Sudairy, Al-Sheikh & Partners Company - Chartered Accountants and Auditors, Arab Shield Company Auditors for the financial year ended 31 December 2022.
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 Company and Alinma Tokio Company 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 Company will be transferred to the Arabian Shield Company by increasing the capital of the Arabian Shield Company 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 Company without paying any cash consideration, in accordance with the terms agreed upon between the two companies under the merger agreement.
Effectiveness of Merger Transaction Resolution	The day on which the updated commercial register of the Arabian Shield Company is issued and the data of Alinma Tokio Company is recorded in the commercial register of the Arabian Shield Company and all the assets and liabilities of Alinma Tokio Company are transferred to the Arabian Shield Company.
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 Company for the merger transaction and the Extraordinary General Assembly of Alinma Tokio Company for the merger transaction.
Memorandum of Understanding	Non-binding Memorandum of Understanding concluded between the Arabian Shield Company and Alinma Tokio Company on 19/05/1444H (corresponding to 13/12/2022G).
Merger Agreement or Agreement	The contract signed between the Arabian Shield Company and Alinma Tokio Company 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.
Creditor Objection Period	The period during which the creditors of Alinma Tokio Company 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 Company 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 Company of the start of the creditor objection period, and Alinma Tokio Company 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.
Restructuring	It means any change in the capital of the Arabian Shield Company due to a matter related to the capitalization of the Arabian Shield Company or a matter related to the rights by issuing any shares, distributing dividends, reducing the number of shares or any other amendment in the rights related to any part of the issued capital of the Arabian Shield Company.
Exchange Ratio	That is, the number of shares issued in the Arabian Shield Company in favor of the shareholders of Alinma Tokio Company for every one share of Alinma Tokio Company, which is specified as follows, (0.53209443333333330000) shares of the Arabian Shield Company for every one share of Alinma Tokio Company.

Term or Abbreviation	Definitions
New Shares or Consideration Shares	They are the shares of the Arabian Shield Company that will be issued to the shareholders of Alinma Tokio Company 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 Company in any way).
Business Integration	Merging the business of the Arabian Shield Company and Alinma Tokio Company (including the merger of administrative functions, organizational structure, information systems, etc.) to achieve the progress of the business of the merging company after the completion of the merger transaction.
A plan to organize the business merger process after the completion of the merger process	The plan that will be developed under the supervision of the board of directors of the merging company to organize the business merger after the completion of the merger (Detailed Transition Plan).
Credit Rating	An opinion between companies of independent credit rating agencies on the level of creditworthiness of an entity or the level of creditworthiness of a security in terms of the ability to meet financial obligations, using symbols, letters, numbers or any other form.
S&P	Standard & Poor's (S&P) is an American agency specializes in credit rating.
AM Best	AM Best is an American agency specializing in the field of credit ratings, focuses on the insurance sector worldwide.
Moody's	Moody's is an American agency specializing in economic research, financial analysis, and evaluating private and government institutions in terms of financial and credit strength.
Ranking (A+)	Ranking (A+) is a credit rating or ranking by Standard & Poor's that means that the classified entity is moderately exposed to the adverse effects of changes in economic conditions, while at the same time having a high ability to meet its financial obligations. It is worth noting that a positive sign (+) has been added to the rating score to show relative standing within the rating categories. This is because a positive sign (+) indicates the upper limit in the "A" group (low risk).
Ranking (AA-)	Ranking (A+) is a credit rating or ranking by Standard & Poor's that means that the classified entity has a very high ability to meet its financial obligations. It is worth noting that a negative sign (-) has been added to the rating score to show the relative standing within the rating categories, because a negative sign (-) indicates the minimum in the group "AA" (very low risk) group.
Ranking (A-)	Ranking (A-) is a credit rating or ranking by Standard & Poor's that means that the classified entity has an enough ability to meet its financial obligations. It is worth noting that a negative sign (-) has been added to the rating score to show the relative standing within the rating categories.
Ranking (A)	Ranking (A) is a credit rating or ranking by Standard & Poor's that means that the classified entity has an excellent ability to meet ongoing insurance obligations.
Ranking (A3)	Ranking (A3) is a credit rating or ranking by Moody's means that the classified entity has obligations of a high quality but at the same time has a lower level of risk.
S&P	Standard & Poor's (S&P) is an American agency specializes in credit rating.
AM Best	AM Best is an American agency specializing in the field of credit ratings, focuses on the insurance sector worldwide.

2. Overview of the Merger Transaction

2.1 Introduction

On 20/05/1444H (14/12/2022G), the Arabian Shield Company announced the signing of a non-binding memorandum of understanding with Alinma Tokio Company, in order to evaluate the feasibility of merging the two companies, in addition to initiating due diligence studies from the financial, legal, actuarial, tax and zakat aspects. and to enter into non-binding discussions regarding the details of the terms and conditions of the proposed merger. The signing of the non-binding memorandum of understanding was based on the preliminary results of studies and discussions on the proposed merger. The two companies have agreed, pursuant to this non-binding memorandum, that the proposed merger will be through a securities exchange offer through which the assets and liabilities of Alinma Tokio Company will be transferred to the Arabian Shield Company in exchange for the issuance of new shares for the benefit of Alinma Tokio shareholders in the Arabian Shield Company. Both companies also agreed initially that the basis for the assessment would be using the book value of equity after making the adjustments to be agreed upon according to the results of the examination and the due diligence process, and that the exchange ratio between ASCIC and ATMC's shareholders will be calculated using the adjusted book value of the share for each of the two companies according to a date agreed upon by both parties. Accordingly, both companies formed a working group made up of members of the Executive Management of each company to study and review the commercial, financial, and legal aspects of the Merger Transaction's proposed structure.

Accordingly, ASCIC and ATMC signed a binding merger agreement on 25/11/1444H (14/06/2023G), which was amended on 07/01/1445H (25/07/2023G), under which it was agreed to take the necessary steps to implement a Merger Transaction pursuant to the provisions of Articles (225), (227), (228), (229) of the Companies Law and the provisions of Article 49 (a)(1) of the Merger and Acquisitions Regulations (MARs), both parties agreed that the only consideration for the merger is that ASCIC will issue new shares on the date of completing the Merger Transaction (taking into consideration the settlement procedures) exclusively for the benefit of ATMC's eligible shareholders in exchange for merging ATMC into ASCIC, as ASCIC will issue (0.53209443333333330000) shares in ASCIC for every share owned in ATMC

2.2 Background and Reasons behind the Merger

The transaction's rationale revolves around the competitiveness and concentration of market shares in the insurance sector at present. According to the Saudi Insurance Market Report issued by the Saudi Central Bank, in 2022, the eight largest insurers achieved 77.5% of the total insurance premiums underwritten in the Saudi insurance market. The rest of the 19 companies included in the report achieved 22.5% of the total insurance premiums underwritten in the Saudi insurance market. The ASCIC's market share during 2022 amounted to 2.1% of the total insurance premiums underwritten in the insurance market. The market share of ASCIC's general insurance sector out of the total insurance premiums underwritten in the Kingdom in 2022 amounted to 1.14%. The market share of ASCIC's protection and savings insurance sector out of the total protection and savings insurance premiums underwritten in the Kingdom amounted to 22.53% in 2022.

The ATMC's market share amounted to 0.8% of the total premiums underwritten in the insurance market in 2022. The market share of ATMC's general insurance sector of the total general insurance premiums underwritten in the Kingdom in 2022 amounted to 1.78%. The market share of ATMC's health insurance sector of the total health insurance premiums underwritten in the Kingdom in 2022 amounted to 0.02%. The market share of ATMC's protection and savings insurance sector of the total protection and savings insurance premiums underwritten in the Kingdom amounted to 4.27% in 2022.

The proposed merger of Arabian Shield Company with Alinma Tokio Company is a significant step towards acquiring a larger market share while offering a wide range of life and general insurance products with stronger capital, which will lead to improved insurance services provided to customers and the ability to bear greater risks. Furthermore, the merging company will benefit from introducing new insurance products.

It is expected that the merger will contribute to achieving a number of economic objectives that will provide a great benefit to the current and new shareholders of Arabian Shield Company. The motives for the merger are, for example, but not limited to:

- To increase market share and customer base: The Merging Company's market share is expected to increase in light of the significant rise of total underwritten premiums compared to the total underwritten premiums of all companies across the insurance sector. It is expected that the Merging Company's market share, after the effectiveness of the merger resolution, will reach 2.9% compared to 2.1% for ASCIC before the effectiveness of the merger. Additionally, the Merging Company is expected to have a larger customer base as a result of the merger of the customer base of both companies, which in turn will improve the position of the Merging Company and the results of its operational and financial processes compared to the current positions of ASCIC and ATMC. The following table shows the underwritten insurance contributions according to the classification of customers for each of ASCIC and ATMC before the effectiveness of the Merger Transaction resolution as well as the Merging Company after the effectiveness of the Merger Transaction resolution.

Table No. (2): The underwritten insurance contributions according to the rating of customers before and after the effectiveness of the Merger Transaction resolution, as of 31 December 2022

Rating (Thousand Saudi Riyals)	ASCIC 31 December 2022	ATMC 31 December 2022	Merging Company 31 December 2022	The percentage of increase in the Merging Company compared to ASCIC
Large enterprises	699,096	228,318	927,414	33%
Medium-sized enterprises	76,834	93,963	170,797	122%
Small enterprises	41,128	46,017	87,145	112%
Microenterprises	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 for the period ended 30 September 2022G for ASCIC and ATMC, and the pro-forma consolidated financial statements of the Merging Company for the period ended 30 September 2022G.

- To improve the Merging Company's ability to invest its funds: As a result of the Merger Transaction, the Merging Company's ability to invest its funds better is expected to improve as a result of the accumulation of experience regarding the investment side of ASCIC and ATMC after the merger, as well as the increased financial strength of the investment value of the Merging Company. The following table shows the details of these investments for ASCIC and ATMC before the Merger Transaction resolution as well as the details of the Merging Company after the Merger Transaction resolution.

Table No. (3): Investments as of 30 September 2022G based on the Consolidated Pro-forma Financial Statements

Item (Thousand Saudi Riyals)	ASCIC 31 December 2022	ATMC 31 December 2022	Merging Company 31 December 2022	The percentage of increase in the Merging Company compared to ASCIC
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: The pro-forma consolidated financial statements of the Merging Company for the period ended 31 September 2022G.

- **To reduce the ratio of operating expenses to the total written insurance premiums and the ability to provide products at competitive prices:** As the result of the Merger, the merging company will be able to reduce operating expenses and general and administrative expenses in proportion to its new volume of business, as a result of merging the joint services of Arabian Shield Company and Alinma Tokio Company, which will lead to a decrease in the ratio of operating expenses to the total written insurance premiums. Based on the financial statements that ended on 31 December 2022G, the percentage of operating expenses to the total written insurance premiums for ASCIC amounted to 8.3%, while such premiums amounted to 10.9% in the merging company, based on the pro-forma consolidated financial statements that ended on 31 December 2022G. It should be noted that the percentage of operating expenses increased by 2.6% in the merging company, but on the other hand, the written insurance premiums contributions increased by 40%. In addition, the decreasing of operating expenses of the merging company will impact the company's ability to provide insurance products at more competitive prices in the long term.
- **To improve the merging company's ability to negotiate prices with reinsurers:** as a result of the Merger, which will increase the merging company's value in terms of the market share of the total written insurance premiums contributions compared to the sector as a whole, as the total written insurance premiums contributions for ASCIC as on 31 December 2022G amounted to SAR 1,106m, while the total written insurance premiums contributions amounted to SAR 1,544.9m for the merging company based on the pro-forma consolidated financial statements for the year ending on 31 December 2022G. So, the ability of the merging company to negotiate with reinsurers will be stronger due to the large volume of business of the merging company after the merger, which will put it in a stronger position when negotiating prices and terms with reinsurers, which in turn will lead to reducing reinsurance costs. Arabian Shield Company deals with 81 reinsurers, while Alinma Tokio Company deals with 12 reinsurers.
- **To enhance the geographical spread of the merging company's business:** It is expected that after the Merger, the merging company will enjoy a wider geographical spread by merging the network of branches owned by both ASCIC and ATMC, in addition, the increasing geographical spread of the merging company will achieve the required objectives of the Merger regarding the growth in the total written premiums through the network of branches that have become more widespread, which in turn will increase the economic strength of the merging company and will also increase the ability thereof to compete in the insurance sector. The following table shows the current geographical distribution of both ASCIC and ATMC.

Table No. (4): Geographical distribution of the branches and points of sale of both ASCIC and ATMC

City	ASCIC		ATMC	
	Branch	Point of Sale	Branch	Point of Sale
Riyadh	2	2	1	-
Jeddah	1	-	1	-
AL Khobar	1	-	-	-
Abha	-	1	-	-
Dammam	-	-	1	-
Total	4	3	3	-

Source: Information from the management of ASCIC and ATMC

- **To improve the efficiency of the merging company's capital:** As a result of the Merger, the merging company will enjoy stronger capital and a stronger level of financial solvency, and thus will raise its ability to bear a higher level of risk and provide better insurance services. The new capital is also expected to contribute to obtaining a better rating by global credit rating agencies. The capital of the merging company after the completion of the Merger will amount to SAR 798.2m, with an increase of 25% over the capital of the ASCIC before the completion of the Merger, which amounted to SAR 638.5m.
- **To leverage the integration of administrative and technical expertise that may result from the business merger:** It is predicted after the Merger that the merging company will leverage the cumulative expertise regards the administrative and technical aspects, technical structure, and risk management owned by both companies.

It is worth noting that the merger transaction enjoys the support and recommendation of the boards of directors of the Arabian Shield Company and Alinma Tokio Company.

2.3 Overview of the Merger Transaction

- On 20/05/1444H (14/12/2022G), the Arabian Shield Company (ASCIC) announced the signing of a non-binding memorandum of understanding (MoU) with Alinma Tokio Marine Company (ATMC), in order to assess the feasibility of merging the two companies, conduct financial, legal, actuarial, tax, and zakat due diligence studies, and enter into non-binding discussions on the terms and conditions of the potential merger. The non-binding MoU was signed based on the preliminary results of the studies and discussions on the potential merger. Both companies have mutually agreed, according to this non-binding MoU, that the potential merger will take place by a securities exchange offer through which ATMC's assets and liabilities will be transferred to ASCIC in consideration for the issuance of new shares for the benefit of ATMC's shareholders in ASCIC. Both companies also agreed initially that the basis for the assessment would be using the book value of equity after making the adjustments to be agreed upon according to the results of the examination and the due diligence process, and that the exchange ratio between ASCIC and ATMC's shareholders will be calculated using the adjusted book value of the share for each of the two companies according to a date agreed upon by both parties. Accordingly, both companies formed a working group made up of members of the Executive Management of each company to study and review the commercial, financial, and legal aspects of the Merger Transaction's proposed structure.
- Accordingly, ASCIC and ATMC signed a binding merger agreement on 25/11/1444H (14/06/2023G), which was amended on 07/01/1445H (25/07/2023G), under which it was agreed to take the necessary steps to implement a Merger Transaction pursuant to the provisions of Articles (225), (227), (228), (229) of the Companies Law and the provisions of Article 49 (a) (1) of the Merger and Acquisitions Regulations (MARs), both parties agreed that the only consideration for the merger is that ASCIC will issue new shares on the date of completing the Merger Transaction (taking into consideration the settlement procedures) exclusively for the benefit of ATMC's eligible shareholders in exchange for merging ATMC into ASCIC, as ASCIC will issue (0.53209443333333330000) shares in ASCIC for every share owned in ATMC.
- ASCIC will increase its capital and issue fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new, fully paid-up ordinary shares, at a total nominal value of one hundred and fifty-nine million, six hundred and twenty-eight thousand, three hundred and thirty Saudi riyals (SAR 159,628,330) in exchange for the merger of ATMC into ASCIC. It has been agreed that there will be no cash consideration for ATMC's shareholders.
- The Merger Transaction's total value was determined based on the value of the nominal consideration shares. The consideration shares' total nominal value is one hundred and fifty-nine million, six hundred and twenty-eight thousand, three hundred and thirty Saudi riyals (SAR 159,628,330). The consideration shares' total market value, based on the exchange ratio and the closing price per ASCIC share amounting to 19.08 as of 24/11/1444H (13/06/2023G), (which is the last trading day preceding the date of signing the merger agreement) is three hundred four million five hundred seventy thousand eight hundred fifty-four Saudi riyals (SAR 304,570,854). The consideration shares' total value to be reflected in ASCIC's financial statements will be determined at a later stage based on the closing price of ASCIC share on the last trading day prior to the Merger Transaction's completion date.
- On the Merger Transaction's completion date, ASCIC's shareholders will own 80.00% of the Merging Company's shares, and ATMC's shareholders will own 20.00% of the Merging Company's shares.

In the event that the calculation of the number of shares due to any of ATMC's shareholders based on the exchange ratio produces fractional shares, the resulting figure will be rounded down to the lowest integer. For example, if an ATMC shareholder holds 50 shares in ATMC, he or she will be allocated 26 consideration shares (instead of 27 consideration shares). All fractional shares shall be aggregated and sold on Tadawul, based on the share's market price at the time, on behalf of ATMC's shareholders who would otherwise be entitled to receive a fractional share. Then the proceeds resulting from the sale of fractional shares will be distributed among their beneficiaries, according to what he/she is entitled to, within a maximum period of thirty (30) days from the date of completing the Merger Transaction. The costs related to the sale of fractional shares shall be deducted from the total proceeds of such sale.

Table No. (5): Ownership details in ASCIC of each of the substantial shareholders of ASCIC before and after the completion of the Merger Transaction, as of 28/01/1445H (15/08/2023G)

Shareholder	Before the Completion of the Merger Transaction				After the Completion of the Merger Transaction			
	No. of directly owned shares	% of direct ownership	% of indirect Ownership	Total (direct and indirect) ownership percentage	No. of directly owned shares	% of direct ownership	% of indirect Ownership	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 Company B.S.C.	6,000,000	9.40%	None	9.40%	6,000,000	7.52%	None	7.52%
Sultan Holding Co.	5,700,000	8.93%	None	8.93%	5,700,000	7.14%	None	7.14%
ASCIC's Board members and senior executives *	3,466	0.0054%	10.27%	10.27%	3,466	0.0043%	None	8.22%
ASCIC's Shareholders other than the Public (not including 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		None			4,589,314	5.75%	None	5.75%
Board members and senior executives at ATMC ***					None		0.006%	0.006%
The Public	44,143,258	69.13%	NOT APPLICABLE		50,927,463	63.81%	NOT APPLICABLE	
Total	63,852,462	100%	NOT APPLICABLE		79,815,295	100%	NOT APPLICABLE	

Source: ASCIC.

