

## Circular of the Board of Directors of Saudi Enaya Cooperative Insurance Company

(Commercial Registration: 4030223528)

This Circular of the Board of Directors of Saudi Enaya Cooperative Insurance Company (“**Enaya**” or “the **Company**”) is addressed to Enaya’s shareholders in respect of the Offer made by United Cooperative Assurance (“**UCA**” or “**Merger Entity**”) to Enaya’s shareholders to merge Enaya into UCA by way of a securities exchange process, in return for UCA issuing nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares with a nominal value of ten (SAR 10) Saudi riyals for the benefit of Enaya’s shareholders in UCA (“**Consideration Shares**”) pursuant to the Companies Law issued by the Ministry of Commerce and the regulations of the Saudi Capital Market Authority (“**CMA**” or “**Authority**”), including the Merger and Acquisition Regulations, the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules issued by the Saudi Tadawul Company (“**Tadawul**”), and the relevant regulations of the Central Bank (“**SAMA**”).

This Circular includes the opinion of Enaya’s Board of Directors regarding the Offer submitted to Enaya’s shareholders for the purpose of merging Enaya into UCA in exchange for transferring all Enaya’s assets, rights, and liabilities to UCA and UCA’s plans for Enaya and its employees. In addition, this Circular includes the independent financial advice provided to Enaya’s Board of Directors by Al Wasatah Al Maliah Company (Wasatah Capital), which has been appointed as Enaya’s Financial Advisor regarding the Merger Transaction pursuant to the requirements of Article (18) of the Merger and Acquisition Regulations. Accordingly, this Circular shall be read in full and reviewed carefully before making any decision on the proposed Merger Transaction. In the event of any doubt regarding the actions to be taken, we recommend that the concerned shareholder obtain independent financial advice from an independent Financial Advisor licensed by CMA.

Financial Advisor

wasatah capital  
وساطة كابتال



The Capital Market Authority and the Saudi Stock Exchange (Tadawul) shall not assume any responsibility for the contents of this Circular, make no assurances as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from what is stated in this Circular or reliance on any part thereof.

This Circular was published on 18/04/1445H (corresponding to 02/11/2023G), and was prepared in both Arabic and English. The Arabic language is the approved language. In case of any discrepancy between the two, the Arabic version shall prevail.



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## Saudi Enaya Cooperative Insurance Company

(Commercial Registration: 4030223528)

### Circular of the Board of Directors

#### Saudi Enaya Cooperative Insurance Company

Ext. 3732

Jeddah 23423

Kingdom of Saudi Arabia

Date: 18/04/1445H (corresponding to 02/11/2023G)

#### Board of Directors

Amr Muhammad Khashoggi (Board Chairman, Independent)

Faisal Farouk Mohammed Tamer (Vice Chairman, Non-Executive Member)

Al Dana Khaled Al Juffali (Non-Executive Member)

Hamad Abdulla Al-Ali (Non-Executive Member)

Abdullah Mohsen Al-Nimri (Independent Member)

Khalid Abid Gama (Independent Member)

Mohammed Abdullah Al-Dar (Independent Member)



**To: All Enaya's Shareholders**

**Subject: Merger of Saudi Enaya Cooperative Insurance Company (Enaya) and United Cooperative Assurance (UCA)**

This Circular is addressed to the shareholders of Saudi Enaya Cooperative Insurance Company ("Enaya" or "the Company") in respect of the Offer made by United Cooperative Assurance ("UCA" or "Merger Entity") to Enaya's shareholders to merge Enaya into UCA by way of issuing their consideration shares for the benefit of Enaya's shareholders, pursuant to the provisions of Articles (225), (227), (228), and (229) of the Companies Law and the provisions of Article (49) (1) of the Merger and Acquisition Regulations (the "Circular").

**This Circular is important and requires your immediate attention.**

This Circular includes the opinion of Enaya's Board of Directors regarding the Offer submitted to Enaya's shareholders for the purpose of merging Enaya into UCA in exchange for transferring all Enaya's assets, rights, and liabilities to UCA and UCA's plans for Enaya and its employees. In addition, this Circular includes the independent financial advice provided to Enaya's Board of Directors by Wasatah Capital (Wasatah Capital), which has been appointed as Enaya's Financial Advisor regarding the Merger Transaction pursuant to the requirements of Article (18) of the Merger and Acquisition Regulations. Accordingly, this Circular shall be read in full and reviewed carefully before making any decision on the proposed Merger Transaction. In the event of any doubt regarding the actions to be taken, we recommend that the concerned shareholder obtain independent financial advice from an independent Financial Advisor licensed by CMA.

