

ARABIAN SHIELD COOPERATIVE INS. CO



الدرع العربي للتأمين
Arabian Shield Insurance

EXTRAORDINARY GENERAL ASSEMBLY MEETING

09/12/2021



EXTRAORDINARY GENERAL ASSEMBLY – AGENDA

Dated 09 Dec 2021

BY MEANS OF MODERN TECHNOLOGY

EXTRAORDINARY
GENERAL ASSEMBLY
AGENDA

1. Voting on the merging of Al Ahli Takaful Company into Arabian Shield in accordance with the provisions of Articles (191), (192) and (193) of the Companies Law ("Companies Law"), by issuing 1.43114769137705 new shares in Arabian Shield against each share in Al Ahli Takaful ("Merger Transaction"), in accordance with the terms and conditions of the merger agreement between signed between both companies on (02/12/1442H) (Corresponding to 12/07/2021G) ("Merger Agreement"), including voting on the following matters related to the Merger Transaction:
 - a. To vote on the terms of the Merger Agreement entered into between Arabian Shield and ATC on (02/12/1442H) (Corresponding to 12/07/2021H).
 - b. To vote on the increase of the company's share capital from 400,000,000 SAR to 638,524,620, subject to the terms and conditions of the Merger Agreement and with effect from the Effective Date, pursuant to the Companies Law and the Merger Agreement.
 - c. To vote on the amendments to the articles of association in accordance with Schedule 1 attached hereto.
 - d. Authorizing the board of directors of the Company to take any decision or take any action as may be required to implement the previous resolutions.
2. To vote on the amendment of Article No. 15 of Company's bylaws, regarding Company's Management (Attachment No. 2)
3. To vote on the amendment of Article No. 22 of Company's bylaws, regarding Quorum for Meetings of the Board of Directors (Attachment No 2)

MAJOR POINTS

TRANSACTION SUMMARY

- Arabian Shield Cooperative Insurance Company (hereinafter referred to as "Arabian Shield Company" or "the Merging Company") entered into a Merger Agreement with AlAhli Takaful Company (hereinafter referred to as "AlAhli Takaful" or "the Merged Company") on 02/12/1442H (corresponding to 12/07/2021G) (the "Transaction" or the "Merger")
- Arabian Shield Company will present an offer to the shareholders of AlAhli Takaful Company for the purpose of merging AlAhli Takaful Company in Arabian Shield Company and transferring all its assets and obligations to Arabian Shield Company, in return for Arabian Shield Company issuing new shares for the benefit of the shareholders of AlAhli Takaful Company by increasing the capital of Arabian Shield Company from (400,000,000) four hundred million Saudi Riyals to (638,524,620) six hundred and thirty-eight million five hundred and twenty-four thousand six hundred and twenty Saudi Riyals, by issuing (23,852,462) twenty three million, eight hundred and fifty-two thousand four hundred and sixty-two new shares, thus increasing the number of its shares to (63,852,462) sixty-three million eight hundred and fifty-two thousand four hundred and sixty-two shares, an increase of (59.63%) of the capital before Issuance of new shares.
- After completion of the Transaction, Shield Insurance Company will continue to exist and will become the Merging Company. As for AlAhli Takaful Company, it will expire and its shares will be cancelled, its commercial registration will be cancelled, and all licenses issued to it will be cancelled.

Dated: 15/11/2021

Attachment 1

Article of Association

Amend article of Association to Increase Capital to 638,524,620 SAR

Article Number	Current	Recommended
08	The capital of the company is 400,000,000 three four hundred million Saudi Riyals, divided into 40,000,000 forty million shares of equal value with a nominal value of (10) ten Saudi Riyals per share, all of which are ordinary cash shares.	The capital of the company is (638,524,620) six hundred and thirty eight million and five hundred and twenty -four thousand and six hundred and twenty Saudi Riyals, divided into (63,852,462) sixty three million eight hundred and fifty thousand four hundred and sixty two shares of equal value with a nominal value of (10) ten Saudi Riyals per share, all of which are ordinary cash shares.

Company received Central Bank (SAMA) and Capital Market Authority (CMA) approval to amend article (8) to increase Company capital to (638,524,620) after approval of shareholders.

Attachment 2

Article of Association

Amend article of Association to Increase board members to 8 members

Article Number	Current	Recommended
15	The management of the company shall be undertaken by a board of directors made up of (6) six members elected by the ordinary general assembly for a period not exceeding three years, and the composition of the board of directors must reflect an appropriate representation of independent members. In all cases the number of independent members of the Board shall not be less than two members or one third of the members of the Board, whichever is greater. As an exception to this, the constituent assembly appoints the members of the first board of directors for a period not exceeding (3) three years starting from the date of the announcement of the Ministry of Commerce and Investment's approval to establish the company.	The management of the company shall be undertaken by a board of directors composed of (8) eight members elected by the ordinary general assembly for a period not exceeding three years, and the composition of the board of directors must reflect an appropriate representation of independent members. In all cases, the number of independent members of the Board shall not be less than two or one-third of the members of the Board, whichever is greater. As an exception to this, the constituent assembly appoints the members of the first board of directors for a period not exceeding (5) five years starting from the date of the announcement of the Ministry of Commerce's approval to establish the company.

Company received Central Bank (SAMA) and Capital Market Authority (CMA) approval to amend article (15) to increase Company board members to 8 members after approval of shareholders.

Attachment 2

Article of Association

Amend article of Association about the valid number attendance of the Board meeting to be (4) members

Article Number	Current	Recommended
22	A Board meeting is not valid unless it is attended by (6) six members personally or by proxy, provided that the number of members attended by themselves is (four) members at least, including one independent member. A member may delegate another member to attend the Board meetings and vote on his behalf. Board decisions are issued by the majority of opinions of the attending members or those represented therein, and when opinions are equal, the side with which the Board chair voted shall prevail. The Board of Directors may make decisions on urgent matters by submitting them to the members separately unless one of the members requests - in writing - a meeting for deliberation, and in this case these decisions are submitted to the Board of Directors at the next meeting.	A Board meeting is not valid unless it is attended by (4) four members personally or by proxy, provided that the number of members attended by themselves is (three) members at least, including one independent member. A member may delegate another member to attend the Board meetings and vote on his behalf. Board decisions are issued by the majority of opinions of the attending members or those represented therein, and when opinions are equal, the side with which the Board chair voted shall prevail. The Board of Directors may make decisions on urgent matters by submitting them to the members separately unless one of the members requests - in writing - a meeting for deliberation, and in this case these decisions are submitted to the Board of Directors at the next meeting.

Company received Central Bank (SAMA) and Capital Market Authority (CMA) approval to amend article (22) about the valid number attendance of the Board meeting to be (4) members after approval of shareholders.