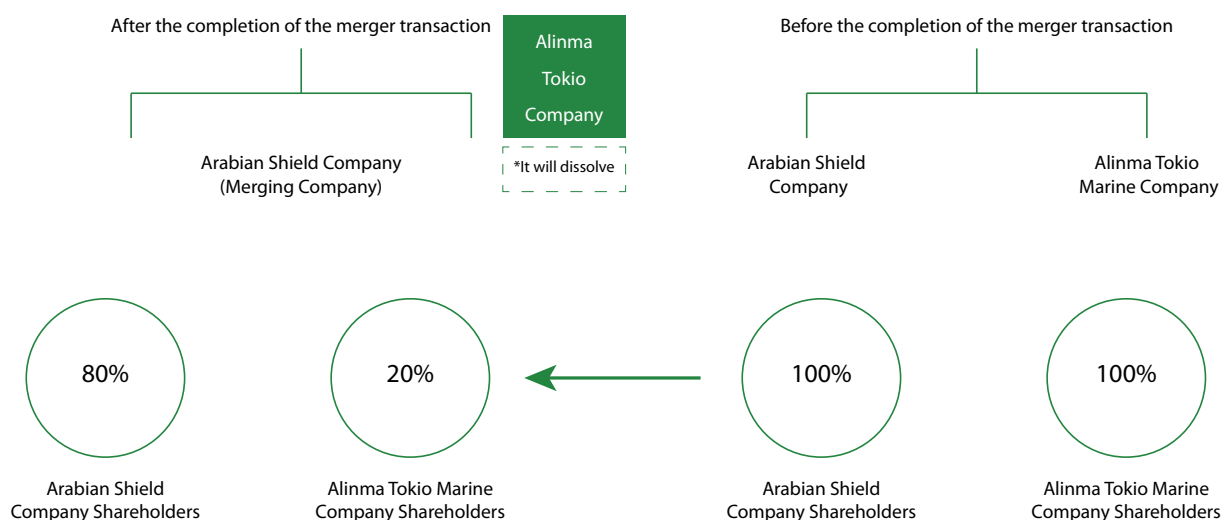
* The direct ownership of ASCIC's Board members results from the direct ownership of 1/ Prince Naif bin Sultan bin Mohammed bin Saud Al-Kabeer, 2/ Turki Nasser Mohamed Al-Otaibi, and 3/ Raed Ali Al-Saif. The indirect ownership of ASCIC's Board members results from 1/ the direct ownership of Sultan Holding Co., which is wholly owned by the father of ASCIC's Chairman, and 2/ the direct ownership of the father of ASCIC's Board members, Turki Nasser Mohamed Al-Otaibi, and 3/ the direct ownership Abdullah bin Abdulrahman Al-Obeikan – member of Board of Directors of the Issuer, by 10.49% in the Obeikan Investment Group, that in turn owns 0.01% of the issuer's capital before the merger.

** The ASCIC's shareholders, other than the Public, result from the direct ownership of Nasser Mohammed Hammoud Al-Otaibi (father of a member of the Board of Directors of the issuer, Turki Nasser Mohamed Al-Otaibi).

*** The indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Company 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 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) by 0.01%, 3/ Kentaro Kita (CEO) by 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.

Arabian Shield Company (ASCIC) appointed Aljazira Capital as a Financial Advisor in connection with the Merger Transaction. The following is a simplified model for the Merger Transaction's structure:

Figure No. (1): A simplified model for the Merger Transaction's structure



* After the effectiveness of the Merger
Source: The Company

2.4 Assessment of Alinma Tokio Company

It was agreed between the Arabian Shield and Alinma Tokio on the exchange ratio, which determines the number of shares that Alinma Tokio shareholders will receive in the merging company upon completion of the merger transaction, after negotiation and discussion between the two companies. During this negotiation phase, Arabian Shield took the advice of its advisors in addition to reviewing the necessary professional diligence data related to the business of Alinma Tokio Company.

The discussions conducted regarding the exchange ratio were subject to the provisions of the memorandum of understanding signed between the Arabian Shield and Alinma Tokio on 05/19/1444H (corresponding to 12/13/2022G). Thus, it was agreed between the two companies that in the event of reaching a final decision regarding a merger transaction, the merger will be done by merging the Alinma Tokio into the Arabian Shield through the Arabian Shield issuing new shares to the shareholders of the Alinma Tokio, in exchange for transferring the assets and liabilities of the Alinma Tokio to the Arabian Shield. It was also agreed between the two companies that the evaluation will be based on the method of the book value of equity and the method of the adjusted book value of equity according to the announced financial statements of each of the two companies as of December 31, 2022G, after making the adjustments that will be agreed upon according to the results of the necessary professional examination and due diligence process.

Therefore, the evaluation was carried out using the adjusted book value methodology for equity as in the financial statements for the year ending December 31, 2022G, after making the necessary professional diligence adjustments in order to arrive at the exchange ratio related to the merger transaction. The following table shows the evaluation method and calculation of the exchange ratio.

Table No. (6): Method of Assessment and Calculation of the Exchange Ratio

In SAR, unless provided for otherwise			
As of the Financial Statements of 2022G	Arabian Shield	Alinma Tokio	Merging Company
A. Book value of Equity as of 31/12/2022G	1,112,886,000	194,372,000	
Adjustments of the book value of Equity in Arabian Shield			
(+) Assessment of the Embedded Value of Protection and Savings Insurance Portfolio	28,200,000		
(+) Re-assessment of Arabian Shield's Share in Najm for Insurance service 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 2022G and from the acquisition of the Bahraini Arabian Shield in 2007G.	(182,474,000)		
B. Total adjustments to Arabian Shield Company (adjustments of due diligence inspection, and the inputs agreed upon by Alinma Tokio and Arabian Shield)	(150,738,000)		NOT APPLICABLE
Adjustments of the book value of Equity in Alinma Tokio			
(+) Impact of transfer to the International Financial Reporting Standards (IFRS) 17 and 9		5,750,000	
(+) Assessment of the Embedded Value of Protection and Savings Insurance Portfolio		2,630,755	
(+) Re-assessment of Alinma Tokio's Share in Najm for Insurance service Company		37,780,000	
C. Total adjustments to Alinma Tokio (adjustments of due diligence inspection, and the inputs agreed upon by Alinma Tokio and Arabian Shield)		46,160,755	
Final assessment after the adjustments of due diligence inspection, and the inputs agreed upon by Alinma Tokio and Arabian Shield	(A+B) 962,148,000	(A+C) 240,532,755	1,202,680,755
Shareholding of the Merging Company%	80.00%	20.00%	100%
Number of Currently Issued Shares of Arabian Shield			63,852,462
Number of Currently Issued Shares of Alinma Tokio			30,000,000
Number of Shares to be Issued for the Shareholders of Alinma Tokio			15,962,833
Exchange ratio for each (1) share held by Alinma Tokio (Number of shares to be issued for the shareholders of Alinma Tokio ÷ Number of currently issued shares of Alinma Tokio)			0.5320944333333330000
Total number of shares of the Merging Company (after the completion of the Merger Transaction) (shares)			79,815,295

Based on the aforementioned exchange ratio, the Arabian Shield 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 ten (10) Saudi riyals per share and will be registered in favor of the shareholders of Alinma Tokio, with a total nominal value of one hundred and 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 is based on the exchange ratio and the closing share price of Arabian Shield amounting to (19.08) Saudi riyals as of 11/24/1444H (corresponding to 06/13/2023G) (according to the last trading day preceding the date of concluding the merger agreement) and an amount of three hundred and four million five hundred and seventy thousand eight hundred and fifty-four (304,570,854) Saudi riyals. The total market value of the consideration shares based on the exchange ratio and the closing price of the Arabian Shield's share 19.30 Saudi riyals as of 05/03/1445H (corresponding to 20/09/2023G) (according to the closest trading day before the publication of this document) an amount of three hundred eight million eighty-two thousand six hundred seventy-seven (308,082,677) SR. The total value of the consideration shares that will be reflected in the financial statements of the Arabian Shield will be determined at a later time based on the closing price of the Arabian Shield's shares on the last trading day preceding the date of completion of the merger transaction.

The following is a table showing the value of the consideration according to the share price of the Arabian Shield and its comparison with the market value of Alinma Tokio:

Table No. (7): Consideration Value as per Arabian Shield's Share Price Compared to the Market Value of Alinma Tokio

Number of Shares to be Issued for the Shareholders of Alinma Tokio	15,962,833
Total value of consideration as per the closing price of Arabian Shield's share on 24/11/1444H (corresponding to 13/06/2023G) (the last trading day before the date of signing the Merger Agreement)	304,570,854 – Closing price of Arabian Shield Company: SAR 19.08
Total value of consideration as per the closing price of Arabian Shield on 05/03/1445H (corresponding to 20/09/2023G) (the last trading day prior to this document publication date)	308,082,677 – Closing price of Arabian Shield Company: SAR 19.30.
Total value of consideration as per the closing price of Alinma Tokio's share on 24/11/1444H (corresponding to 13/06/2023G) (the last trading day before the date of signing the Merger Agreement)	525,000,000 – Closing price of Alinma Tokio Marine Company: SAR 17.50 – Number of currently issued shares of Alinma Tokio is 30,000,000 ordinary shares
Total market value of Alinma Tokio on 05/03/1445H (corresponding to 20/09/2023G) (the last trading day prior to this document publication date)	423,000,000 – Closing price of Alinma Tokio Marine Company: SAR 14.10. – Number of currently issued shares of Alinma Tokio is 30,000,000 ordinary shares.
Difference between the market value of Alinma Tokio and the total value of consideration on 24/11/1444H (corresponding to 13/06/2023G) (the last trading day before the date of signing the Merger Agreement)	42% decrease
Difference between the market value of Alinma Tokio and the total value of consideration on 05/03/1445H (corresponding to 20/09/2023G) (the last trading day prior to this document publication date)	27% decrease

The following table shows how the exchange ratio is calculated in detail:

Table No. (8): Calculation of the Exchange Ratio

Item	Description
Valuation of the Merging Company (After the completion of the Merger Transaction)	Valuation of Arabian Shield + Valuation of Alinma Tokio
Arabian Shield's percentage in the Merging Company (After the completion of the Merger Transaction)	$\frac{\text{Valuation of Arabian Shield Company}}{\text{Valuation of the Merging Company (after the Merger Transaction)}}$
Alinma Tokio's shareholding percentage in the Merging Company (After the completion of the Merger Transaction)	$\frac{\text{Valuation of Alinma Tokio Marine Company}}{\text{Valuation of the Merging Company (after the Merger Transaction)}}$
Number of the Shares of Arabian Shield's Current Shareholders After the Completion of the Merger Transaction	As before the capital increase, i.e., (63,852,462) shares
Number of the New Shares of Alinma Tokio's Current Shareholders	$\frac{\text{Number of Currently Issued Shares of Arabian Shield}}{\text{Arabian Shield's shareholding in the Merging Company (after the Merger Transaction)}} - \text{Number of Currently Issued Shares of Arabian Shield}$
Exchange Ratio for Each (1) Share Held by Alinma Tokio	$\frac{\text{Number of Shares to be Issued for the Shareholders of Alinma Tokio for the Purpose of the Merger Transaction}}{\text{Number of Currently Issued Shares of Alinma Tokio}}$

2.5 Financing the Merger Transaction

The Arabian Shield will not pay any cash consideration to the shareholders of Alinma Tokio for the purpose of merging Alinma Tokio into the Arabian Shield, and will not obtain any external financing to complete the merger transaction. The merger transaction will be implemented through a securities exchange offer to transfer all assets and liabilities of Alinma Tokio to Arabian Shield through the issuance of (0.532094433333330000) shares in Arabian Shield for every share owned in Alinma Tokio Company. That is, fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new shares will be issued with a nominal value of (10) ten Saudi riyals as a result of the increase in the capital of the Arabian Shield. These shares will be registered for the benefit of Alinma Tokio shareholders. The new shares issued as a result of the increase in the capital of the Arabian Shield will be equal in value, classification and rights in all respects to the currently issued shares of the Arabian Shield Company. It is worth noting that the Board of Directors of the Arabian Shield Company confirms that no commission will be paid, any value will be paid, or any guarantee will be given on any securities in the Arabian Shield Company (whether it is incidental or not) in any way within the framework of the merger transaction with Alinma Tokio Company.

2.6 Merger Agreement and Summary of Terms and Conditions of the Merger Transaction

The Board of Directors of Arabian Shield and the Board Directors of Alinma Tokio have entered into the Merger Agreement on 25/11/1444H (corresponding to 14/06/2023G), as amended on 07/01/1445H (corresponding to 25/07/2023G), which included special conditions for the execution of the Merger Transaction in accordance with the steps, procedures, and Exchange Ratio specified in the Offer Document, in addition to certain warranties and representation of 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 set out below. The following is a summary of the material terms, conditions, and conditions precedent or representations contained in the Merger Agreement.

2.6.1 Merger Agreement

In accordance with Clause 2 of the Merger Agreement, Arabian Shield and Alinma Tokio agree 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, subject to the conditions set out in Section 12.4.2 (“**Conditions Precedent**”) and the following:

1. Alinma Tokio shall merged and incorporated into Arabian Shield and all its rights, obligations, assets, and liabilities shall be transferred to Arabian Shield under the Companies Law as of the effective date of the Merger resolution;
2. On the completion date of the Merger Transaction, or as soon as practicable after the completion date of the Merger transaction, the new shares shall be issued to the shareholders appearing in Alinma Tokio register of shareholders on the second trading day following the date of suspension of Alinma Tokio’s shares, or on any other day determined by the Capital Market Authority, Tadawul or The Securities Depository Center (Edaa) in accordance with the Exchange Ratio;
3. Upon the effective date of the Merger Transaction Resolution, Alinma Tokio shall not exist as an independent company.
4. The “Exchange Ratio” shall be as follows: (0.532094433333330000) shares in Arabian Shield for each share owned in Alinma Tokio.
5. In the event that the calculation of the number of shares due to any of the shareholders of Alinma Tokio based on the Exchange Ratio shown above results in fractional shares, the resulting figure shall be rounded to the lowest integer number.
6. In accordance with applicable laws and regulations, Arabian Shield shall collect partial entitlements and sell the relevant Arabian Shield shares on behalf of all shareholders of Alinma Tokio who are entitled to receive the partial shares of Arabian Shield in the market in cash, after which Arabian Shield shall distribute the net cash proceeds to the shareholders of Alinma Tokio in proportion to their partial entitlements.
7. Arabian Shield and Alinma Tokio shall cooperate to announce the signing of the Merger Agreement on Tadawul immediately upon signature (or as soon as practicable thereafter).
8. Arabian Shield and Alinma Tokio expressly confirm, under the merger agreement, that the purpose of the merger is to completely and finally transfer the economic activities of Alinma Tokio to the benefit of the Arabian Shield. Arabian Shield and Alinma Tokio also shall intend to comply with the above-mentioned confirmation of Article 17 of the VAT Implementing Regulation and agree to take all other procedures and sign and deliver all other documents before the effective date of the Merger Transaction resolution as necessary to ensure that the merger is exempt from Value Added Tax under the VAT System.

Arabian Shield and Alinma Tokio agree that upon completion of the Merger, (80,00%) of the capital of the Merging Company shall be allocated to the shareholders of Arabian Shield, and the remaining (20,00%) of the capital of the Merging Company shall be allocated to the shareholders of Alinma Tokio.

2.6.2 Conditions Precedent

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

1. A no-objection shall be attained from the General Authority for Competition, on the economic concentration resulting from the Merger Transaction, or a conditional no-objection regarding the merger (but on acceptable terms for Arabian Shield and Alinma Tokio) or the expiry of the applicable legal review period, in accordance with the Competition Law.
2. The Saudi Central Bank's approval of the Merger Agreement and the capital increase of Arabian Shield.
3. The CMA approval of the application for registration and offering of the capital increase shares of Arabian Shield and approval of the Offer Document publishing.
4. Tadawul approval of the application to list the new shares of Arabian Shield in Tadawul in accordance with the Listing Rules.
5. The approval of the Ministry of Commerce or CMA (as applicable) shall be obtained on the proposed amendments to the Articles of Association of Arabian Shield, as stipulated in the Merger resolutions of Arabian Shield.
6. The approval by the Extraordinary General Assembly of 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 related resolutions, namely the approval of the capital increase of Arabian Shield in accordance with the terms and conditions of the Merger Agreement, and the approval of the proposed amendments to the Articles of Association of Arabian Shield for the Merger Transaction and the approval of the authorization of the Board of Directors of Arabian Shield or any person authorized by the Board of Directors of Arabian Shield to issue any resolution or take any action that may be necessary to implement any of the said resolutions relating to the Merger Transaction;
7. The approval by the Extraordinary General Assembly of Alinma Tokio by a majority of not less than three-quarters of the voting shares represented at the meeting on the Merger Transaction and other related resolutions, namely voting on the offer submitted by Arabian Shield in accordance with the terms and conditions of the Merger Agreement, and authorizing the Board of Directors of Alinma Tokio, or any person authorized by the Board of Directors of Alinma Tokio, to issue any resolution or take any action that may be necessary to implement any of the resolutions related to the Merger Transaction; and
8. No judicial order, judgment, decree, or any other action has been issued by any competent government body with jurisdiction in the Kingdom of Saudi Arabia that is valid and prohibits the effectiveness of the Merger resolution in accordance with the terms of the Merger Agreement or renders it illegal.

Alinma Tokio undertakes that its Board of Directors shall issue a letter addressed to Arabian Shield confirming whether (1) any of Alinma Tokio's employees, senior executives or consultants are entitled to remuneration, compensation of commissions, or any other remuneration in respect of the Merger and to provide full details of such entitlements; (2) any payments have been made or will be made (and the date of such payment); (3) the amount of any payment has been accrued in Alinma Tokio's accounts as in financial statements to the extent that payments have been made or will be made but not calculated as in the financial statements, this amount will be reduced from Alinma Tokio's final valuation.

Arabian Shield also undertakes that its Board of Directors shall issue a letter addressed to Alinma Tokio confirming whether (1) any of Arabian Shield's employees, senior executives or consultants are entitled to remuneration, compensation of commissions or any other remuneration in respect of the Merger and provide full details of such entitlements; (2) any payments have been made or will be made (and the date of such payment); (3) the amount of any payment has been accrued in Arabian Shield's accounts as in the financial statements to the extent that payments have been made or will be made but not calculated as in the financial statements, this amount will be reduced from the final valuation of Arabian Shield.

Arabian Shield undertakes to notify Alinma Tokio, subject to the applicable Law, immediately upon becoming aware of (1) the fulfillment of any of the above conditions; or (2) the delay in fulfilling any condition, act, omission, event, or any other reason of any nature, which may result in the delay or non-fulfillment of the above conditions.

Alinma Tokio undertakes to notify Arabian Shield, subject to the applicable Law, immediately upon becoming aware of (1) the fulfillment of any of the above conditions; or (2) the delay in fulfilling any condition, act, omission, event, or any other reason of any nature, which may result in the delay or non-fulfillment of the above conditions.

2.6.3 Shareholders' Documents

Subject to Clause 5 of the Merger Agreement, Arabian Shield and Alinma Tokio shall take all necessary procedures within their powers to ensure that the Alinma Tokio Board of Directors' Circular (in the case of Alinma Tokio) and the Offer Document and Arabian Shield Shareholders' Circular (in the case of Arabian Shield) have been:

- a. Completed and approved by CMA (where applicable); and
- b. Published in accordance with CMA requirements

In each case, as soon as reasonably practicable after the date of the announcements, provided that Arabian Shield issues the confirmed declaration of intent in accordance with the Merger Agreement.

Arabian Shield and Alinma Tokio undertake to provide all information relating to it immediately, as reasonably required, for inclusion in the Board of Directors' Circular of Alinma Tokio or the Shareholder's Circular of Arabian Shield and the Offer Document as applicable, and to provide any assistance to each other regarding the completion of the Board of Directors' Circular of Alinma Tokio or the Shareholder's Circular of Arabian Shield, including ensuring access to the relevant professional advisors and ensuring that the required assistance is provided.

If the publication of a supplementary instrument of merger is required by any party under the applicable law, each party shall cooperate with the other to provide such information as the other party may reasonably request, to complete and publish that instrument in accordance with the requirements of the applicable law.

If either party is obliged under the Merger Agreement to provide information that may be "reasonably required", "necessary" or "reasonably desirable", then and wherever such information is required under the applicable law, it shall always be deemed (respectively) "reasonably required", "necessary" or "reasonably desirable".