On 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G), Enaya entered into a Merger Agreement with UCA (the "Merger Agreement") for the purpose of merging Enaya into UCA, whereby all of the assets and liabilities of Enaya will be transferred to UCA (the "Merger Transaction"), in consideration for UCA issuing nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share in UCA in favor of Enaya's shareholders ("Consideration Shares") by way of increasing UCA's paid-up capital. The Merger Transaction is subject to specific conditions stipulated in the Merger Agreement and summarized in Section (8) of this Circular.

This Circular has been prepared in response to the Offer Document related to the Merger Transaction issued by UCA on the date of this Circular. The completion of the Merger Transaction would lead to an increase in UCA's capital and the issuance of the Consideration Shares (which will be listed on Tadawul) to Enaya's shareholders on the following basis:

UCA will issue nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares at a nominal value of ten Saudi Riyals (SAR 10) per share as Consideration Shares in exchange for merging Enaya and transferring all its assets and liabilities to UCA. Accordingly, (0.8373985652173910) shares will be issued in UCA in exchange for each (1) share owned in Enaya ("Exchange Ratio").

In the event that the calculation of the number of shares due to any of Enaya's shareholders based on the Exchange Ratio resulted in fractional shares, the resulting figure will be rounded down to the lowest whole number. For example, if one of Enaya's shareholders holds (50) shares in Enaya, then (41) Consideration Shares will be allocated to the same and not (41.8699) Consideration Shares on the effective date. The fractional shares will not be issued or allocated to Enaya's shareholders, but will be issued, aggregated, and sold on Tadawul as per the prevailing market price of UCA shares according to the price on the trading day. Accordingly, the cash proceeds resulting from selling the fractional shares will be distributed (after deducting all expenses and commissions incurred in the sale) to Enaya's shareholders proportionate to their respective fractional entitlements within a maximum period of (30) days from the date of completing the Merger Transaction. The costs of selling the fractional shares will be deducted from the total proceeds from selling the fractional shares. The Consideration Shares shall be of the same class as UCA shares and will have the same rights attached to UCA shares. The holder of the Consideration Shares shall also be entitled to receive dividends after the date of completing the Merger Transaction.

It shall be noted that the completion of the Merger Transaction is conditional upon obtaining the approval of UCA's Extraordinary General Assembly for the Merger Transaction and Enaya's Extraordinary General Assembly for the Merger Transaction. For more details about the procedures necessary to complete and implement the Merger Transaction, please see Section (10) of this Circular. In addition to the foregoing, if the Merger Transaction is approved by UCA's shareholders and Enaya's shareholders, who represent the required number to be represented in the Extraordinary General Assembly of each company (which is the number that is not less than three-quarters of the shares represented during the Extraordinary General Assembly Meeting designated for voting on the Merger Transaction, and if all the Merger Transaction's conditions have been fulfilled, including the expiry of the Creditors' Objection Period or the settlement of all creditors' objections to the Merger Transaction (whichever comes later) pursuant to the provisions of Article 227 of the Companies Law, and upon completing the Merger Transaction, all Enaya's shareholders (including shareholders who votes against or did not vote on the Merger Agreement) will receive the Consideration Shares in the Merger Entity according to the Exchange Ratio, and the holders of the new shares will have the same rights as the holders of UCA's current shares.

The Merger Transaction will be completed after the end of the Creditors' Objection Period and the publication of the approval resolutions passed at Enaya's Extraordinary General Assembly for the Merger Transaction and UCA's Extraordinary General Assembly for the Merger Transaction ("Completion of the Merger Transaction"). Consequently, UCA will list the new shares in Tadawul and allocate them to eligible Enaya's shareholders registered in Enaya's shareholder register on the second trading day following the date of suspending Enaya's shares, during a period not less than the third trading period after publishing the resolution to approve the Merger Transaction passed at UCA's Extraordinary General Assembly and Enaya's Extraordinary General Assembly, and no more than the sixth trading period after publishing the resolution to approve the Merger Transaction during UCA's Extraordinary General Assembly and Enaya's Extraordinary General Assembly. These shares amounting to 0.8373985652173910 in Enaya's shareholders portfolio will be deposited in UCA for each share owned in Enaya. Enaya's shareholders will own 32.50% of the Merger Entity's capital. The holders of the new shares will be entitled to receive the dividends announced by the Merger Entity after the date of completion of the Merger Transaction. The shareholder is entitled to receive dividends in accordance with the General Assembly's resolution issued in this regard. The resolution shall indicate the eligibility and distribution dates. The shareholders registered in the shareholder registers shall be eligible to receive dividends by the end of the eligibility date. After completing the Merger Transaction, Enaya's shares will be delisted from Tadawul.



The Merger Transaction resolution shall be effective from the date of issuing UCA's amended commercial register in which Enaya's data is registered as a result of completing the Merger Transaction, in accordance with Article 228 of the Companies Law ("Effectiveness of the Merger Transaction Decision"). After the Merger Transaction resolution becomes effective, all Enaya's rights, obligations, assets, and contracts will be transferred to UCA pursuant to Article 229 of the Companies Law. After that, Enaya's commercial registration will be canceled and dissolved accordingly. This will also result in several changes in the composition of the Merger Entity's Board of Directors of. For more details about the essential terms and conditions of the Merger Agreement, please see Section (8) of this Circular.

UCA has submitted a request to the Capital Market Authority to register and offer the new shares issued to Enaya's shareholders. UCA has also submitted a listing request to Saudi Tadawul Company to list the new shares issued to Enaya's shareholders, taking into account the issuance of the necessary approvals for the Merger Transaction from the Extraordinary General Assembly of Enaya and UCA, and after obtaining a No Objection Certificate from the General Authority for Competition and the approval of the Saudi Central Bank for the Merger Transaction, in addition to the approval of Tadawul and the Capital Market Authority on the request to increase UCA's capital and requesting approval to publish the Offer Document addressed to Enaya's shareholders.

Enaya's Board members jointly and severally accept full responsibility for the accuracy of the information contained in this Circular, with the exception of: (1) the independent advice contained in Appendix (1) of this Circular, prepared and submitted by Wasatah Capital (Enaya's Financial Advisor) to Enaya's Board of Directors (where the responsibility of Enaya's Board of Directors is limited to ensuring that this advice is appropriately included in this Circular); and (2) Information related to UCA. According to the information available to the members of Enaya's Board members (who have exercised all reasonable diligence to ensure this), the information contained in this Circular, for which they accept responsibility, is consistent with the facts and does not omit anything that is likely to affect the content of this information.

This Circular was published at the same time as the Offer Documents issued by UCA in connection with the Merger Transaction. The Offer Document includes information related to UCA and the Merger Transaction. This Circular contains references to certain sections of the Offer Document for the purpose of assisting Enaya's shareholders in locating this information within the Offer Document. However, these references shall not be interpreted to mean that Enaya's Board members bear, jointly or individually, any responsibility towards Enaya's shareholders regarding the information contained in the Offer Document. Accordingly, Enaya's Board members do not provide any express or implied assurances or representations, regarding the correctness and completeness of the information contained in the Offer Document.

Enaya's Board members consider that the Merger Transaction is fair and reasonable after taking the due care with the assistance of their advisors and after taking into consideration the status of the market as of the date of this Circular, including the future growth opportunities of the Merger Entity and the expected benefits of the Merger Transaction and the independent financial advice provided by Wasatah Capital on 11/11/1444H (corresponding to 31/05/2023G), to Enaya's Board of Directors (a copy of the independent financial advice is attached in Appendix (1) of this Circular) stating that on the date of providing such advice and in accordance with the factors and assumptions indicated therein, the Exchange Ratio agreed upon under the Merger Agreement is financially fair for Enaya's shareholders. As of the date of this Circular, Enaya has not received any Alternative Offer.

Enaya's Board members also believe that the Merger Transaction is in the interest of Enaya and its shareholders. Therefore, they unanimously recommend to Enaya's shareholders to approve the Merger Transaction. In making this recommendation, Enaya's Board took into consideration the external advice they had received on legal, financial, accounting, strategic, and other matters related to the Transaction.

It shall be noted that Enaya's Board members did not take into account the individual investment objectives, the financial situation, the Zakat and tax situation, or the circumstances specific to each shareholder due to the different circumstances, conditions, and objectives of each of them. Accordingly, the Board members stress the need for each Enaya shareholder to obtain independent professional advice from a financial advisor licensed by the Capital Market Authority regarding the Merger Transaction, and therefore each shareholder shall rely on his or her review of the Merger Transaction to ensure the suitability of the Merger Transaction and that the information received in this Circular are suitable for his or her investment objectives and financial conditions.