2.6.4 Extraordinary General Assembly of Arabian Shield and Alinma Tokio

In accordance with Clause 6 of the Merger Agreement, Arabian Shield undertakes to Alinma Tokio as follows:

- a. Immediately after CMA's approval of the Extraordinary General Assembly of Arabian Shield, Arabian Shield shall publish the notice of the Extraordinary General Assembly in accordance with Arabian Shield's Articles of Association, Companies Law, and the CMA Regulations so that the Extraordinary General Assembly of Arabian Shield shall be held no later than twenty-one (21) days after the publishing the Offer Document and Shareholder's Circular (or any later date that may be agreed upon between Arabian Shields and Alinma Tokio). If the quorum for the first invitation to the Extraordinary General Assembly of Arabian Shield is not met, the meeting shall be adjourned for one hour. If there is no quorum for the second invitation to the Extraordinary General Assembly of Arabian Shield, and subject to obtaining the approval of CMA, Arabian Shield shall call for the Extraordinary General Assembly of Arabian Shield (3rd Meeting) within five working days after the originally proposed date of the Extraordinary General Assembly of Arabian Shield (or any other date that may be agreed between Arabian Shield and Alinma Tokio);
- b. Arabian Shield warrants that:
 1. statement has been included in the Shareholder's Circular and Offer Document that the Directors of Arabian Shield who are entitled to vote on the merger have agreed to the terms of the merger;
 2. A recommendation from the Board of Directors of Arabian Shield has been included in the Shareholder's Circular of Arabian Shield to the shareholders of Arabian Shield to approve the merger and each resolution of the Extraordinary General Assembly of Arabian Shield regards the Merger Transaction; and
 3. The Board of Directors approval and recommendation referred to in clauses 6-1(b)1 and 6-1(b)2 of the Merger Agreement have not been amended, withdrawn, or reserved about prior to the Extraordinary General Assembly of Arabian Shield;
- c. In the event of the approval of the Extraordinary General Assembly of Arabian Shield, Arabian Shield shall make the necessary arrangements to publish the special resolutions of Arabian Shield in accordance with the regulatory requirements in force as soon as practicable after the Extraordinary General Assembly of Arabian Shield;
- d. Arabian Shield shall take all reasonable measures required prior to the completion of the Merger in preparation for the following:
 1. Issue the new shares of Arabian Shield upon the completion of the Merger or as soon as practicable after that date;
 2. Appointment of the new Directors in accordance with Clause 9 of the Merger Agreement.

Provided that the obligations set out in clauses 6.1(a) and (b) of the Merger Agreement shall cease to apply, in each case, if the Board of Directors of Arabian Shield (acting in good faith) decides not to give its recommendation to the Shareholders of Arabian Shield (to approve the merger and each resolution of Arabian Shield) (or considers that this recommendation shall be amended, withdrawn, or reserved about).

Alinma Tokio undertakes to Arabian Shield as follows:

- a. Immediately after CMA's approval of the Extraordinary General Assembly of Alinma Tokio, Alinma Tokio shall publish the notice of the Extraordinary General Assembly in accordance with Alinma Tokio's Articles of Association, Companies Law, and the CMA Regulations so that the Extraordinary General Assembly of Alinma Tokio shall be held no later than twenty-one (21) days after the publishing the Transaction Documents (or any later date that may be agreed upon between Arabian Shields and Alinma Tokio). If the quorum for the first invitation to the Extraordinary General Assembly of Alinma Tokio is not met, the meeting shall be adjourned for one hour. If there is no quorum for the second invitation to the Extraordinary General Assembly of Alinma Tokio, and subject to obtaining the approval of CMA, Alinma Tokio shall ensure the publication of the notice of the Extraordinary General Assembly of Alinma Tokio for the third invitation of the Extraordinary General Assembly of Alinma Tokio within five working days after the originally proposed date of the Extraordinary General Assembly of Alinma Tokio (or any other date such the same day in which the third invitation to the Extraordinary General Assembly of Alinma Tokio is addressed or any other date that may be agreed between Arabian Shield and Alinma Tokio);
- b. Alinma Tokio warrants that:
 1. A statement has been included in the Alinma Tokio Board of Directors' Circular that the Directors of Alinma Tokio have agreed to the terms of the merger;
 2. A recommendation from the Board of Directors of Alinma Tokio has been included in Alinma Tokio Board of Directors' Circular to the shareholders of Arabian Shield to approve the merger and each special resolution of Alinma Tokio;
 3. The Board of Directors approval and recommendation referred to in clauses 6-1(b)1 and 6-1(b)2 of the Merger Agreement have not been amended, withdrawn, or reserved about prior to the Extraordinary General Assembly of Alinma Tokio;
- c. In the event of the approval of the Extraordinary General Assembly of Alinma Tokio, Alinma Tokio shall make the necessary arrangements to publish the special resolutions of Alinma Tokio in accordance with the regulatory requirements in force as soon as practicable after the Extraordinary General Assembly of Alinma Tokio (such publishing date is "Alinma Tokio's Publishing Date");
- d. After Alinma Tokio's Publishing Date, Alinma Tokio shall take all reasonable and required arrangements (if any) to delist Alinma Tokio's shares and stop their trading in Tadawul on the Merger completion date or as soon as practicable thereafter.:

Provided that the obligations set out in clauses 6.1(a) and (b) of the Merger Agreement shall cease to apply if the Board of Directors of Alinma Tokio (acting in good faith) decides not to give its recommendation to the Shareholders of Alinma Tokio (to approve the merger and each special resolution of Alinma Tokio) (or considers that this recommendation shall be amended, withdrawn, or reserved about).

2.6.5 Creditors' Objections

In accordance with Article 7 of the Merger Agreement, Arabian Shield and Alinma Tokio agree that:

- a. In accordance with paragraph 2 of Article 227 of the Companies Law, in the event an objection is raised by one of the creditors of Alinma Tokio during the creditor's objection period, the merger shall be suspended unless:
 1. Alinma Tokio's creditor waives its objection;
 2. Or
 Alinma Tokio pays the amount due to its creditor (if the amount is payable prior to or on the creditor objection end date); or
 Alinma Tokio or Arabian Shield shall provide Alinma Tokio's creditor with a sufficient guarantee for the settlement of the relevant amount owed by Alinma Tokio (if the amount is payable after the creditor objection end date) provided that this guarantee shall become binding on Alinma Tokio or Arabian Shield (as applicable) after the effective date of the Merger; or
 3. The Court determines by a final judgment to reject an application of Alinma Tokio's creditor to suspend the Merger.
- b. On the creditor objection end date (or as soon as practicable thereafter), Alinma Tokio shall make an announcement on Tadawul for:

1. Confirming that no objections have been received from Alinma Tokio's creditors (or that Alinma Tokio's creditor objections were received but were waived by the objecting party/parties, or that Alinma Tokio has satisfied the objections in accordance with clause 7.1(b) of the Merger Agreement or, as applicable, the Court has rejected the application of the Alinma Tokio's creditor to suspend the Merger; or
2. Setting out such details of Alinma Tokio's creditor objections received and not satisfied in full as may be agreed between Alinma Tokio and Arabian Shield.
- c. To the extent that any objections of Alinma Tokio's creditor remain unsatisfied pursuant to clause (7.1) (b) of the Merger Agreement, by the end of the creditor objection end date, Alinma Tokio shall make an announcement on Tadawul as soon as practicable after the last of such creditor objections is satisfied pursuant to clause (7.1) (b) of the Merger Agreement, confirming that all the Alinma Tokio's creditor objections have been fully satisfied.

2.6.6 Integration

In accordance with Clause 11 of the Merger Agreement, Arabian Shield and Alinma Tokio shall proceed with the appointment of two of their senior executives to represent them in connection with the merger of business and discussion of its affairs after the Merger effective date between Arabian Shield and Alinma Tokio. Such representatives may submit their recommendations to the parties for consideration and approval.

2.6.7 Governance of the Merging Company

According to Paragraph 9 and Annex No. 1 of the Merger Agreement:

Arabian Shield and Alinma Tokio agree that the Merging Company's Board of Directors shall be formed after the completion of the Merger Transaction of eleven (11) members.

On the date of completion of the Merger Transaction, Arabian Shield shall increase the number of Arabian Shield's Broad members from eight (8) members to eleven (11) members.

Upon receipt of all approvals from the Board of Directors, shareholders, and relevant regulatory authorities, both Arabian Shield and Alinma Tokio intend, after completing the Merger Transaction, to form Arabian Shield's Board of Directors in accordance as follows:

1. Eight (8) members to be appointed by Arabian Shield, whether from current members of Arabian Shield's Board of Directors or others, including Prince Naif bin Sultan bin Mohammed bin Saud Al-Kabeer as Chairman of the Board of Directors and Mr. Sameer Ibrahim Al-Wazzan as Vice Chairman of the Merging Company. In addition, Arabian Shield nominated Mr. Abdullah Abdulrahman Al-Obeikan, Mr. Turki Nasser Al-Otaibi, and Mr. Saud Abdulaziz Bajbair as non-executive members, and Mr. Raed Ali Al-Saif, Mr. Mohammed bin Ahmed bin Ali, and Mr. Abdullah Abdulaziz Almeshal were also nominated as independent members in Arabian Shield.
2. Two (2) members shall be appointed by Alinma Tokio, whether from Alinma Tokio's current Board of Directors or others. Alinma Tokio also nominated Alinma Bank and Tokio Marine as non-executive Broad members of the Merging Company.
3. One (1) member will be publicly appointed as an independent member of Arabian Shield's Board of Directors.

In accordance with the Merger Agreement, the Board of Directors will appoint four (4) executive directors in the following positions: CEO, Deputy CEO, Technical Officer, Chief Financial Officer, and Governance Officer to manage Arabian's Shield day-to-day operations, namely:

1. Mr. Bassel bin Abdullah Al- Abdulkareem, as CEO of Arabian Shield.
2. Mr. Kentaro Kita, as Deputy Chief Executive Officer and Chief Technical Officer of Arabian Shield.
3. Mr. Mohammed Atef, as Chief Financial Officer of Arabian Shield.
4. Mr. Abdulaziz bin Saeed, as Chief Governance Officer of Arabian Shield.

In accordance with Table No. (1) of the Merger Agreement, and within a period not exceeding twenty (20) business days before the publication of Arabian Shield's Shareholders Circular, both parties agree as follows: (a) Alinma Tokio shall, upon a written notice addressed to Arabian Shield's representative, appoint two Board members who meet all the conditions for membership in the board of directors of an insurance company in the Kingdom of Saudi Arabia pursuant to the rules and regulations issued by CMA and SAMA, and who are also SAMA to be appointed in Arabian Shield's Board of Directors during Arabian Shield's General Assembly meeting, as of the date of completion of the Merger Transaction.

Both Arabian Shield and Alinma Tokio shall disclose the arrangements set forth in this paragraph in the Circular of Alinma Tokio's Board of Directors (with respect to Alinma Tokio) and in the Circular of Arabian Shield's shareholders and the Offer Document (with respect to Arabian Shield), in accordance with the applicable law requirements.

On the date of completion of the Merger Transaction or as soon as practicable thereafter, Arabian Shield shall submit an application to the Ministry of Commerce to include (as applicable) the arrangements set out in this paragraph in its Commercial Register Certificate.

2.6.8 Warranties

1. In accordance with Clause (12) of the Merger Agreement, with the exception of the relative disclosure, both Arabian Shield and Alinma Tokio shall warrant to the other party that the warranties indicated in this Clause are all true, correct, and not misleading at all on the date of the Merger Agreement and on the effective date of the Merger Transaction Resolution. These warranties do not contain any misstatements or omissions of facts, information, conditions, or events reasonably expected to occur and that may affect the other party's desire (acting responsibly) to proceed with the Merger.
2. As of the date of the Merger Agreement, each party shall warrant to the other party that:
 - it has the power and authority required to conclude the Merger Agreement, fulfill the obligations thereunder, and complete the transactions envisaged therefrom;
 - its obligations resulting under the Merger Agreement constitute binding undertakings thereunder; And
 - the signing and execution of the Merger Agreement and the performance of the obligations arising therefrom will not lead to a material violation of any provision of the constituent documents of each party.
3. Except for relative disclosure, each party warrants and undertakes to the other party that:
 - Neither it nor any of its subsidiaries or affiliates (if any) has not been declared bankrupt and there are no circumstances known or may be known when reasonably investigated that would give any person the right to request the liquidation of either party or appoint of a receiver over its projects or assets, either in full or in part;
 - Neither has outstanding obligations including (i) securities convertible into shares or exchangeable for shares of any class with any party (if applicable); (ii) options, warrants, or other rights to subscribe to or purchase shares of any class with any party (if applicable); or (iii) agreements whatsoever relating to the issuance of any shares of any class with any party, any convertible or exchangeable securities or any options, warrants, or rights (if any);
 - The business of that party is managed exclusively by its directors and executive officers and no person has power to bind parties other than (i) its directors and executive officers acting in the ordinary course of their duties; or (ii) any person to whom such party's directors, executive officers, board of directors, or shareholders have delegated such power;
 - It has collected and prepared the disclosure materials in good faith in response to written RFIs submitted by the other party to conduct economic feasibility, and that such disclosure materials have been collected to the knowledge of that party with reasonable care and skill and that, to the best of that party's knowledge, they are not false or misleading in any way;
 - It complies in all material respects (i) with applicable law; (ii) its continuing disclosure obligations in accordance with the Merger and Acquisitions Regulations and the Listing Rules;
 - It does not engage in any business or activities other than insurance activities licensed by SAMA; and
 - The signing and execution of the Merger Agreement and the fulfillment of its obligations resulting thereunder will not result in a material breach, constitute a default, or give rise to any right of termination or any right to make a material change (in price, services or otherwise) under any substantial agreement under which it is bound or a party.
4. Each Party Warrants to the Other that:

Its financial statements are consistent in all material respects with the accounting principles generally accepted in the Kingdom of Saudi Arabia and that, together with IFRS 17 (and IFRS 9), they are consistent with the audited financial statements for all of its reporting periods after the date of this Agreement;

To make its financial statements public on Tadawul within the dates specified by the competent government authority;

All of its accounting books and other accounting and financial records required to be maintained under applicable law or in accordance with IFRS 17 (and IFRS 9);

have been maintained, completed, and published as of the date hereof and will be maintained, completed, and published as of the effective date of the Merger Transaction Resolution in a complete, proper, and accurate manner in accordance with applicable law and IFRS 17 (and IFRS 9);

will be updated, in its possession, and solely owned by the same on the date of the Merger Agreement and as of the effective date of the Merger Transaction Resolution;

Its financial statements comply with the date of the Merger Agreement and will be consistent as of the effective date of the Merger Transaction Resolution with all requirements of IFRS 17 (and IFRS 9) and all other applicable laws and other accounting standards;

It has submitted and maintained complete and accurate portfolio reporting forms in the format sent by SAMA for all reporting periods and within the dates specified by SAMA; and

Its financial statements accurately reflect the impact of the transition to IFRS 17 (and IFRS 9) and that all adjustments were accurately understood and included in the interim/audited financial statements published by Tadawul in accordance with the deadlines specified by SAMA.

2.6.9 Effective Date and Related Procedures

As soon as practicable after the completion of the Merger Transaction:

Alinma Tokio intends to take all necessary measures to suspend the trading of its shares in Tadawul, allowing Edaa to prepare a list of shareholders in Alinma Tokio eligible to receive Arabian Shield's new shares, at the end of the second trading day following the date of such suspension or any other day determined by CMA, Tadawul or Edaa;

Arabian Shield will take all necessary measures to issue and deliver new fully paid-up shares to Alinma Tokio's shareholders listed in the agreed list according to the exchange ratio, as soon as practicable thereafter. The new shares will be available for trading on the Main Market.

Following the publication of Arabian Shield's resolutions and Alinma Tokio's resolutions and prior to the effective date of the Merger Transaction Resolution, Arabian Shield shall update the investment license issued by the Ministry of Investment to reflect the changes resulting from the Merger.

Whether on the date of completion of the Merger Transaction or as soon as practicable thereafter, Arabian Shield and Alinma Tokio shall take all necessary procedures that may be required to delist Alinma Tokio's shares in Tadawul.

Whether on the Effective Date of the Merger Transaction or as soon as practicable thereafter, Arabian Shield shall ensure that an announcement of the signing of the Merger Agreement is sent to Tadawul.

Each party acknowledges and agrees that it will make reasonable efforts as of the date of the Merger Agreement until the effective date of the Merger Transaction Resolution (a) to complete and submit tax, zakat, and VAT returns to ZATCA; and (b) to settle all tax assessments with ZATCA.

2.6.10 Continuity of Business

Except as required by the applicable law, each party undertakes to the other that it shall not, nor agree to, and ensures that the relevant members of its group shall not nor agree to do any of the following before (1) the effective date of the Merger Transaction and (2) the termination date of the Merger Agreement in accordance with its terms, whichever is earlier, without the prior written consent of the other party (provided that such consent may not be withheld or delayed unreasonably):

- a. Continue business outside the ordinary course and in a way that does not conform to its past practices (except where such practices conflict with the applicable law) in all material respects;
- b. Change the general nature or scope of its business in any material way, or enter into any material new lines of business;
- c. declare, make, set aside, or pay any other dividends or other profits (whether cash, ownership, or real estate) for any period, with respect to the parties only;
- d. Purchase or dispose of any tangible assets or enter into, amend, or make any commitments to enter into or amend any agreement (excluding the Reinsurance Agreement, Direct Insurance Agreements, Investment Agreements, and other agreements in the ordinary course of business) involving material consideration, expenditure, or debt exceeding five million Saudi Riyals (SAR 5,000,000) (or equivalent);
- e. Appoint any senior employees or senior management officers, pay any bonus, or develop employee stock option plans or employee incentive programs;
- f. Make any change to its capital (including, for the avoidance of doubt, any increase or reduction of capital, division or consolidation of shares, issuance or change of rights in different classes of shares) or its constitutive documents;
- g. Offer employment to or hire any employee of the other party;
- h. Permit the cancellation, expiry, or non-renewal of any directors' or officers' insurance policy applicable to any director or senior manager unless such policy is replaced by a substantially similar insurance policy;
- i. Intentionally do or refrain from doing, or permit or cause any other person to do or refrain from doing, any act or thing that the doing or refraining from doing causes or is reasonably likely to cause, constitute, or result in a breach of any of its warranties;
- j. Permit the termination or to permit the expiry of any of its reinsurance treaties or to do or refrain from doing anything which may result in the termination or expiration of any of its reinsurance treaties in respect of its assets or insurance policies and (in the event that any of its reinsurance treaties are terminated, expired, or are expected to expire before the effective date of the Merger Transaction Resolution, it will do its best in cooperation and consultation with the other party to renew these reinsurance treaties or replace the same with similar reinsurance arrangements to benefit from reinsurance cover similar to the reinsurance cover that was provided by terminated or expired reinsurance treaties); or
- k. Do any act or commit any omission that may render any of its reinsurance treaties null or void.

Nothing in the previous paragraph shall be construed in such a way as to restrict or prevent Arabian Shield, Alinma Tokio, or members of their groups from (a) taking any action publicly announced or communicated to the other party prior to the date of the Merger Agreement; or (b) performing any act provided for in the Merger Agreement (including incurring any costs or appointing any persons for the purposes of the merger of Arabian Shield and Alinma Tokio).

Any proposed action notified by a party to the other in accordance with the aforementioned shall be deemed to have been approved if it is actually endorsed, or if the other party brought no objection against it within ten (10) business days from the date of receipt of the application for approval.

2.6.11 Costs and Expenses

Unless the parties agree otherwise, each party shall bear all costs incurred in connection with the preparation, negotiation, and conclusion of the Merger Agreement (including the fees of each party's advisors). Arabian Shield shall bear all statutory costs and expenses charged by any governmental entity, Tadawul, and Edaa in connection with the Merger Transaction and the documents to be entered into thereunder.

Both parties agree that Arabian Shield will bear all costs incurred in preparing the preliminary consolidated financial statements for both parties, in addition to all legal costs and expenses charged by the General Authority for Competition in connection with the Merger Transaction.

2.6.12 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:

- The parties may complete the Merger Transaction by mutual agreement in accordance with the terms and conditions of the Merger Agreement; or
- 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.

2.6.13 Termination

Subject to Clause 14 (2) 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 if any of the following occurs:

- a. Written notice of termination is served by a party to the other after the other party breaches the Merger Agreement where the said breach constitutes a material adverse event, including the breach by either party of:
 1. An obligation under Clause 5 of the Merger Agreement, relating to the obligations of Arabian Shield and Alinma Tokio to submit the necessary documents to CMA and obtain CMA's approval of all documents necessary for the completion of the Merger Agreement, and to cooperate and provide each other with the necessary information, as reasonably necessary, in order for each of the companies to finalize the documents required to be submitted to CMA;
 2. An undertaking in accordance with Clause 10 (1) of the Merger Agreement, which has not been approved or is no longer approved by the other party;

3. A warranty under clauses 12-3(d) and 12-3(f) of the Merger Agreement, which provides that the parties have collected and prepared disclosure materials in good faith in response to written RFIs submitted by the other party for the purposes of making economic feasibility in connection with the Merger (including during due diligence), is true and accurate in all material respects and not misleading in any material respect as of the date such information is provided, and that it has not withheld any material information in the course of the Merger Transaction; And
4. The warranties contained in Clause 12.4 of the Merger Agreement.

Such a breach shall always constitute a material adverse event under the Merger Agreement.

- b. Precedent conditions are not fulfilled or waived, in part or in full, before the final date of completion of the Transaction;
- c. By either party in accordance with Clause 15 (2) of the Merger Agreement;
- d. A written notice of termination is served by a party that is a beneficiary of a warranty given under Clause 12-2 in connection with a breach of warranty provided that the notice is served within thirty (30) days from the date on which that party becomes aware of the breach of warranty; and
- e. A written notice of termination is served by one party to the other party in the event of a material violation of the applicable law, except for the cases mentioned in Clause 14-1 (a)

The Merger Agreement shall be terminated without prejudice to any rights that may have arisen to any party prior to such termination. The terms of the Agreement relating to confidentiality, termination, material adverse event, termination fees, notices, additional warranties, non-existence of third-party rights, the entire Agreement, costs and expenses, dispute resolution, and governance 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 will be able to bring any claim whatsoever against the other under the Merger Agreement, except in the following cases:

- a. For the purpose of payment of the termination fee in accordance with Clause 15 of the Merger Agreement;
- b. With respect to any rights or obligations owed to any party prior to such termination; or
- c. Under any of the provisions that remain in force as set forth in Clause 14 (2) of the Merger Agreement.

2.6.14 Termination Fees

In exchange for Alinma Tokio agreement to allocate resources and incur expenses, attorneys' fees, and other costs to achieve Alinma Tokio interest in the merger, Arabian Shield undertakes under the Merger Agreement to pay the termination fees amounting to SAR 3,750,000 immediately to Alinma Tokio or the body designated by Alinma Tokio (no later than in any case five (5) working days after Alinma Tokio first request). if, after the date of signature of the Merger Agreement, the Merger has been canceled, withdrawn, or terminated before the Merger resolution effective date as a result of any of the following:

- a. The Board of Directors of Arabian Shield is unable to recommend a merger to the shareholders of Arabian Shield, or if the Board of Directors of Arabian Shield withdraws from the Merger Transaction, or makes a negative and material amendment to its recommendation to complete the Merger Transaction as indicated in the Shareholder's Circular of Arabian Shield, or if it recommends another offer to the Shareholders of Arabian Shield other than the offer contained in Arabian Shield Offer Document;
- b. Arabian Shield fails to take all procedures reasonably appropriate and necessary and within its authority to perform the Merger as required by the Merger Agreement, to bring the Merger Agreement into force before the final completion date (except for procedures that Alinma Tokio has expressly agreed in writing not to render Arabian Shield obligated or required to take in accordance with the terms of the Merger Agreement);
- c. Except by the parties' written agreement to terminate the Merger Agreement, Arabian Shield causes the cancellation or withdrawal of the offer contained in Arabian Shield Offer Document or the Shareholder's Circular of Arabian Shield, as the case may be; or
- d. Alinma Tokio terminates this Agreement through written notice as a result of Arabian Shield's violation of a guarantee given in accordance with

Clauses 12-3(d), 12-3(f), or otherwise in case of a material violation of the applicable law.

In exchange for Arabian Shield agreement to allocate resources and incur expenses, attorneys' fees, and other costs to achieve Arabian Shield interest in the merger, Alinma Tokio undertakes under the Merger Agreement to pay the termination fees immediately to Arabian Shield or the body designated by Arabian Shield (no later than in any case five (5) working days after Arabian Shield first request). if, after the date of signature of the Merger Agreement, the Merger has been canceled, withdrawn, or terminated before the Merger resolution effective date as a result of any of the following:

The Board of Directors of Alinma Tokio is unable to recommend a merger to the shareholders of Alinma Tokio, or if the Board of Directors of Alinma Tokio withdraws from the Merger Transaction, or makes a negative and material amendment to its recommendation to complete the Merger Transaction as indicated in the Board of Directors' Circular of Alinma Tokio, or if it recommends another offer to the Shareholders of Alinma Tokio other than the offer contained in Arabian Shield Offer Document;

Alinma Tokio fails to take all procedures reasonably appropriate and necessary and within its authority to perform the Merger as required by the Merger Agreement, to bring the Merger Agreement into force before the final completion date (except for procedures that Arabian Shield has expressly agreed in writing not to render Alinma Tokio obligated or required to take in accordance with the terms of the Merger Agreement);

Except by the parties' written agreement to terminate the Merger Agreement, Alinma Tokio causes the cancellation or withdrawal of the offer contained in this Circular or Arabian Shield Offer Document, as the case may be; or

Arabian Shield terminates this Agreement through written notice as a result of Alinma Tokio's violation of a guarantee given in accordance with Clauses 12-3(d), 12-3(f), or otherwise in case of a material violation of the applicable law.

2.6.15 Merger Execution and Transaction Protection

Merger Execution

Notwithstanding anything to the contrary contained in the Merger Agreement and without prejudice to applicable law, each party undertakes to the other that it shall, to the maximum extent permitted by applicable law:

- a. Cooperate, take, and direct to take all measures available within the scope of its authority and reasonably necessary or advisable to execute the merger as soon as practicable and in accordance with the expected timeline of milestones to be approved by CMA or disclosed to CMA and included in the transaction documents;
- b. Prepare all documents and take all timely procedures reasonably necessary or advisable to execute the merger in accordance with and subject to the terms of this Agreement;
- c. Provide the other party, in coordination with the other party, reasonable advance notice of any meetings it may be held with any governmental entity regarding the merger or any other matter that could reasonably be expected to have a material impact on the execution of the merger (and by using all reasonable endeavors to ensure that the other party has the right to attend such meetings other than meetings held to discuss any request submitted by one party only);
- d. Prepare, submit, confer, and file to the appropriate governmental authority the necessary and reasonably advisable applications to execute the merger in accordance with and subject to the terms of this Agreement;
- e. Use reasonable endeavors to ensure that the Conditions are fulfilled as soon as practicable;
- f. Prepare and make available (including making available to the other party) all information necessary or reasonably advisable to provide any requests indicated in this Agreement;
- g. Use reasonable endeavors to ensure that the other members of its group and their professional advisors provide such assistance as may be required to execute the merger in accordance with and subject to the terms of this Agreement;
- h. Keep the other party informed of the progress made and any material improvement in its business and financial affairs, in particular (without prejudice to the generality of the foregoing) or material improvements occurring from the date of this agreement until the effective date of the Merger Transaction resolution, including with regard to matters that may reasonably (i) constitute a tangible negative situation; or (ii) materially affect the disclosure of the Transaction Documents and could reasonably influence a reasonable and prudent shareholder decision of Arabian Shield or Alinma Tokio, as the case may be, regarding a vote on the merger; and
- i. Keep the other party informed and deliberate with it about the progress of the merger process and improvements (including the exchange of letters and correspondence with any governmental body) that are considered essential to execute the merger and fulfill its obligations under this agreement;

Arabian Shield shall issue a declaration of its confirmed intention as part of the declaration that Arabian Shield intends to issue in accordance with Clause 2-5.

For the avoidance of doubt, the obligations contained in Clause 4-1 shall not affect the rights of the Board of Directors of Arabian Shield and the Board of Directors of Alinma Tokio to exercise their rights stipulated in Clause 6-1 and Clause 6-2, respectively.

The Parties shall work together with respect to contracts and agreements they have entered into with third parties in order to agree on approvals or waivers, if any, that shall be requested and obtained from third parties regarding the merger, and each party shall ensure using its reasonable endeavors to ensure that such relevant approvals or waivers are obtained. Without prejudice to the generality of the foregoing, each party agrees to use its reasonable endeavors to ensure that the required approvals and/or waivers are obtained from its counterparties prior to the effective date of the Merger Transaction resolution under the following agreements:

Transaction Protection

Arabian Shield and Alinma Tokio shall, on the date of the Merger Agreement and until the effective date of the Merger Transaction resolution or its termination in accordance with its provisions (whichever is earlier):

- a. Refrain from taking any direct or indirect action by encouraging or requesting or initiating discussions or negotiations with any entity other than them and their representatives regarding any similar merger, or transactions, or refrain from taking any action of any kind (including but not limited to, the submission of a recommendation by the Board of Directors of the concerned party to the shareholders of that party regarding a higher offer or a competing offer that violates the terms of the Offer Document) that may harm the ability of the two parties to complete the transactions contemplated under this agreement to complete the merger process;
- b. Cooperate fully with each other as quickly as possible and in the most efficient manner to file and submit all applications and declarations required to obtain all necessary approvals, authorizations, letters of no objection, permits, or similar approvals required by the laws of the Kingdom of Saudi Arabia or requested by any competent government authorities to complete the merger contemplated under the Merger Agreement. In furtherance of the above, each party cooperates in meeting the other party's requests so that it can know the status of any relevant requests or letters and any other inquiries or requests for additional information exchanged with any competent governmental authority in the Kingdom of Saudi Arabia.

2.6.16 Settlement of Disputes and Applicable Law

1. The Merger Agreement and all non-contractual and other obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws and regulations of the Kingdom of Saudi Arabia.
2. Any dispute, controversy, or claim arising out of or in connection with the Merger Agreement or its validity, interpretation, or performance shall be settled amicably between the Parties within thirty (30) days from the date on which one Party provides written notice to the other party of the relevant dispute, and both parties shall use their best efforts and good faith to achieve this. The Parties may extend the period of thirty days referred to at the beginning of this paragraph by agreement between them in writing. After the expiry of the said period (or any extension agreed upon between the parties), any party may refer any unsettled dispute to the Saudi Arbitration Center for final decision and settlement.
3. Any dispute that the Parties cannot settle amicably in accordance with the provisions of the above paragraph shall be referred to arbitration, and the final decision shall be made in accordance with the arbitration law that applies to the rules of the Saudi Arbitration Center.
4. The number of arbitrators shall be three (3).
5. The seat of arbitration shall be in the city of Riyadh, the Kingdom of Saudi Arabia, and the language of arbitration shall be English.
6. The arbitration award shall be binding on the parties, and the parties under the Merger Agreement shall waive their right to demand reconsideration of the arbitration award, except as permitted by the Rules.
7. The arbitrators' decision shall be in writing, reasoned and indicate whether one party has to bear the costs of the arbitration or the costs incurred by the other party.

2.7 The regulatory approvals required for the due diligence of the merger transaction resolution

For the merger transaction decision to be effective, a number of regulatory procedures are required and approvals are obtained from the regulatory authorities as follows:

- a. To obtain a no-objection from the General Authority for Competition regarding the economic concentration resulting from the merger transaction. A non-objection from the General Authority for Competition was obtained on 01/12/1444H (corresponding to 19/06/2023G).
- b. To obtain a no-objection from the Saudi Central Bank regarding the merger transaction and increasing the capital of the Arabian Shield Company. A non-objection from the Central Bank of Saudi Arabia was obtained on 26/02/1445H (corresponding to 11/09/2023G),
- c. To obtain Tadawul's approval to list the shares issued to the shareholders of Alinma Tokio Company in accordance with the process of increasing the capital of the Arabian Shield Company. Tadawul approval was obtained on 27/02/1445H (corresponding to 12/09/2023G),
- d. To obtain the approval of the Capital Market Authority on the request to increase the capital of the Arabian Shield Company and publishing the offer document. The approval of the Capital Market Authority was obtained on 03/03/1445H (corresponding to 18/09/2023G),

- e. To obtain the approval of the Capital Market Authority to invite the extraordinary general assembly of each of the Arabian Shield Company and Alinma Tokio Company separately, in connection with the merger transaction.

2.8 Extraordinary General Assembly Meetings

In addition to the regulatory approvals mentioned in Paragraph 2-7 of this Offer Document, in order to complete the merger transaction, a number of approvals are required from the shareholders of Arabian Shield Company and the shareholders of Alinma Tokio Company during the extraordinary general assembly meetings of the two companies, as follows:

2.8.1 Extraordinary General Assembly meetings of the Arabian Shield Company

First Meeting

The quorum for the meeting of the Extraordinary General Assembly of the Arabian Shield is achieved through 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 voting remotely. In the event that the transaction is approved by a vote of the shareholders owning at least three-quarters of the shares represented in the extraordinary general assembly meeting of Arabian Shield, either in person or by proxy, or by voting remotely, the merger transaction will be deemed to have been approved by Arabian Shield. The capital increase will be approved, provided that this increase becomes effective after the approval of the extraordinary general assembly of the development company in Tokio regarding the approval of the merger offer and after the expiry 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 the Companies Law.

Second Meeting

If the quorum required for the first extraordinary general assembly meeting of the Arabian Shield is not achieved, a second extraordinary general assembly meeting of the company will be called ("the second extraordinary general assembly meeting of the Arabian Shield"). The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the call to hold the first meeting includes information about the possibility of holding this second meeting. In this second meeting, a quorum is achieved by the presence of a number of shares representing a 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 vote of the shareholders who own at least three-quarters of the shares represented in the extraordinary general assembly meeting of Arabian Shield, either in person or by proxy, or by voting remotely, the merger transaction will be considered to have been approved by the Arabian Shield Company and the capital increase will be approved, provided that this increase becomes effective after the approval of the Extraordinary General Assembly of Alinma Tokio Company to approve the merger offer and after the expiry 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 the Companies Law.

Third Meeting:

If the quorum required for the first extraordinary general assembly meeting of the Arabian Shield is not achieved, a third extraordinary general assembly meeting of the company will be called ("the third extraordinary general assembly meeting of the Arabian Shield"). The third meeting may be held one hour after the end of the period specified for the first meeting, provided that the call to hold the first meeting includes information about the possibility of holding this second meeting. In this second meeting, a quorum is achieved by the presence of a number of shares representing a 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 vote of the shareholders who own at least three-quarters of the shares represented in the extraordinary general assembly meeting of Arabian Shield, either in person or by proxy, or by voting remotely, 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 Extraordinary General Assembly of Alinma Tokio Company to approve the merger offer and after the expiry 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 the Companies Law.

Arabian Shield shareholders who are unable to attend in person the Extraordinary General Assembly meeting of Arabian Shield (or the second or third Extraordinary General Assembly meeting if necessary), may vote remotely in accordance with the mechanism described in Paragraph 9-2 of this Offer Document, or authorizing another person to vote on their behalf at the meeting.

2.8.2 Extraordinary General Assembly meetings of Alinma Tokio Company

First Meeting

The quorum for the meeting of the Extraordinary General Assembly of Alinma Tokio is achieved through the presence of shareholders in Alinma Tokio who own a number of shares representing half of the capital of Al- Alinma Tokio, either in person or by proxy, or by voting remotely. At this meeting, the transaction will be approved if the shareholders of Alinma Tokio, who own at least three-quarters of the shares represented at the meeting, vote in its favor, either personally or by proxy, or by voting remotely.

Second Meeting

If the quorum required for the first extraordinary general assembly meeting of Alinma Tokio Company is not achieved, a second meeting of the extraordinary general assembly meeting of the company will be called ("the second extraordinary general assembly meeting of Alinma Tokio Company"). The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the call to hold the first meeting includes evidence of the possibility of holding this second meeting. In this second meeting, the quorum is achieved in the presence of a number of Alinma Tokio shareholders, either in person, by proxy, or by voting remotely, who own a number of shares representing not less than a quarter of Alinma Tokio's capital. In the event that shareholders who own at least three quarters of the shares represented in the second extraordinary general meeting of Alinma Tokio vote, either in person or by proxy, or by voting remotely, the merger transaction will be approved by Alinma Tokio in the event of a vote in its favor.

Third Meeting:

If the necessary quorum is not achieved to hold the second extraordinary general assembly meeting of Alinma Tokio, a third extraordinary general assembly meeting of the company will be called ("the third extraordinary general assembly meeting of Alinma Tokio") after obtaining the approval of the Capital Market Authority. The quorum is achieved at this meeting, regardless of the number of the shareholders of Alinma Tokio represented therein, either in person, by proxy, or by remote voting. In this third meeting, the transaction will be approved in the event of a vote in its favor by the shareholders of Alinma Tokio who own at least three-quarters of the shares represented in this meeting, either in person or by proxy, or by voting remotely.

Shareholders of Alinma Tokio who cannot attend in person the meeting of the Extraordinary General Assembly of Alinma Tokio (or the second or third meeting of the Extraordinary General Assembly if necessary) may vote remotely or authorize another person to vote on their behalf at the meeting.

2.9 Remote Voting

Subject to the requirements of the Capital Market Authority with regard to voting in the extraordinary general assemblies, and the desire of the Arabian Shield Company and Alinma Tokio Company to give the largest number of shareholders the opportunity to vote on the decisions to be proposed at the extraordinary general assembly meeting of both companies, including the decision to increase the capital of the Arabian Shield Company for the purpose of the merger and the decision to vote on the offer of the Arabian Shield Company for the approval of the transaction by the shareholders of Alinma Tokio, the remote voting mechanism will be approved by the shareholders through the "Tadawulaty" service, which is a service provided by the Saudi Stock Exchange (Tadawul) that allows shareholders in listed companies, electronic registration and voting on proposed decisions during the companies' general assembly meetings. You can register for "Tadawulaty" service in one of the following methods:

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

The terms and conditions for remote voting that shall be taken into consideration before commencing 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 the relevant decisions are taken.
2. The vote will be circulated to all shares that the shareholder owns or will own in Alinma Tokio, whether in the investment portfolio through which the vote was taken or elsewhere.
3. The last vote of the shareholder cancels the 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 Assembly held in this regard, including the exclusion of votes related to shares that were sold or part of them were sold during the remote voting period.

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

2.10 Creditors' Objection Period

After obtaining the statutory approvals mentioned in paragraph (2.7) hereof, each of the two companies will announce the objection to the merger resolution at least thirty (30) days prior to the extraordinary general assembly of both Arabian Shield and Alinma Tokio. According to the mechanism specified in paragraph (2.8) hereof, the announcement will refer to the right of any creditor of Alinma Tokio to object to the merger transaction by sending a registered letter to the head office of Alinma Tokio within the first fifteen (15) days of the thirty (30) days - as a minimum - prior to the extraordinary general assembly of Alinma Tokio to vote in favor of completing the merger transaction. In case that any of the creditors submitted their objection during the aforementioned period and Alinma Tokio did not fulfill the debt if it was immediate, or provided sufficient guarantee to fulfill it if it was deferred, the creditor shall submit to the competent judicial authority within a period of not less than ten (10) days, before the date set for the merger resolution.

After the creditors objection period expires, Alinma Tokio will announce on 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, which have not been settled yet and are still in place, according to what is agreed upon with the Arabian Shield Company. In this case, Alinma Tokio will, after completing the settlement of all objections received, announce this on Tadawul website.