It shall be also noted that all Enaya's Board members (who own shares in Enaya) will vote to approve the Merger Transaction in the Extraordinary General Meeting.

Definitions and abbreviations used in this Circular have the meanings specified in the Definitions and Terms of Section (1) ("**Definitions and Terms**"). References to times and dates in this Circular shall be references to Riyadh time and the Gregorian calendar, unless stipulated otherwise.

Enaya has appointed Wasatah Capital as its Financial Advisor in relation to the Merger Transaction.

#### Financial Advisor

#### Wasatah Capital

wasatah capital  
وساطة كابيتال



The Capital Market Authority (CMA) and the Saudi Exchange Company (Tadawul) shall assume no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from what is stated in this Circular or from reliance on any part thereof.

This Circular is dated 18/04/1445H (corresponding to 02/11/2023G)



## IMPORTANT NOTICE

This Circular contains the opinion of Enaya's Board members, and the financial advice provided to the same by the independent financial advisor, Wasatah Capital, a company licensed by the Capital Market Authority. This Circular contains the opinion of Enaya's Board of Directors and UCA's plans for Enaya and its employees and aims to assist Enaya's shareholders in making a decision to vote for approval or rejection of the decisions contained in the notice of the call for Enaya's Extraordinary General Assembly, which is considered a necessary step to complete the Merger Transaction.

Shareholders shall read this Circular and carefully review all its sections, especially this "**Important Notice**" in addition to the Offer Document addressed by UCA to Enaya's shareholders in its entirety, before voting on the Merger in the Enaya's Extraordinary General Assembly. Enaya's Board members will not be responsible for the correctness and completeness of the information contained in the Offer Document. In the event of any doubt regarding the voting decision that shall be taken regarding the Merger Transaction in the Extraordinary General Assembly, we recommend that independent financial advice be obtained from any independent financial advisor licensed by the Capital Market Authority. The information, data, and statements contained in this Circular are provided as at the date of its publication, unless another date is specified for such information, data, or statements, and the publication of this Circular (or any action taken accordingly) will not give rise to what may imply that there is any change in the facts and matters described in this Circular since that date.

If the content of this Circular is not understood, or if there are any doubts as to the procedures to be taken, we recommend obtaining independent financial advice from independent financial advisors licensed by the Capital Market Authority.

The Capital Market Authority and the Saudi Exchange Company (Tadawul) shall assume no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from what is stated in this Circular or from reliance on any part thereof.

The information, data, and statements contained in this Circular were provided as they are on the date of its publication, and therefore the information, data, or statements are subject to change after the date of publishing this Circular. It shall also be noted that no person has been authorized to provide any information or statements on behalf of Enaya's Board members, except as disclosed in this Circular. Accordingly, you shall not rely on any information or statements issued by third parties on the basis that they are issued by Enaya, Wasatah Capital, or any of Enaya's advisors in connection with the Merger Transaction.

Copies of this Circular can be obtained from Enaya's Head Office or by visiting its website [www.saudienaya.com](http://www.saudienaya.com) or Tadawul's website [www.tadawul.com.sa](http://www.tadawul.com.sa). Except in connection with this Circular, none of the contents of the above-described websites shall be considered as forming part of this Circular and neither Enaya nor anyone assumes any responsibility for the content of such websites.

Wasatah Capital, a company licensed in the Kingdom of Saudi Arabia by the Capital Market Authority, shall act as the exclusive financial advisor to Enaya regarding the Merger Transaction, and shall not be liable to any party other than Enaya for providing protection to its clients or for providing advice on the Merger Transaction, the content of this Circular, or the issues referred to in this Circular.

Wasatah Capital has not independently verified the correctness and accuracy of the information and data contained in this Circular. Accordingly, Wasatah Capital does not make any express or implied representations or warranties and assumes no responsibility for the incorrectness, accuracy, or completeness of any of the statements or information contained in this Circular.

It shall be noted that Enaya's Board members did not take into account the individual investment objectives, the financial situation, the zakat and tax situation, or the circumstances specific to each shareholder due to the different circumstances, conditions and objectives of each of them. Accordingly, Enaya's Board members stress the need for each of Enaya's shareholders to obtain independent professional advice from a licensed financial advisor regarding the Merger Transaction, and shall rely on his own review of the Merger Transaction to ensure the suitability of the Merger Transaction and the information contained in this Circular to the investment objectives and financial conditions of each shareholder.

This Circular was issued on 18/04/1445H (corresponding to 02/11/2023G), and it was prepared in both Arabic and English. The Arabic language is the original language of this Circular. In case of any discrepancy, Arabic shall prevail.