2.11 The Completion of the Merger Transaction

The merger transaction will be completed after the end of the creditors' objection period and after the publication of the approval decisions of the Extraordinary General Assembly of the Arabian Shield Company regarding the merger transaction and the Extraordinary General Assembly of Alinma Tokio Company regarding the merger transaction. After completing the merger transaction, the Arabian Shield Company will issue shares to Alinma Tokio shareholders registered in the Alinma Tokio shareholders register during a period of no less than the second 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, amounting to 0.53209443333333330000 shares in the Arabian Shield Company for every one share owned in Alinma Tokio Company. The merger transaction will be completed after the end of the creditors' objection period and after the publication of the approval decisions of the Extraordinary General Assembly of the Arabian Shield Company regarding the merger transaction and the Extraordinary General Assembly of Alinma Tokio Company regarding the merger transaction. After completing the merger transaction, the Arabian Shield Company will issue shares to Alinma Tokio shareholders registered in the Alinma Tokio shareholders register during a period of no less than the second 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, amounting to 0.53209443333333330000 shares in the Arabian Shield Company for every one share owned in Alinma Tokio Company.

2.12 Effectiveness of the Merger Transaction Resolution

The resolution on the merger transaction will be effective from the date of issuance of the amended commercial register of the Arabian Shield Company in which the data of the Alinma Tokio Company 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 becomes effective, all rights, obligations, assets and contracts of Alinma Tokio will be transferred to the Arabian Shield Company. After that, the commercial registration of Alinma Tokio Company will be canceled, and thus Alinma Tokio Company will be dissolved.

2.13 Details of shareholders after completion of the merger transaction

Until the procedures for deleting the commercial registration of Alinma Tokio Company are completed, Alinma Tokio Company will become directly owned by the Arabian Shield Company. No shares will be transferred or ownership of any of them will be transferred to any persons or parties other than the Arabian Shield Company. In addition, there are no special agreements, arrangements or understandings with any party that owns shares in Alinma Tokio Company, which would affect the process of transferring shares ownership. After completing the merger transaction, the merging company will not have controlling shareholders, that is, those who own or control 30% of the merging company or are able to control its decisions.

As a result of the completion of the merger transaction, the increase of the capital of the Arabian Shield Company, and the registration of the issued shares in favor of the shareholders of Alinma Tokio Company, as follows:

Table No. (9): Shareholders' details before and after the completion of the merger transaction, as in the shareholder register 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 owned directly	Direct Ownership Percentage	Indirect Ownership Percentage	Total Ownership Percentage (Direct & Indirect)	Number of shares owned directly	Direct Ownership Percentage	Indirect Ownership Percentage	Total Ownership Percentage (Direct & Indirect)
Saudi National Bank	7,155,738	11.21%	None	11.21%	7,155,738	8.97%	None	8.97%
Bahrain National Holding Company (a Bahraini shareholding 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%
Members of the Board of Directors and senior executives of Arabian Shield Company*	3,466	0.0054%	10.27%	10.27%	3,466	0.0043%	8.21%	8.22%
Arabian Shield Company's non-public shareholders (does not include major shareholders, members of the Board of Directors and senior executives) **	850,000	1.33%	None	1.33%	850,000	1.06%	None	1.06%
Tokio Marine and Nichido Fire Insurance Company (TMNF)					4,589,314	5.75%	None	5.75%
Alinma Bank Company		None			4,589,314	5.75%	None	5.75%
Board members and senior executives at Alinma Tokio***					None		0.006%	0.006%
The Public	44,143,258	69.13%	NOT APPLICABLE		50,927,463	63.81%	NOT APPLICABLE	
Total	63,852,462	100 %	NOT APPLICABLE		79,815,295	100 %	NOT APPLICABLE	

Source: Arabian Shield Company.

* The direct ownership of the members of the Board of Directors of the Arabian Shield Company results from the direct ownership of 1/ Prince Nayef bin Sultan bin Muhammad bin Saud Al-Kabeer, 2/ Turki Nasser Muhammad Al-Otaibi, and 3/ Raed Ali Al-Saif. While the indirect ownership of the members of the Board of Directors of the Arabian Shield Company results from 1/ the direct ownership of Sultan Holding Company, which is wholly owned by the father of the Chairman of the Board of Directors of the Arabian Shield Company, and 2/ the direct ownership of the father of the member of the Board of Directors of the Arabian Shield Company, Turki Nasser Muhammad Al-Otaibi, and 3 / Direct ownership of 10.49% by Abdullah Abdul Rahman Obeikan, a member of the issuer's board of directors, in Obeikan Investment Group, which in turn owned 0.01% of the issuer's capital before the merger.

** The non-public shareholders of Arabian Shield Company result from the direct ownership of Nasser Mohammed Hammoud Al-Otaibi (father of the issuer's board member/Turki Nasser Mohammed Al-Otaibi).

*** The indirect ownership of members of the Board of Directors and senior executives in Alinma Tokio Company results from: 1/ Direct ownership in Alinma Bank by (1/ Abdul Mohsen Abdulaziz Al Fares (Chairman of the Board of Directors) at a rate of 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 0.01%, 2/ Satoshi Furuya (Member of the Board of Directors) by 0.01%, 3/ Kentaro Kita (CEO) by 0.01% .) (Tokio Marine Holding Company is a company listed on the Japanese financial 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 Nishido Fire Insurance Company, which in turn owns 28.75% of Capital of Alinma Tokio Marine Company.

2.14 Management and Staffing

The policy of the Arabian Shield Company related to human resources is based on selecting the best cadres, training them, developing their capabilities and maintaining them, and ensuring fair treatment and equal opportunities for them within a suitable work environment that allows all employees to advance in their positions and in their career path. This policy contributes to the productivity and effectiveness of work, which reflects positively on the business of the Arabian Shield Company and on achieving better returns for shareholders.

After the merger transaction resolution came into effect, the merger agreement stipulated that the executive management of the merging company will be determined according to the plan for organizing the business merger process after the completion of the merger process, which will be developed under the supervision of the board of directors of the merging company upon completion of the merger. In this regard, the Arabian Shield Company will provide job offers according to its employment policy and conditions as needed, after coordination with the relevant regulatory authorities.

The Arabian Shield Company intends to take advantage of the branches and points of sale of Alinma Tokio to achieve the strategic plans and objectives of the merging company.

2.15 Special Conditions or Arrangements

As of the date of the current offer document, there are no agreements, arrangements or understandings (whatever their nature) between Arabian Shield Company (or any person acting on its behalf or in agreement with it) and any of the members of the Board of Directors of Alinma Tokio Company or its current shareholders or any person another who was a member of its board of directors or a shareholder during the twelve months preceding the date of publication of this document.

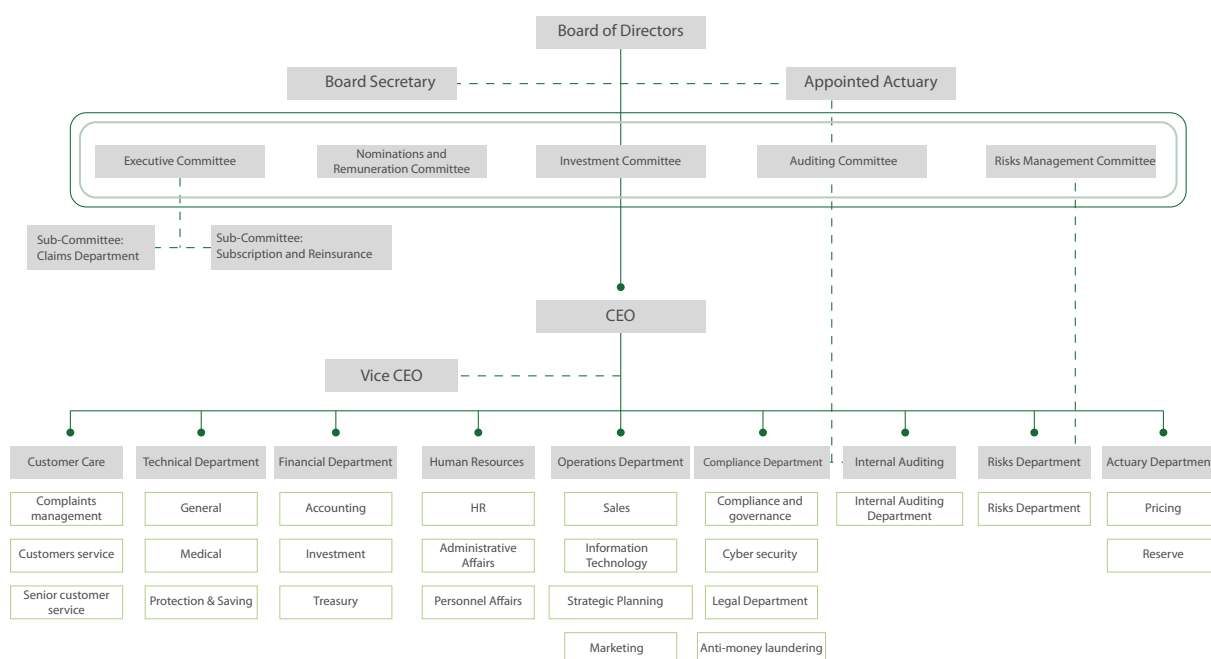
With the exception of the merger agreement that was signed between Arabian Shield Company and Alinma Tokio Company, Arabian Shield Company did not enter into any special arrangements or deals in relation to the current transaction with any other party.

2.16 Confirmation of Cash Adequacy

The full value of the offer will be paid through the issuance of shares in favor of the shareholders of Alinma Tokio. Therefore, the offer value or any part thereof will not be paid in cash. For more details, please see Paragraph (2.4) ("Alinma Tokio Company Valuation") hereof.

2.17 The organizational structure of the Arabian Shield Company in the event that the merger transaction resolution is effective

Figure No. (2): The organizational structure of the Arabian Shield Company in the event that the merger transaction resolution becomes effective



Source: The Company

3. Financial Information

3.1 Shares Closing Price

The following table shows the closing price of Arabian Shield Company shares on the first trading day of each of the six months prior to the date of publication of this document, the last trading day before the date of concluding the merger agreement, and the last trading day before publication of this document, which are as follows:

Table No. (10): Closing price of Arabian Shield Company shares

Date	Closing price (SAR)
[20/09/2023G (last day of trading before publication of the Offer Document)]	19.30
03/09/2023G	19.66
01/08/2023G	19.86
02/07/2023G	20.86
01/06/2023G	17.86
01/05/2023G	16.68
02/04/2023G	16.08
[13/06/2023G (the last trading day before the date of concluding the merger agreement)]	19.08

Source: Tadawul

The following table shows the closing price of Alinma Tokio Company shares on the first trading day of each of the six months prior to the date of publication of this document, the last trading day before the date of concluding the merger agreement, and the last trading day before publication of this document, which are as follows:

Table No. (11): The closing price of Alinma Tokio shares

Date	Closing price (SAR)
[20/09/2023G (last day of trading before publication of the Offer Document)]	14.10
03/09/2023G	13.40
01/08/2023G	13.50
02/07/2023G	13.48
01/06/2023G	17.52
01/05/2023G	17.04
04/02/2023G	16.12
[13/06/2023G (the last trading day before the date of concluding the merger agreement)]	17.50

Source: Tadawul

3.2 Distributions and Dividend Policy

If the current transaction is approved and the merging company subsequently achieves profits during a specific financial year - and if the merging company announces a dividend distribution - the profits or returns will be distributed to all shareholders in the merging company, each according to the number of shares he owns and without any discrimination in classification, or the rights, including the shareholders of Alinma Tokio Company, to whom new shares will be issued in the amount of fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new shares of Arabian Shield Company shares according to the completion of the merger transaction. The new shares issued to the shareholders of Alinma Tokio will be similar to the shares currently issued to the shareholders of the Arabian Shield Company, with equal value and classification in terms of rights. There will not be any priority or preferential rights for the existing shareholders of the Arabian Shield Company with respect to the shareholders of Alinma Tokio to whom the new shares will be issued.

3.3 Effect of expiration of the offer

In case that the merger transaction is not approved by each of the Arabian Shield Company and/ or Alinma Tokio Company, during the extraordinary general assembly meeting of both companies separately (this includes any subsequent date for the extraordinary assembly and cannot be extended after that) due to lack of access upon the majority required for issuance of decisions, the current offer shall be considered expired and there will be no possibility of its subsequent acceptance. In addition, the offer submitted by the Arabian Shield Company to the shareholders of Alinma Tokio for the purpose of the merger transaction ends in the event that the merger agreement is terminated in accordance with its provisions before the date of the extraordinary general assembly of Alinma Tokio regarding the merger transaction. In case that this happens, the shareholders of Alinma Tokio will not have the right to accept the offer, and neither the Arabian Shield Company nor its shareholders will be obligated to proceed with the offer based on any previous approval issued by them.

4. Information related to the Arabian Shield Company

4.1 Incorporation

Arabian Shield Company (ASCIC) is a Saudi joint stock company, established in accordance with Cabinet Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G), and Royal Decree No. (R/60) dated 18/09/1427H (corresponding to 11/10/2006G). The company is registered in the Commercial Registry No. (1010234323) issued from Riyadh on 27/05/1428H (corresponding to 13/06/2007G). The Arabian Shield Company (ASCIC) began practicing insurance activity after obtaining the approval of the Central Bank of Saudi Arabia in accordance with License No. (TMN/6/200709) dated 29/08/1428H (corresponding to 11/09/2007G). The current headquarters of Arabian Shield Company (ASCIC) is located on the third floor, Sircon Building No. 15, Olaya Street, P.O. Box 61352, Riyadh 11565, Kingdom of Saudi Arabia. The Arabian Shield Company carries out various types of insurance activities in accordance with the principles of cooperative insurance and under the supervision of the Central Bank of Saudi Arabia, which is considered the official body responsible for implementing the cooperative insurance companies' control system and its executive regulations. The main insurance services provided by the Arabian Shield Company include general insurance, health insurance, and protection insurance with savings.

The current capital of the Arabian Shield Company (ASCIC) is six hundred, thirty-eight million five hundred, twenty-four thousand six hundred and twenty (638,524,620) Saudi riyals. The company's capital is divided into sixty-three million eight hundred, fifty-two thousand four hundred and sixty-two (63,852,462) shares. The nominal value of each share is equal to ten (10th) Saudi riyals. All of these shares are fully paid and registered with the Saudi stock exchange Company (Tadawul) on 09/09/1436H (corresponding to 26/06/2015G) and the number of employees in the Arabian Shield Company is 281 as of 16/08/2023G.

4.2 Financial Year and the Auditors

The financial year of the Arabian Shield Company begins on the first of January and ends on the 31st of December in the same year of each calendar year. The ordinary general assembly of the Arabian Shield Company appointed Messrs. Al-Azm, Al-Sudairi, Al-Sheikh and their partners as certified accountants and auditors, and Messrs. Ibrahim Ahmed Al-Bassam and his partners as chartered accountants and as our independent auditors for the financial years ending on December 31, 2020 and 2021. It also appointed Messrs. Al-Azm, Al-Sudairi, Al-Sheikh and Partners Company, as a certified accountants and auditors, and Messrs. Al-Kharashi and Partners Company, certified accountants and auditors, as independent auditors for the financial years ending on December 31, 2022 for the company.

4.3 Capital Structure and Shareholders

The current capital of the company 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) ordinary shares with a nominal value of ten (10) Saudi riyals per share, and clarifies the table below is the ownership structure of the company's shares until 01/28/1445H (corresponding to 08/15/2023G):

Table No. (12): The capital structure and shareholders of the Arabian Shield Company

Shareholder	Before completing the merger transaction - Arabian Shield Company			
	Number of shares owned directly	Direct Ownership Percentage	Indirect Ownership Percentage	Total Ownership Percentage (Direct & Indirect)
Saudi National Bank	7,155,738	11.21%	None	11.21%
Bahrain National Holding Company (a Bahraini shareholding company)	6,000,000	9.40%	None	9.40%
Sultan Holding Company	5,700,000	8.93%	None	8.93%
Members of the Board of Directors and senior executives of Arabian Shield Company*	3,466	0.0054%	10.27%	10.27%
Arabian Shield Company's non-public shareholders (does not include major shareholders, members of the Board of Directors and senior executives) **	850,000	1.33%	None	1.33%
The Public	44,143,258	69.13%	NOT APPLICABLE	
Total	63,852,462	100%	NOT APPLICABLE	

Source: Arabian Shield Company.

* The direct ownership of the members of the Board of Directors of the Arabian Shield Company results from the direct ownership of 1/ Prince Nayef bin Sultan bin Muhammad bin Saud Al-Kabeer, 2/ Turki Nasser Muhammad Al-Otaibi, and 3/ Raed Ali Al-Saif. While the indirect ownership of the members of the Board of Directors of the Arabian Shield Company results from 1/ the direct ownership of Sultan Holding Company, which is wholly owned by the father of the Chairman of the Board of Directors of the Arabian Shield Company, and 2/ the direct ownership of the father of the member of the Board of Directors of the Arabian Shield

Company, Turki Nasser Muhammad Al-Otaibi, and 3 / Direct ownership of 10.49% by Abdullah Abdul Rahman Obeikan, a member of the issuer's board of directors, in Obeikan Investment Group, which in turn owned 0.01% of the issuer's capital before the merger.

** The non-public shareholders of Arabian Shield Company result from the direct ownership of Nasser Mohammed Hammoud Al-Otaibi (father of the issuer's board member/Turki Nasser Mohammed Al-Otaibi).

4.4 Key Historical Dates

Table No. (13): Historical Dates of the Arabian Shield Company

Event	Date
Approval to establish the Arabian Shield Company subject to the Council of Ministers Resolution No. (233) approving the Company's incorporation.	16/09/1427H corresponding to 10/09/2006G
Issuance of Royal Decree No. (M/60) establishing the Arabian Shield Company.	18/09/1427H corresponding to 11/10/2006G
The founding shareholders subscribed to (12,000,000) shares of the total number of shares of the Arabian Shield Company, i.e. 60%, while the remaining shares amounting to (8,000,000) shares of equal value were offered for public subscription, i.e. 40%, with a nominal value of (10) ten riyals per share.	During the period from 27/02/1428H corresponding to 17/03/2007G To 07/03/1328H corresponding to 26/03/2007G
Listing the shares of Arabian Shield Company in the Saudi Stock Exchange (Tadawul).	12/07/1428H corresponding to 26/06/2007G
The Arabian Shield Company received a license from the Central Bank of Saudi Arabia No. (TMN/6/200709) to practice insurance and reinsurance activities in accordance with the provisions of the Cooperative Insurance Companies Control Law and its executive regulations.	29/08/1428H corresponding to 11/09/2007G
The Extraordinary General Assembly's approval of the Board of Directors' recommendation to increase the capital of the Arabian Shield Company from (200,000,000) Saudi riyals to (300,000,000) one million Saudi riyals through granting a free share for every two existing shares with a nominal value of (10) ten Saudi riyals per share.	06/09/1439H corresponding to 21/05/2018G
The Extraordinary General Assembly's approval of the Board of Directors' recommendation to increase the capital of the Arabian Shield Company from (300,000,000) Saudi riyals to (400,000,000) Saudi riyals through granting a free share for every three existing shares with a nominal value of (10) ten riyals per share.	09/10/1442H corresponding to 10/06/2021G
The approval of the Extraordinary General Assembly to increase the capital of the Arabian Shield Company from (400,000,000) Saudi Riyals to (638,524,620) Saudi Riyals, by issuing (23,852,462) new ordinary shares with a nominal value of (10) Saudi Riyals to the shareholders of Al-Ahli Takaful Company, in exchange for merging Al-Ahli Takaful in the Arabian Shield Company and the transfer of all the assets and liabilities of Al-Ahli Takaful Company to the Arabian Shield Company.	05/05/1443H corresponding to 12/09/2021G
Signing the merger agreement with Alinma Tokio, which includes increasing the capital of the Arabian Shield Company through the issuance of 15,962,833 new ordinary shares with a nominal value of (10) Saudi riyals per share. Thus, the capital of the Arabian Shield Company becomes 798,152,950 Saudi riyals.	25/11/1444H corresponding to 14/06/2023G

Source: ASCIC

4.5 Vision

Arabian Shield Company aspires to provide customers with high-quality insurance products and services at reasonable prices. Additionally, it strives to become one of the best companies in the field of insurance in terms of the services and products provided and its professional dealings with customers, shareholders and all parties in its business system alike. Arabian Shield Company seeks to develop business plans commensurate with the size of the Saudi insurance market. Moreover, all of these plans are based on the level of service provided to customers and the search for new products that meet their needs and live up to their aspirations.

4.6 Mission

- To support the capital and raise profits.
- To be among the best insurance companies in the Kingdom.
- To achieve a high degree of efficiency and effective management of its operations.
- To obtain customer satisfaction by paying full attention to customer service.

4.7 Competitive Advantages

- Arabian Shield Company has a management and professional team, who are capable of leading the business and implementing the strategy of the Arabian Shield Company (ASCIC)
- The Arabian Shield Company has information systems linked to each other, which facilitate customer service operations and contribute to the smooth conduct of the Arabian Shield Company's work.
- Arabian Shield Company provides various insurance products (vehicle insurance, medical insurance, travel insurance, personal accident insurance, medical malpractice insurance, property insurance, marine insurance, engineering insurance, and life insurance).

4.8 Strategy

- Arabian Shield Company has developed a strategy that enables it to achieve its mission and vision. It aims to become one of the leading companies in providing cooperative insurance services in the Kingdom. Arabian Shield Company's strategy includes the following items:
- Arabian Shield Company seeks to gradually reduce dependence on reinsurers by supporting and strengthening the financial solvency and capital of Arabian Shield Company.
- Arabian Shield Company seeks to grow by managing human resources through qualification and specialized training and achieving high levels of Saudization.
- Arabian Shield relies on general insurance lines, including medical and vehicle insurance. It has a diversified insurance portfolio for other types of insurance.
- Arabian Shield Company has worked on building and developing strategic operational plans that respond to the changes and challenges it faces in order to take advantage of the available opportunities and face the threats that arise in the insurance sector.
- Arabian Shield Company constantly reviews the risk transfer mechanism by contracting with specialized reinsurance companies with a high credit rating, thus complying with the requirements of the Central Bank.
- Arabian Shield manages and distributes risks by diversifying its business portfolio.
- The Arabian Shield Company implements rational management of the investment policies and internal and external resources of the Arabian Shield Company, and reduces expenses and costs in order to achieve the best returns and profitability.

4.9 Sales

The table below shows an analysis of Arabian Shield Company's sales according to insurance categories

Table No. (14): Sales by insurance categories of Arabian Shield Company

No.	Sales per each product	The year ending on December 31st (Thousands of Saudi Riyals)			Percentage of total sales (%)
		2020	2021	2022	2022
1	Individuals	144,767	91,931	243,256	22%
2	Groups	407,941	466,235	863,029	78%
Total Sales		552,708	558,166	1,106,285	100.0%

Source: Arabian Shield Company and the audited financial statements of the Arabian Shield Company for the years 2020G, 2021G, and 2022G.

4.10 Products

The table below shows the insurance products of the Arabian Shield Company (ASCIC) that received final approval from the Central Bank of Saudi Arabia:

Table No. (15): Description of the Arabian Shield Company's products approved by the Central Bank of Saudi Arabia

No.	Insurance Product Name	Insurance Product Description	Product ID	Approval Date (Gregorian)
1	Fire and associated hazards	Material loss or damage to the property insured and its contents caused by fire, lightning and named perils only.	A-ARSH-1-B-07-037	18/07/2007
2	All Risks of Property	All risks of physical loss or damage to property and its contents, including theft and accidental damage, except for a few exceptions specified in the policy.	A-ARSH-1-C-07-038	18/07/2007
3	Loss of profits	Loss of gross profit, and compensation for increased cost of work following loss or damage covered by the property policy.	A-ARSH-1-C-07-039	18/07/2007
4	All-inclusive listings	Physical loss or damage to dwellings, buildings and contents of the house due to hazards of fire, lightning, explosion, riots, strikes, explosion and overflow of tanks and pipes including earthquake, hurricane, storm, flood and accidental breakage of glass.	A-ARSH-1-I-07-040	18/07/2007
5	Agricultural Crops	Loss or damage to the agricultural crop or any part thereof due to fire, lightning and/or storms.	A-ARSH-1-C-07-036	24/07/2007
6	All Risks of Contractors	Loss and/or damage to civil construction works including liability to third parties arising from various external and internal causes during construction.	A-ARSH-1-C-07-019	21/07/2007
7	All Risks of Installation	Loss and/or damage to installation works and mechanical installation works including liability to third parties arising from numerous external and internal causes during the installation process.	A-ARSH-1-C-07-022	21/07/2007
8	Equipment and machinery	Loss and/ or damage to plants and equipment owned by contractors due to any accidental causes covered in the policy.	A-ARSH-1-C-07-021	21/07/2007
9	All Risks of Electronic / Computer Hardware	Loss and/or damage to electronic installations and computer software data including business interruption as a result of loss and/ or damage.	A-ARSH-1-C-07-020	21/07/2007
10	Machinery breakdown	Loss and/or damage to stationary/ non-moving plant and machinery due to any unforeseen physical loss or damage from causes not specifically excluded.	A-ARSH-1-C-08-024	28/01/2008
11	Loss of Profit (Engineering)	Loss of profit or interruption and interference with business resulting from an admissible claim under machinery breakdown insurance policy to insure physical assets.	A-ARSH-1-C-08-025	28/01/2008
12	Deterioration of stock	Loss/ or damage caused by deterioration of inventory due to unexpected and sudden physical loss or damage to the machine following an admissible claim under the Machinery Breakdown Insurance Policy for securing physical assets.	A-ARSH-1-C-08-023	28/01/2008
13	Public Liability	The Policy covers the legal liability of the Insured for loss and/or damage to property, death, bodily injury, third party arising out of the business activities insured in the places disclosed or within the territorial limits specified in the Policy.	A-ARSH-1-C-08-013	02/02/2008

No.	Insurance Product Name	Insurance Product Description	Product ID	Approval Date (Gregorian)
14	Product Liability	The policy covers the legal liability of the Insured for loss and/or damage to the property or bodily damage of the third party arising from the use of products manufactured or supplied by the Insured.	A-ARSH-1-C-08-015	02/02/2008
15	Workmen's Compensation/ Employers' Liability	Coverage for compensation paid by the employer to its employees following injuries caused by a work-related accident and extending to the employer's liability under common law.	A-ARSH-1-C-07-018	09/12/2007
16	Medical Errors	liability for damages and the costs and expenses of the claimant, in respect of liabilities arising out of bodily injury or mental injury to or death of any patient caused or alleged to have been caused by the fault, omission or negligence of the professional services rendered or to have been rendered by the insured practitioner.	A-ARSH-1-I-08-008	18/01/2008 Updated at 06-03-2022
17	Professional Indemnity	liability for any claim or liabilities made against the Insured by reason of a breach of duty to make any negligence, error or omission at any place and at any time committed or alleged to have been committed by the Insured.	A-ARSH-1-C-08-012	02/02/2008
18	Freight Forwarders / Carriers Liability	Indemnity for legal liability for loss of or damage to goods and/or merchandise while being loaded, carried or unloaded from any conveyance or temporary stores in the course of carriage - whether in or out of the conveyance.	A-ARSH-1-C-07-004	14/07/2007
19	Money	Compensation for loss of money while in the building, in locked safes, counters and cash registers during working hours; during the course of transportation between specific locations and banks by authorized personnel.	A-ARSH-1-C-07-009	14/07/2007
20	Breach of trust	Indemnify the Insured against loss due to fraud or dishonesty by any named or declared employee of the Insurance at any time during the Period of Insurance.	A-ARSH-1-C-07-003	14/07/2007
21	Commercial Crime	Compensation for direct financial loss caused solely by dishonest or fraudulent acts by employees for financial gain, loss of property at workplaces, or during transportation and loss resulting from forgery or fraud in any cheques, bills of exchange, certificates of deposit, letter of credit, withdrawal receipt, money orders, securities and counterfeit currency.	A-ARSH-1-C-09-001	28/01/2008
22	Personal property (all risks)	Loss, damage or destruction of specified and unspecified personal property, clothing, and personal effects of the Insured as a result of unfortunate or accidental occurrence not specifically excluded under the Policy.	A-ARSH-1-I-07-041	18/07/2007
23	Personal Accidents	Death and/or disability of the insured person solely and directly due to external and visible violent and accidental means.	A-ARSH-1-B-08-010	29/01/2008
24	Travel	Travel insurance for personal accidents, medical expenses, cancellation, reduction or loss of or damage to personal baggage, delay of baggage and emergency medical assistance.	A-ARSH-1-I-13-017	31/03/2013
25	Theft and burglary	Loss and/or damage caused by theft, burglary or attempted theft and burglary after forced egress and/or entry into the Insured Premises.	A-ARSH-1-C-08-016	27/02/2008

No.	Insurance Product Name	Insurance Product Description	Product ID	Approval Date (Gregorian)
26	Insurance with one shot in the hole	Insurance to compensate the insured for his liability incurred as a direct result of awarding the prize to the first contestant who made a hole in one of the tournaments and was achieved with the first point	A-ARSH-1-C-07-007	14/07/2008
27	Comprehensive Bonds for Bankers	Insurance coverage specifically designed for banks and financial institutions to compensate for direct financial loss resulting solely from dishonest or fraudulent acts by employees for financial gain, financial loss, loss of property on premises or in transit, loss resulting from forgery or fraudulent alterations in or to any cheques, bills of exchange, certificates of deposit, letter of credit, withdrawal receipt, money orders, securities, stop orders, and counterfeit currencies.	A-ARSH-1-C-17-042	23/02/2017
28	Responsibility of Directors and Officers	Insurance provides indemnity to the individual directors and officers of the Company for their legal liability to pay damages to the third party as a result of the third party suffering a financial loss through negligence, wrongful act, error or omission on the part of the director or officer in making his decision.	A-ARSH-1-C-17-043	02/02/2017
29	Computer Cybercrime	Insurance coverage for financial losses resulting from computer system fraud, payments or transfers resulting from fraudulent computer instructions, loss of data, electronic media, computer viruses and fraudulent communications, including cleaning costs.	A-ARSH-1-C-17-044	23/02/2017
30	Professional Indemnity (Financial Institutions)	Insurance coverage for financial institutions, their directors and employees against alleged wrongful acts, negligence or breach of duty arising from an act, error or omission in the performance or non-performance of the clients' professional services.	A-ARSH-1-C-17-046	23/02/2017
31	Personal Liability Insurance	Individual medical expenses insurance coverage only.	A-ARSH-1-I-08-011	29/01/2008
32	Miscellaneous Professional Indemnity	Insurance coverage for non-financial institutions and their directors and employees against alleged wrongful acts, negligence or breach of duty arising from an act, error or default in the performance or non-performance of the professional services of clients.	A-ARSH-1-C-19-047	27/10/2010
33	Cancel events	Event Cancellation Insurance protects event revenues and expenses from the risk of cancellation, postponement or abandonment of the event for reasons beyond the control of the event organizer	A-ARSH-1-C-19-045	01-10-2019
34	Parcels	Provides loss or damage coverage for packages shipped via couriers.	F-ARSH-1-C-21-048	22-08-2021
35	Sports Clubs	Provides Property, Civil Liability and Personal Accident Coverage for Sports Clubs	F-ARSH-1-C-21-049	01-09-2021
36	Craftsmen's Responsibility	Covers accidental loss or damage to tangible property caused by the work of the insured craftsman as a result of faulty service or damage to the customer's personal property or appliances.	F-ARSH-1-C-21-050	12-09-2021
37	Aircraft	It covers fuselage loss or damage and third-party liability. Coverage can be provided for UAVs (drones)	F-ARSH-1-C-21-051	13-09-2021
38	Cyber Risk	An insurance product that indemnifies the insured against payment of any financial losses that you may incur in the event of a cyber-attack or data breach	F-ARSH-1-C-21-052	13-09-2021

No.	Insurance Product Name	Insurance Product Description	Product ID	Approval Date (Gregorian)
39	Domestic Worker Contract Insurance	This policy covers losses incurred by domestic worker contracts for many reasons such as death and flight.	P-ARSH-1-I-22-060	04-01-2023
40	All-Inclusive Vehicle	Vehicle Insurance for Personal Damage and Third-Party Liability for Fleet of Vehicles.	A-ARSH-1-B-07-031	12-12-2007 Updated at 29-12-2022
41	Vehicles - Third Party	Legal liability to third parties for death, bodily injury or damage to property caused by the use of the insured vehicle.	A-ARSH-1-B-07-033	12-12-2007
42	Automotive Trade - External Risks	Loss and/or damage to the insured motor dealer's vehicles or the customer's vehicles when tested for driving, or transported by the insured's designated drivers, including third party liability for vehicles - outside the insured's premises.	A-ARSH-1-C-07-034	12-12-2007
43	Automotive Trading - Insider Risks	Loss and/or damage to customer vehicles whilst stored and/or in the custody of the Insured in the premises specified in the Policy including third party liability for vehicles.	A-ARSH-1-C-07-035	12-12-2007
44	Third party government vehicles	Legal liability to third parties for death, bodily injury or damage to property caused by the use of government owned insured vehicles.	A-ARSH-1-C-16-030	24-1-2016
45	Comprehensive insurance for vehicles leased financially to individuals	Comprehensive insurance for vehicles financed for individuals by financial institutions	P-ARSH-1-I-21-053	02-01-2022
46	Sea Freight – Single	Loss and/or damage to export/import shipments of goods by sea and air arising from transportation risks - single and single shipments.	A-ARSH-1-B-07-027	18-07-2007
47	Marine cargo - with open lid	Loss and/or damage to export/import shipments of goods by sea and air arising from transportation risks covering all affected shipments from a 12-month period which is subject to acknowledgement and adjustment on a quarterly or annual basis.	A-ARSH-1-C-07-026	18-07-2007
48	Land Transportation	Insurance coverage for damage to materials after an accident to the vehicle carrying the materials including fire, bridge breakage and accidents of a similar nature.	A-ARSH-1-C-07-028	18-07-2007
49	Medical Health Insurance	Insurance of medical expenses for companies and small and medium enterprises in accordance with the policy of the Council of Health Insurance covering a minimum and enhanced benefits, if requested by the client.	A-ARSH-2-C-07-002	09/12/2007
50	Visitor Medical Insurance	Insurance of medical expenses related to emergency cases only within the Kingdom of Saudi Arabia for holders of visit and tourist visas.	A-ARSH-2-I-16-029	17/01/2016
51	Life for Groups	Death and disability benefits policy by the employer for a group of employees who provide financial benefits in the event of death or disability.	A-ARSH-3-C-08-005	03/02/2008
52	Permanent health insurance	Income protection coverage for insured employees in the event of total or partial incapacity as a result of illness, bodily injury or infirmity and his inability to perform the essential duties of his previous occupation in a similarly lucrative occupation.	A-ARSH-3-C-08-006	03/02/2008

No.	Insurance Product Name	Insurance Product Description	Product ID	Approval Date (Gregorian)
53	Aman Security Program	It is a safety and protection program that provides the policyholder with insurance protection in the face of any sudden accident.	A-ARSH-3-I-19-058	18-01-2022
54	Protection and Savings Education Program	It is a protection and savings program that allows the selection of an investment strategy that provides the children (beneficiaries) with the value of the investment return due at the end of the contractual period, and provides insurance coverage in the event of the death of the policyholder, where the beneficiary is exempted from paying the remaining due contributions and the Arab Shield Insurance Company pays all those contributions starting from the date of death until the agreed due date.	A-ARSH-3-I-16-055	18-01-2022
55	Marriage Protection and Savings Program	It is a program designed to help the policyholder achieve his future financial goals for the marriage of his children. The program also includes the benefit of ensuring the payment of all subscriptions in the event of the death of the policyholder during the term of the contract.	A-ARSH-3-I-16-056	18-01-2022
56	Protection and Savings Retirement Program	A program designed to help the policyholder achieve their retirement financial goals.	A-ARSH-3-I-16-057	18-01-2022
57	Group Life Insurance (Credit)	Coverage of death or total / partial disability of the participants who applied (finance/credit card) with the policyholder on a joint basis, and are accordingly jointly liable to pay the amount/amounts used	A-ARSH-3-C-11-059	18-01-2022

Source: ASCIC

4.11 Reinsurance

In order to reduce the risks of insurance business and ensure the stability of operations and sources of capital, to reduce the risk of losses and to contribute to the stability of profitability, the Arabian Shield Company (ASCIC) reinsures part of the risks that it insures under the insurance operations that it carries out. This is made in line with the executive regulations issued by the Central Bank of Saudi Arabia. Additionally, to reduce the risks of reinsurance concentration, Arabian Shield has established reinsurance programs with many well-known international reinsurance companies, the Arabian Shield Company (ASCIC) transactions with many reinsurance insurance companies whose rating is not less than the minimum as stipulated in the regulations for reinsurance business issued by the Central Bank of Saudi Arabia, as follows:

Table No. (16): Minimum credit rating companies:

Rating Company	Minimum Rating
AM Best	B+
Fitch Ratings	BBB
Moody's Investor Service (Moody's)	Baa
Standard & Poor's Corporation (S&P)	BBB

The following table shows a definition of the rating types for the AM Best rating company:

Table No. (17): Table No. (17): Definition of rating types for AM Best rated company

AM Best Rating	
Rating	Rating Identification
A++	Rating by AM Best, indicating that the rated entity has a superior ability to meet ongoing insurance obligations.
A+	Rating by AM Best, indicating that the rated entity has a superior ability to meet ongoing insurance obligations.
A	Rating by AM Best, indicating that the rated entity has an excellent ability to meet ongoing insurance obligations.

AM Best Rating	
Rating	Rating Identification
A-	Rating by AM Best, indicating that the rated entity has an excellent ability to meet ongoing insurance obligations.
B++	Rating by AM Best, which means that the rated entity's financial strength is vulnerable to adverse changes in underwriting and economic conditions.
B+	Rating by AM Best, which means that the rated entity's financial strength is vulnerable to adverse changes in underwriting and economic conditions.

The following table shows a definition of rating types for Fitch Ratings:

Table No. (18): Definition of the rating types of Fitch Rating

Fitch Ratings	
Rating	Rating Identification
AA-	A rating by Fitch Agency, indicating that the rated entity has a very high credit quality, and this rating is within the investment grade.
BB+	A rating by Fitch Agency, indicating that the rated entity has a very high credit quality, and this rating is within the investment grade.

The following table shows a definition of the rating types for a company rated by Moody's Investor Service (Moody's):

Table No. (19): Definition of the rating types for the company rated by Moody's Investor Service (Moody's)

Rating of Moody's Investor Service (Moody's)	
Rating	Rating Identification
A3	Rating by Moody's means that the entity is rated as an upper-medium and is subject to low credit risk. It shall be noted that the number (3) was added to the rating score to show the relative position within the rating categories, as the number (3) indicates the minimum level in the "A" group.
Baa1	Rating by Moody's means that the entity is of medium quality and subject to moderate credit risk, and therefore may have some speculative attributes.

The following table provides a definition of rating types for Standard & Poor's Corporation (S&P):

Table No. (20): Definition of the rating types of the rated company Standard & Poor's Corporation (S&P)

Standard & Poor's Corporation (S&P)	
Rating	Rating Identification
(AA+)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a strong likelihood of repaying its financial commitments. It shall be noted that (+) is not added to the rating to denote relative standing, but to represent the maximum in "AA" rating (very low risks)
(AA)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a very strong capacity of repaying its financial commitments. It shall be noted that neither (+) or (-) is added to the rating to indicate relative standing, as adding or not adding any of them denotes the average of "AA" rating (very low risks)
(AA-)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a very strong capacity of repaying its financial commitments. It shall be noted that (-) is added to the rating to denote relative standing, as (-) denotes the minimum of "AA" rating (very low risks)
(A+)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a strong capacity of repaying its financial commitments, but is quite exposed to the negative impacts of economic conditions. It shall be noted that (+) is added to the rating to denote relative standing, as (+) represents the maximum of "A" rating (low risks)
(A)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a strong capacity of repaying its financial commitments. It shall be noted that neither (+) or (-) is added to the rating to indicate relative standing, as not adding any of them denotes the average of "A" rating (low risks)
(A-)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has a strong capacity of repaying its financial commitments, but is quite exposed to the negative impacts of economic conditions. It shall be noted that (-) is added to the rating to denote relative standing, as (-) denotes the minimum of "A" rating (low risks)

Standard & Poor's Corporation (S&P)	
Rating	Rating Identification
(BBB)	A credit rating by Standard & Poor's Agency indicating that the rated corporate has an adequate capacity of repaying its financial commitments. It is probably that such capacity is weakened in favorable or variable economic conditions. It shall be noted that neither (+) or (-) is added to the rating to indicate relative standing, as not adding any of them denotes the average of "BBB" rating (medium grade)

The ratings mainly indicate the strength of the reinsurance company's financial position and its efficiency in covering liabilities, in addition to the quality of its service and the strength of its reinsurance programs. Arabian Shield transactions with more than 75 reinsurers rated by international rating agencies

The following table shows the reinsurance companies that Arabian Shield transactions with and the rating of each reinsurance company:

Table No. (21): Reinsurance companies with which Arabian Shield transactions

No.	Reinsurer	Country	Rating	Rating Company
1	Abu Dhabi National Insurance Company	UAE	A	S&P
2	Abu Dhabi National Takaful Co.	UAE	A-	AM Best
3	Active Capital Re	Barbados	A-	AM Best
4	Africa Re	Egypt	A	AM Best
5	EIG Ltd	UAE	A	S&P
6	Al Ain Ahlia Insurance Company	UAE	A3	Moodys
7	Al Dhafra Insurance Company	UAE	Baa1	Moodys
8	Al Kout Insurance & Reinsurance Co.	Qatar	A-	S&P
9	Allianz Risk Transfer	UAE	A+	AM Best
10	Arch Re	Switzerland	A+	S&P
11	Argo International	UAE	A-	AM Best
12	Asian Reinsurance Company	Thailand	B+	AM Best
13	AXA	KSA	AA-	S&P
14	Bahrain National Insurance Company	Bahrain	B++	AM Best
15	Barents Re	UAE	A	AM Best
16	Berkeley	UK	A+	AM Best
17	Berkshire Hathaway	UAE	AA+	S&P
18	Psst Meridian	USA	A-	AM Best
19	Canopus	Singapore	A-	AM Best
20	CCR Algeria	Alegria	B+	AM Best
21	CCR France	France	A	AM Best
22	Central Re	Taiwan	A	AM Best
23	Chaucer Insurance Co.	UAE	A	S&P
24	China Reinsurance Company	China	A	S&P
25	Chubb	UAE	AA	S&P
26	Continental Re	Nigeria	B+	AM Best
27	Confy Rey	France	A	AM Best
28	Convex	UK	A-	AM Best
29	Echo Re	Switzerland	A-	S&P
30	Emirates Insurance Company	UAE	A-	S&P
31	Everest Reinsurance Company	USA	A+	S&P
32	Eurasia	Kazakhstan	B++	AM Best
33	Jin Ri	Singapore	A++	AM Best

No.	Reinsurer	Country	Rating	Rating Company
34	GAC Re Dubai	UAE	B++	AM Best
35	JR Risk Partners Limited (VAC)	Bahrain	AA	S&P
36	Hannover Re	Bahrain	A+	S&P
37	HDI Global SE	Singapore	A+	S&P
38	HDFC	UAE	BBB+	S&P
39	Helvetia	Switzerland	A+	S&P
40	IGI	UAE	A-	S&P
41	Emirates Insurance House	UAE	B+	AM Best
42	Kenya Re	Kinaya	B	AM Best
43	Corey Rey	UAE	A	S&P
44	Kuwait Reinsurance Company	Kuwait	A-	AM Best
45	Labuan Re	Malasia	A-	AM Best
46	Liberty	UAE	A	S&P
47	Lloyds	UK	A+	S&P
48	Mena Re Hyatt	Qatar	A-	S&P
49	Facilitator	UAE	B++	AM Best
50	Underwriting Directors Mirabilis	Africa	AA-	S&P / Fitch
51	Munich Re	Germany	AA-	S&P / Fitch
52	Al Muheet International Reinsurance Company	Panama	A-	AM Best
53	Skoun Company	UAE	A	S&P
54	Oman Re	Oman	BB+	Fitch
55	Orient Insurance	Oman	A	Fitch
56	Partner Re	UAE	A+	S&P
57	BVI Reinsurance	Vietnam	A-	AM Best
58	QPE Group	UAE	A+	S&P
59	Renaissance Re	UK	A+	S&P
60	RGI	UAE	AA-	S&P
61	R + F	Germany	A+	S&P
62	RSE	UK	AA-	S&P
63	Seiko Bahrain	Bahrain	B+	AM Best
64	Samsung Re	Singapore	A++	AM Best
65	Saudi Reinsurance Company	KSA	A-	S&P
66	Singapore Re	Singapore	A	AM Best
67	SCOR	France	A	AM Best
68	SCR Morocco	Morocco	B++	AM Best
69	Star Insurance	Switzerland	A	AM Best
70	Swiss Reinsurance Company	Switzerland	AA-	S&P
71	Cooperative	KSA	A-	S&P
72	New India Insurance Company Limited	Bahrain	B++	AM Best
73	Transatlantic Rey, Paris	UK	AA+	S&P
74	Trust Re	Bahrain	Currently unrated*	AM Best

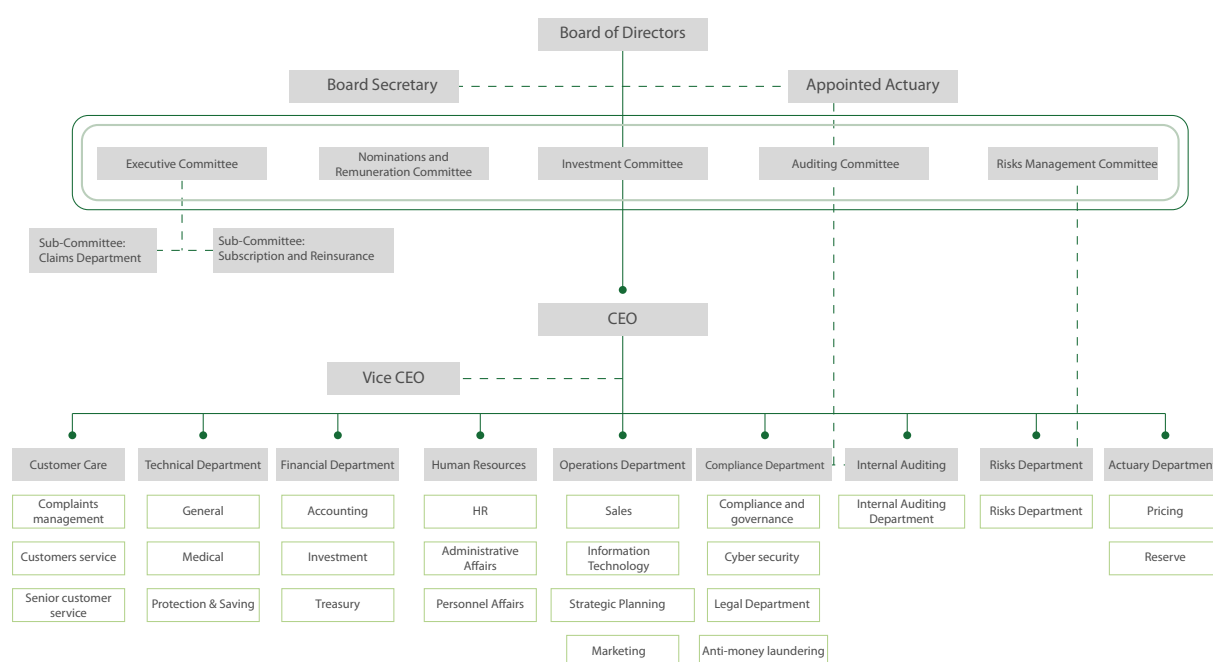
No.	Reinsurer	Country	Rating	Rating Company
75	Tunis Re	Tunisia	B	AM Best
76	Union Insurance	UAE	B+	AM Best
77	Viet Nam National Reinsurance Company	Vietnam	B++	AM Best
78	VAG	Chech Republic	A+	S&P
79	Loyalty	KSA	A-	S&P
80	XL Group	UAE	AA-	S&P
81	Zurich International Group	UAE	AA	S&P

Source: ASCIC

*Currently unrated means that it was rated according to the minimum rating requirements required by the Central Bank of Saudi Arabia at the time of signing the reinsurance agreement and the reinsurance agreement is valid.

4.12 Organizational Structure

Figure No. (3): The current organizational structure of the Arabian Shield Company (ASCIC)



Source: ASCIC

4.13 Members of Board of Directors

The Board of Directors of the Arabian Shield Company, as at the date of the document, which consists of (8) directors as follows

Table No. (22): Members of the Board of Directors of the Arabian Shield Company (ASCIC)

Name	Position	Membership Type
Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer	Chairman	Non-executive
Samir Ibrahim Al-Wazzan	Vice Chairman	Non-executive
Abdullah Abdul Rahman Al Obeikan	Director	Non-executive
Turki Nasser Mohammed Al-Otaibi	Director	Non-executive
Saud Abdulaziz Bajbeer	Director	Non-executive
Raed Ali Al-Saif	Director	Independent
Muhammad bin Ahmed bin Ali	Director	Independent
Abdullah Abdulaziz Al-Mishaal	Director	Independent

Source: Tadawul

5. Additional Information

5.1 Statements of liability in relation to the content of this Offer

The members of the Board of Directors of the Arabian Shield Company, whose names are mentioned in Paragraph 4.13 hereof, shall bear responsibility for all information contained herein except for that information provided by Alinma Tokio Company. The information contained herein has been included, for which the members of the Board of Directors of Arabian Shield Company bear responsibility based on what was provided to them by the management of Alinma Tokio (after they conducted reasonable and possible investigations to ensure its validity and accuracy). The members of the Board of Directors of the Arabian Shield Company believe that this information is consistent with the facts and does not omit any part that might affect the accuracy or importance of this information.

5.2 Statement of Ownership and Transactions in Arabian Shield Shares

As of 28/01/1445H (corresponding to 15/08/2023G), neither the Arabian Shield Company nor any of its board members or persons acting in concert with the Arabian Shield Company (according to the definition of “acting by agreement” contained in the Mergers and Acquisitions Regulations) own any direct or indirect shares in Alinma Tokio Company and they do not have the option to purchase Alinma Tokio Company shares as of the date hereof. The following is the number of shares owned by members of the Board of Directors of the Arabian Shield Company and senior executives in the capital of the Arabian Shield Company.

Table No. (23): Ownership of members of the Board of Directors and senior executives in the Arabian Shield Company as in the shareholder register dated 28/01/1445H (corresponding to 15/08/2023G)

Name	Position	Number of shares (directly owned)	Direct ownership percentage	Indirect ownership percentage	Total ownership percentage
Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer	Chairman	1,333	0.002%	8.93%	8.93%
Samir Ibrahim Al-Wazzan	Vice Chairman		None		
Turki Nasser Mohammed Al-Otaibi**	Director	2,000	0.003%	1.33%	1.33%
Raed Ali Al-Saif	Director	133	0.0002%	None	0.0002%
Abdullah Abdulaziz Al-Mishaal	Director		None		
Abdullah Abdul Rahman Al Obeikan***	Director	None		0.01%	0.01%
Saud Abdulaziz Bajbeer	Director		None		
Muhammad bin Ahmed bin Ali	Director		None		
Total - Members of the Board of Directors	-	3,466	0.005%	10.27%	10.27%
Total - Senior Executives	-		None		
Total - Board members and senior executives	-	3,466	0.005%	10.27%	10.27%

Source: ASCIC

* The indirect ownership of the Chairman of the Board of Directors, Prince Naif bin Sultan bin Mohammed bin Saud Al Kabeer, results from the direct ownership of Sultan Holding Company, which is wholly owned by his father in the Arabian Shield Company.

** The indirect ownership of Board Member Turki Nasser Mohammed Al-Otaibi results from his father's direct ownership in the Arabian Shield Company.

*** The indirect ownership of Board Member Abdullah Abdul Rahman Obeikan results from his direct ownership of 10.49% in Obeikan Investment Group, which in turn owns 0.01% of the capital of the Arabian Shield Company.

5.3 Statement of Ownership and Transactions in Alinma Tokio Shares

As of the date of 28/01/1445H (corresponding to 15/08/2023G), neither Alinma Tokio Company nor any of its board members and persons acting in connect with Alinma Tokio Company (according to the definition of “acting by agreement” contained in the Mergers and Acquisitions Regulations) own any direct or indirect shares in the Arabian Shield Company, and they do not have the option to purchase Alinma Tokio shares as of the date hereof. The following is the number of shares owned by members of the Board of Directors of Alinma Tokio and senior executives in the capital of Alinma Tokio Company.

Table No. (24): Ownership of members of the Board of Directors and senior executives in Alinma Tokio Company as in the shareholder register dated 28/01/1445H (corresponding to 15/08/2023G)

Name	Position	Number of shares (directly owned)	Direct ownership percentage	Indirect ownership percentage	Total ownership percentage
Abdul Mohsen Abdulaziz Al-Faris	Chairman	None	None	0.018%	0.018%
Hironari Iwakuma	Vice Chairman	None	None	0.003%	0.003%
Bishr Muhammad Burhanuddin Bakhit	Director	None	None	None	None
Abdullah Ali Abdullah Al-Khalifa	Director	None	None	0.001%	0.001%
Satoshi Furuya	Director	None	None	0.003%	0.003%
Khaled Abdullah Al-Rumaih	Director	83	0.0003%	0.0001%	0.0004%
Emad Abdul Rahman Al Butairi	Director	None	None	0.001%	0.001%
Hisham Mohammed Al-Barrak	Director	None	None	None	None
Kentaro Keita *	CEO	None		0.003%	0.003%
Total - Members of the Board of Directors	-	83	0.0003%	0.0261%	0.0264%
Total - Senior Executives	-	None		0.00003%	0.003%
Total - Board members and senior executives	-	83	0.0003%	0.0291%	0.0294%

Source: Tadawul and management information of Alinma Tokio.

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

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

There is also no ownership or controlling shares of the Arabian Shield Company in Alinma Tokio Company, nor is there any controlling share in Alinma Tokio Company in which any member of the Board of Directors of the Arabian Shield Company has an interest or is owned or controlled by persons acting in connect with the Arabian Shield Company, or persons who have committed to irrevocably accept the current offer before publishing the current offer document. Additionally, none of the members of the Board of Directors whose names are mentioned above, whose ownership shares are required to be disclosed subject to Article 38 of the Mergers and Acquisitions Regulations, have dealt in the shares of the Arabian Shield Company and the shares of the Alinma Tokio Company during the previous twelve months and up to the day prior to the publication of this Offer Document.

Moreover, no arrangements were made regarding the payment of any type of compensation related to Alinma Tokio shares by the Arabian Shield Company, Alinma Tokio Company, or any other person acting in connect with Arabian Shield Company or Alinma Tokio Company. There are no special arrangements related to the shares of the Alinma Tokio Company by the Arabian Shield Company or the Alinma Tokio Company, or by any other person acting in connect with the Arabian Shield Company or the Alinma Tokio Company.

Arabian Shield Company also confirms that there is no agreement, arrangement or understanding (including any compensation arrangement) between Arabian Shield Company or any person acting in agreement therewith and any of the members of the Board of Directors of Alinma Tokio Company or its current shareholders, or any person who was a member of the board of directors of Alinma Tokio or a shareholder in it during the twelve months preceding the date of publication of the Offer Document.

5.4 Irrevocable Liabilities

Arabian Shield Company has not received any irrevocable liabilities from any of Alinma Tokio shareholders stating their intention to vote in favor of the current merger transaction during the extraordinary general assembly meeting of Alinma Tokio Company.

5.5 Statement of Stock Exchange

Neither the Arabian Shield Company nor the members of its board of directors and persons acting in concert therewith have transaction in the shares of Alinma Tokio or in the shares of the Arabian Shield Company during the twelve-month period preceding the offer period and up to the day preceding the publication hereof.

5.6 Tax & Zakat

Arabian Shield is subject to the rules and regulations of the General Authority of Zakat, Tax and Customs in the Kingdom. Zakat and tax are calculated in accordance with the income tax, zakat and value-added tax regulations in force at the General Authority of Zakat, Tax and Customs. Zakat and tax are calculated subject to accrual accounting, and zakat amounts are calculated based on the zakat base or adjusted net income. Any difference in estimates is recorded when the final assessment is approved, in which the provision is settled.

5.7 Observance Declaration

The members of the Board of Directors of Arabian Shield whose names are mentioned in Paragraph 4.13 hereof confirm that they have adhered to and complied with all the required conditions, which are described in Articles (3) and (18) of the Mergers and Acquisitions Regulations, as follows:

Article (3): General Provisions:

- a. With the exception of private purchase and sale transactions, the offeror and the offeree company shall appoint their financial advisors to be independent and licensed by CMA, as well as their legal advisors to be independent and licensed to practice the legal profession in the Kingdom. The financial advisors of the offeror or the offeree company shall be the liaison officer to coordinate with CMA on behalf of each of them regarding a potential acquisition or potential merger.
- b. Parties involved in an acquisition or merger shall exercise care so that the data is not prepared in a way that may mislead shareholders or the market.
- c. In the event of an offer, the offeror shall treat all shareholders of the offeree company of the same category equally.
- d. Any document or advertisement in connection with the offer or potential offer made by the offeror, the board of directors of the offeree company or any of their relevant advisors to shareholders shall be true, fair and not misleading.
- e. The offeror, the offeree company or any of its advisors shall not, during the offer period or during its consideration, provide information to some shareholders without making it available to all other shareholders. This principle does not apply in either of the following cases:
 1. Providing the information confidentially by the company presented thereto to a potential offeror in good faith or vice versa in the context of the offer.
 2. Providing the information confidentially by the selling shareholder or the company offered thereto to the offeror in the context of a private sale and purchase transaction.
- f. The offeror shall not announce the offer except after taking the necessary measures in accordance with the provisions of this regulation and ensuring his ability and determination to continue implementing the offer. The responsibility of advising the offeror and taking all necessary steps in this regard lies with his financial advisor.
- g. In the event of a merger or acquisition by means of a securities swap offer relating to securities to be listed on the Market, the Offeror shall comply with the relevant provisions contained in the Law and its Implementing Regulations.
- h. In the case of an offer, the offeror and the board of directors of the offeree company shall provide the offeree company's shareholders with sufficient information and recommendations in order to enable them to reach a sound decision on accepting or rejecting the offer, and provide them sufficient time to make that decision, and not withhold any relevant information from them.
- i. All individuals who are restricted to confidential information, especially that affecting the price of the security, relating to the acquisition or any possible transaction of this kind, shall treat such information confidentially and shall not be provided to another person unless it is necessary, and that person knows that confidentiality shall be adhered to. All such persons shall act in such a manner as to limit the chances of leakage of confidential information or information affecting the price of the security.

- j. In the event that the Board of Directors of the offeree company is satisfied that a bona fide offer is about to be submitted to the Company, the Board of Directors shall not take any action related to the Company – which would result in the non-acceptance of the offer or deprive the shareholders of the opportunity to take a decision on it – except after obtaining the approval of the shareholders in the General Assembly of the Company.
- k. When there are related parties in the acquisition to which the provisions of this regulation apply, the interests of those parties in the transaction shall be fully disclosed to the relevant shareholders is completed, and it shall be on terms equal to those applicable to any transaction in which other persons have participated in similar circumstances.
- l. The Board of Directors of the Company shall always act in accordance with the interests of the shareholders.
- m. The members of the board of directors of the offeree company, when making recommendations to their shareholders, shall act in their capacity as members of the board of directors, without regard to the amount of shares they own personally or through their relatives, or the ownership of the shareholders they represent on the board or any personal relationship with the offeror or the offeree company (as applicable). Additionally, they shall take into account the interests of all shareholders in addition to taking into account the interests of employees and creditors that shall be taken into account when making these recommendations. The members of the board of directors of the offeree company shall exercise due diligence before entering into any commitment with the offeror, or with any party, that would restrict their freedom to make recommendations to their shareholders in the future.
- n. A shareholder who owns shares in the offeror (or the merging company) and the offeree company (or the merged company) is not entitled to vote in the general assembly of shareholders on decisions related to offers to which these regulations apply, except in one of the two companies.
- o. No member of the Board of Directors may - in a meeting of the Board or any of the committees or in the General Assembly - vote on a decision related to an offer to which the provisions of these Regulations apply, or on any related matter involving a conflict of interest for that member or any relative thereof. A conflict of interest may arise in any of the following cases:
 - 1. When a member of the Board of Directors has an interest - directly or indirectly - related to the offer or potential offer.
 - 2. He shall be a shareholder in the offeror and at the same time a member of the board of directors of the offeree company, or vice versa.
 - 3. He shall be a member of the offeror's board of directors and at the same time a board member or manager in the offeree company, or vice versa.
- p. For the purposes of applying the provisions of these bylaws, the interest of any relative of a member of the Board of Directors or affiliated with him is considered an interest of the member himself.
- q. The person who intends to enter into an acquisition process under which an obligation to present an offer to all shareholders is created shall ensure - before completing the process - that he is able to implement and continue with the offer, prior to making the acquisition.
- r. A false market shall not be created in which the securities prices of the offeree company (or the merging company), the offeror company (or the merging company), or any company related to acquisition or merger, or any other company related to the offer, fluctuate in such a way that an increase or decrease in the prices of the relevant securities is imaginary and disrupts the normal functioning of the market.
- s. The offeree company's business shall not be affected for more than a reasonable period as a result of the acquisition or merger.

Article (18): Independent Consultation:

The board of directors of the offeror (in the event that the offeror is a listed joint stock company) and the board of directors of the offeree company shall obtain independent and competent advice on the offer from financial advisors appointed under paragraph (A) of Article 3, and its shareholders shall be informed of the content of this consultation.

5.8 The returns to which the new shares will participate and their priority classification

For the purpose of the transaction, the Arabian Shield Company will issue new shares or consideration shares for the benefit of Alinma Tokio shareholders, amounting to fifteen million nine hundred and sixty-two thousand eight hundred and thirty-three (15,962,833) new shares. Moreover, the new shares that will be issued for the benefit of Alinma Tokio shareholders and listed on Tadawul will have the same rights as the currently issued shares in the Arabian Shield Company, including

voting rights, rights to dividends, repurchase rights or rights to surplus assets upon liquidation or dissolution and other rights, noting also that all shares issued and shares that will be issued for the purpose of the transaction in the Arabian Shield Company are of one class and do not any share give its holder any preferential or priority rights of any kind. If the offer is accepted, Alinma Tokio shareholders will own 20% of the merging company's capital. With respect to the income generated by the shareholders of Alinma Tokio, the owners of the new shares will have the right to receive the dividends that the merging company announces after the date of completion of the merger transaction. Furthermore, the shareholder is entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision indicates the date of entitlement and the date of distribution of profits. The entitlement to dividends is to the shareholders registered in the shareholders' registers at the end of the day specified for entitlement.

5.9 The impact of accepting the Offer (in full) for the purpose of controlling Arabian Shield's assets, profits and business which could be important for making a correct evaluation of the Offer

If the offer is fully accepted, the shareholders of Alinma Tokio will become owners of 20.00% of the capital and assets of the merging company (while their current ownership percentage in the capital and assets of Alinma Tokio is 100%). The shareholders of Alinma Tokio will become entitled to 20.00% of the business and profits of the merging company, while their percentage of entitlement to the business and profits of Alinma Tokio currently stands at 100%. It is worth noting that if the offer is fully accepted - and as stipulated in the merger agreement - the executive management of the merging company will be determined in accordance with the plan for organizing the business merger process after the completion of the merger process, which will be developed under the supervision of the board of directors of the merging company upon completion of the merger implementation. The board of directors of the merging company will consist of eleven (11) members, according to the following:

- Eight (8) members are appointed by the Arabian Shield Company, whether from current members of the Arabian Shield Board of Directors or otherwise.
- One (1) member will be publicly appointed as an independent member of the Board of Directors of the merging company.
- Two (2) members will be appointed by Alinma Tokio, whether from the current members of the Board of Directors of Alinma Tokio or others after the completion of the merger transaction.

New members are appointed after obtaining the approval of the Saudi Central Bank, and the appointment decision shall be approved by the ordinary general assembly of the merging company. It shall be noted here that the shareholders of Alinma Tokio Company currently have complete control over the executive management and members of the Board of Directors of Alinma Tokio Company, and if the offer is fully accepted, this complete control over the executive management and members of the Board of Directors in the merging company will not continue. It shall be noted that the new members of the Board may not be representatives of the shareholders of Alinma Tokio, as the new members will be appointed after obtaining the approval of the Central Bank of Saudi Arabia and the approval of the appointment decision shall be obtained in the Ordinary General Assembly of the merging company. Therefore, there is no guarantee that the additional members will be representatives of the shareholders of Alinma Tokio.

5.10 The ultimate owners of Alinma Tokio and the controlling shareholders of Arabian Shield Company and the merging company.

The following tables include a statement of the persons who own or have control over 30% or more of the capital and/or the persons who are able to direct the decisions and management of both Alinma Tokio and the Arabian Shield Company (before the merger) and the merging company (after completing the merger transaction):

Table No. (25): Major shareholders in Alinma Tokio Company

Alinma Tokio Company			
Shareholders	Number of Shares	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 company registered in the insurance companies' registry in the UAE and licensed to provide insurance products.

Source: Tadawul and Alinma Tokio

Table No. (26): Major shareholders in the Arabian Shield Company

The Arabian Shield Company			
Shareholders	Number of Shares	Ownership Percentage	Description
National Bank of Saudi Arabia	7,155,738	11.21%	A Saudi public joint stock company licensed to provide banking services.
Bahrain National Holding Company (B.S.C)	6,000,000	9.40%	A Bahraini public shareholding company licensed to offer insurance products.
Sultan Holding Company	5,700,000	8.93%	Limited liability investment company.

Source: Tadawul and the Arabian Shield

Table No. (27): Shareholders who own or have control over 30% or more of the capital or persons capable of directing the decisions and management of the merging company (after completing the merger transaction)

The merging company (after completing the merger transaction)	
There will be no shareholders controlling 30% or more of the capital of the merging company or able to direct the decisions and management of the merging company after the completion of the merger transaction.	

Source: Arabian Shield Company and Alinma Tokio Company

The Arabian Shield Company confirms that there is no transfer of any shares acquired under the current offer for the benefit of other persons or parties, nor is there any related agreement, arrangement or understanding in that manner. It is also worth noting that there is no person or group of people in the Arabian Shield Company who own or control 30% of the capital of Alinma Tokio Company or are able to direct the decisions and management of Alinma Tokio Company.

5.11 Statement of redemption of securities held by the Offeror

Arabian Shield Company has not redeemed or purchased any shares in Arabian Shield Company during the twelve-month period prior to the date of publication hereof.

6. The financial statements of the Arabian Shield Company

The following are the financial statements of the Arabian Shield Company as of December 31, 2020, 2021, and 2022:

Table No. (28): The financial statements of the Arabian Shield Company as of December 31, 2020, 2021, and 2022 (Income Statement)

Income Statement (One thousand Saudi riyals)	December 31, 2020G	December 31, 2021G	December 31, 2022G
Revenues			
Total written premiums	552,708	558,166	1,106,285
Reinsurance premiums ceded – local	(24,115)	(20,094)	(115,118)
Reinsurance premiums ceded – foreign	(188,806)	(143,482)	(229,963)
Excess of loss expenses	(2,794)	(3,780)	(4,136)
Net written premiums	336,993	390,810	757,068
Change in unearned gross premiums	(23,074)	543	(78,379)
Change in reinsurers' share of Unearned gross premiums	35,092	(30,159)	316
Net earned premiums	349,011	361,194	679,005
Reinsurance commissions	32,170	35,947	35,070
Other underwriting income	6,806	14,580	29,300
Total revenues	387,987	411,721	743,375
Underwriting costs and expenses			
Gross liabilities paid	(307,570)	(378,971)	(596,118)
Reinsurers' share of gross liabilities paid	59,315	97,372	173,713
Net liabilities paid	(248,255)	(281,599)	(422,405)
Changes in outstanding gross liabilities	14,120	39,403	(58,577)
Changes in reinsurers' share of outstanding gross liabilities	7,536	(39,287)	34,027
Changes in gross liabilities incurred but not reported	7,441	10,542	(21,079)
Changes in reinsurers' share of gross liabilities incurred but not reported	(18,619)	(13,032)	(3,680)
Net liabilities incurred	(237,777)	(283,973)	(471,714)
Investible contribution – Net	0	0	(114,273)
Premium deficiency reserve	(13,500)	4,250	(2,275)
Other technical reserves	(4,000)	6,300	1,819
Underwriting costs	(14,827)	(15,295)	(26,060)
Insurance liabilities settlement company expenses*	(7,181)	0	0
Withholding tax	(7,418)	(8,350)	(8,090)
Regulatory authority fees	(5,392)	(3,824)	(2,198)
Other underwriting expenses*	(10,300)	(28,840)	(23,076)
Gross underwriting costs and expenses	(300,395)	(329,732)	(645,867)
Net underwriting income	87,592	81,989	97,508
Income/ (expenses) of other operations			
Provision for doubtful debts	(1,240)	(5,878)	2,866

Income Statement (One thousand Saudi riyals)	December 31, 2020G	December 31, 2021G	December 31, 2022G
General and administrative expenses	(56,411)	(56,998)	(82,493)
Depreciation and amortization	(4,608)	(4,382)	(8,885)
Commission income on deposits	5,522	5,402	11,229
Commission income on sukuk	4,023	4,531	6,808
Dividends income	4,092	1,632	10,293
Unrealized gain on fair value through income statement (FVIS) investments	0	0	6,674
Realized gain on fair value through income statement (FVIS) investments	0	0	156
Realized gains on investments	7,770	13,180	5,276
Unrealized gain on unit-linked investments	(40,852)	(42,513)	(48,076)
Realized gains on investments	46,740	39,476	49,432
Return on insurance operations	(3,138)	(2,869)	(2,881)
Income attributable to shareholders' operations before zakat and income tax	43,602	36,607	46,551
Zakat chargeable	(11,321)	(9,713)	(18,492)
Income tax chargeable	(624)	(741)	(139)
Income attributable to shareholders' operations after zakat, tax and income	31,657	26,153	27,920
Basic and diluted earnings per share (Saudi riyals)	0,79	0,65	0,44

Source: The audited financial statements of the Arabian Shield Company for the financial years ending on December 31, 2020, 2021, and 2022.

*The auditor of the Arabian Shield Company in the financial statements for the financial year ending on December 31, 2022 G (Al-Kharashi and Partners, and Al-Azm, Al-Sudairy, Al-Sheikh and Partners Company) reclassified the item "Insurance claims Settlement Company Expenses" of 2021G (the comparison year) by deleting it as an independent item and merging it (collected) under other underwriting expenses, amounting to 7,003 (one thousand Saudi riyals).

Table No. (29): Arabian Shield Company's financial statements as of December 31, 2020 and 2021 2022 G (Statement of Financial Position)

Statement of Financial Position (One thousand Saudi riyals)	2020G	2021G	2022G
Assets			
Cash and cash equivalent	517,745	365,555	146,094
Fixed income short term deposits	0	0	342,815
Premiums and amounts due from reinsurers - Net	70,138	149,465	182,099
Reinsurers' share of unearned gross premiums	71,532	41,373	43,073
Reinsurers' share of outstanding gross liabilities	96,840	57,553	149,381
Reinsurers' share of gross liabilities incurred but not reported	54,631	41,599	63,670
Deferred subscription costs	7,032	10,126	16,074
Deferred insurance liabilities settlement company expenses	1,842	0	0
Deferred withholding tax	3,493	1,973	1,458
Deferred regulatory fees	1,764	2,199	0
Unit-linked investments	0	0	554,861
Investments	246,555	325,638	636,612
Due from related parties – net	6,522	12,949	21,972
Prepaid expenses and other assets	37,623	36,884	35,256
Property and equipment – net	3,049	2,713	5,978
Intangible assets – net	10,003	10,667	43,711
Goodwill	46,794	46,794	364,948
Statutory deposit	30,000	40,000	63,852
Accrued income on statutory deposit	3,002	3,134	6,781
Total Assets	1,208,565	1,148,622	2,678,635
Liabilities			
Accrued expenses and other liabilities	59,738	72,385	83,523
Reinsurers' balances payable	18,826	13,874	40,887
Unearned gross premiums	190,453	189,910	270,374
Unearned reinsurance commission	14,148	8,792	8,601
Outstanding gross liabilities	126,934	87,531	230,080
Gross liabilities incurred but not reported	170,884	160,342	214,139
Premium deficiency reserve	15,500	11,250	13,525
Unit-linked technical reserve	0	0	557,968
Other technical reserves	13,000	6,700	5,318
Due to related parties	29,395	566	1,994
Accounts payable	41,554	43,864	37,834
Withholding tax provision	9,561	3,863	2,952
Regulatory Authority Fee Provision	2,944	1,655	0

Statement of Financial Position (One thousand Saudi riyals)	2020G	2021G	2022G
End of service benefits	7,917	10,207	12,165
Policyholders' surplus distribution payable	4,570	5,120	28,894
Zakat	36,483	39,216	49,895
Income tax	1,752	1,500	819
Accrued commission income payable to Saudi Central Bank	3,002	3,134	6,781
Insurance operations refund	0	0	0
Total Liabilities	746,661	659,909	1,565,749
Equity			
Capital	300,000	400,000	638,525
Premium	0	0	355,879
Statutory reserve	40,866	26,097	31,681
Retained earnings	123,464	64,386	86,722
Investment fair value profit reserve	(2,426)	990	1,497
Total shareholders Equity	461,904	491,473	1,114,304
End-of-service-benefits remeasurement reserve	0	(2,760)	(1,418)
Total Equity	461,904	488,713	1,112,886
Total liabilities and Equity	1,208,565	1,148,622	2,678,635

Source: The audited financial statements of the Arabian Shield Company for the financial years ending on December 31, 2020, 2021, and 2022.

7. Documents Available for Inspection & Examination

Copies of the following documents will be available for inspection and examination at the headquarters of Arabian Shield Company (Address: Riyadh - Sircon Building No. 15, Floor 3, Olaya Road, P.O. Box 61352, Riyadh, 11565, Kingdom of Saudi Arabia, Tel: +966112505400, Fax: +966114631294, E-mail: customerservice@arabianshield.com, Website: www.der3.com), from Sunday to Thursday from 9:00 am to 5:00 pm, except for official holidays in the Kingdom of Saudi Arabia, from the date of publishing the offer document until the end of the offer period:

- The articles of association and Bylaws of the Arabian Shield Company and any amendments thereto.
- The Articles of Association and Bylaws of Alinma Tokio Company and any amendments thereto.
- The audited financial statements of the Arabian Shield Company for the financial years ending on December 31, 2020, 2021, and 2022.
- The audited financial statements of Alinma Tokio for the financial years ending on December 31, 2020, 2021, and 2022.
- Inspected pro-forma financial statements that reflect the financial position of Arabian Shield Company after the merger for the year ending on December 31, 2022G.
- The 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).
- Consents Letters of the Issuer's advisors to use their names, logos and statements herein.
- The evaluation report and the embedded value reports of the insurance portfolio of the Arabian Shield Company.
- Termination fee documents.

8. Annexes

The following table shows the amendments to the bylaws of the Arabian Shield Company related to the merger transaction.

Annex No. (1): Amendments to the bylaws of the Arabian Shield Company related to the merger transaction

Article before Amendment	Article after Amendment
<p>Article (8): Share Capital:</p> <p>The Company's share capital is six hundred and thirty-five hundred and twenty-four thousand, six hundred and twenty Saudi riyals (SAR 638,524,620), divided into sixty-three million eight hundred and fifty-two thousand, four hundred and sixty-two shares (63,825,462) with a nominal value of (SAR 10) per share.</p>	<p>Article (8): Share Capital:</p> <p>The Company's share capital is seven hundred and ninety-eight million one hundred and fifty-two thousand nine hundred and fifty Saudi riyals (SAR 798,152,950), divided into seventy-nine million eight hundred and fifteen thousand two hundred and ninety-five shares (79,815,295) with a nominal value of (SAR 10) per share.</p>
<p>Article (15): Company Management:</p> <p>The Company shall be managed by a Board of Directors of eight (8) members elected by the Ordinary General Assembly for a period not exceeding three years. The Board composition shall reflect sufficient representation of independent members. In all cases, the number of the Board's independent members may not be less than three (3) members or one-third of the Board members, whichever is more. However, the Constituent Assembly shall appoint the members of the first Board of Directors for a period not exceeding three (3) years starting from the date of announcing the resolution of the Ministry of Commerce and Investment to establish the Company.</p>	<p>Article (15): Company Management:</p> <p>The Company shall be managed by a Board of Directors of eleven (11) members elected by the Ordinary General Assembly for a period not exceeding three years. The Board composition shall reflect sufficient representation of independent members. In all cases, the number of independent Board members may not be less than three (3). Members or one-third of the Board members, whichever is more.</p>
<p>Article (22): Quorum of Board Meeting:</p> <p>The Board meeting shall be valid if only attended by four (4) members in person or by proxy, provided that the number of members present in person is at least three (3) members, including an independent member. The member may delegate another member to attend Board meetings and to vote on his behalf. The Board's resolutions are issued by the majority of the votes of the members present or represented therein. In the event of a tie, the side for which the Chairman voted shall prevail. The Board may pass resolutions on urgent matters by presenting the same to the members separately unless any member calls for a meeting of the Board in writing for purposes of deliberation. Such resolutions shall be brought before the Board at its first subsequent meeting.</p>	<p>Article (22): Quorum of Board Meeting:</p> <p>The Board meeting shall be valid if only attended by six (6) members in person or by proxy, provided that the number of members present in person is at least five (5) members, including an independent member. The member may delegate another member to attend Board meetings and to vote on his behalf. The Board's resolutions are issued by the majority of the votes of the members present or represented therein. In the event of a tie, the side for which the Chairman voted shall prevail. The Board may pass resolutions on urgent matters by presenting the same to the members separately unless any member calls for a meeting of the Board in writing for purposes of deliberation. Such resolutions shall be brought before the Board at its first subsequent meeting.</p>



الدرع العربي للتأمين
Arabian Shield Insurance