## Forward-Looking Statements

This Circular includes forward-looking statements with respect to the Merger Transaction. The probabilities and forward-looking statements are not based on any past or present facts. Forward-looking statements can be identified by using words and phrases such as “expects,” “aims,” “anticipates,” “estimates,” “intends,” “plans,” “will,” “seeks,” “believes,” “may,” “it is possible,” “shall,” or other words of similar or negative meaning to these words. The forward-looking statements in this Circular include, but are not limited to, statements relating to the following: (1) the Merger Entity’s business and management strategies after the completion of the Merger Transaction; (2) the expansion and growth of the Merger Entity after the completion of the Merger Transaction; and (3) information on the Merger Transaction and its related issues and the dates on which such events are expected to occur. Therefore, none of the forward-looking statements or the objectives referred to in this Circular can be confirmed.

In this context, it shall be noted that these forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results, performance strategies, or events to differ materially from any of the results, performance, achievements, events, or other factors expressly or implied stated in the forward-looking statements referred to above. Many of the risks and uncertainties related to forward-looking statements outweigh Enaya’s ability to control or accurately estimate certain matters such as future market conditions and the behavior of other market participants, and therefore, you shall not rely inappropriately on such data. In addition, forward-looking statements are not guarantees of future performance, as they depend on many assumptions, including assumptions related to the current and future strategies of Enaya and UCA’s business and the regulatory environment in which the Merger Entity will operate in the future. All subsequent forward-looking statements, whether oral or written, made by or attributable to Enaya or any person acting on its behalf, are subject to the terms of this general notice set out in this section.

The above-mentioned risks referred include, but are not limited to:

- Any of the forward-looking estimates shown in this Circular, which are only preliminary estimates issued by Enaya’s Board of Directors and have not been subject to any independent examination process and can be modified after conducting a more detailed study;
- The economic and financial market conditions in the Kingdom of Saudi Arabia, in general;
- The ability of both companies to conduct their business by obtaining the necessary approvals from the regulatory authorities;
- The ability of the Merger Entity to achieve and manage growth in its business;
- The ability of the Merger Entity to obtain financing or maintain sufficient capital to finance its current and future operations;
- The changes in the regulatory, legal, or economic conditions in the markets in which the Merger Entity operates;
- The ability in the competitive environment in the sectors in which the Merger Entity operates; and
- Non-compliance with the regulations applicable to the Merger Entity’s activity.

For more information related to the risk factors, please refer to the section (“**Risk Factors**”) in the Offer Document prepared by UCA and submitted to Enaya’s shareholders regarding the Merger Transaction in accordance with Article (38) of the Merger Transaction and Acquisition Regulations.

Enaya does not intend, and assumes no obligation, to amend or update forward-looking information contained in this Circular, unless such amendments or updates are required by applicable laws and regulations.

This Circular shall not be treated as an accounting, financial, or legal recommendation or advice. In the event of any doubt about the procedures to be taken, we recommend that the concerned shareholder obtain independent financial advice from any independent financial advisor licensed by the Saudi Capital Market Authority.

## Publishing and Distribution Restrictions

This Circular is addressed to Enaya’s shareholders, subject to any restrictions in the laws and regulations of any restricted jurisdiction. Therefore, Enaya’s shareholders residing in the restricted jurisdictions are kindly requested to attend Enaya’s Extraordinary General Meeting for the Merger Transaction (or participate through the remote voting and electronic voting service or direct an agent to attend the Extraordinary General Meeting).



## Corporate Directory

### **Saudi Enaya Cooperative Insurance Company**

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### Financial Advisor

### **Al Wasatah Al Maliah ("Wasatah Capital")**

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### Legal Advisor

### **Zarei and Al Hamdan Law Firm**

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### Financial Due Diligence Advisor

### **Deloitte Financial Advisory Services Limited**

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**Deloitte.**

### Actuarial Consultant

### **Lux Actuaries & Consultants LLC**

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Note: The above-mentioned advisors have provided their written consent to publish their names, addresses, logos, and statements according to the context contained in this Circular, and none of them has withdrawn that consent until the date of this Circular.





## Important Dates and Key Stages for the Merger Transaction

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

Event	Timetable/ Date
<b>1. Procedures relating to extraordinary general assemblies and creditor objection period</b>	
Submission of the final draft of the offer document and circulate the shareholders to the Capital Market Authority.	09/04/1445H (Corresponding to 24/10/2023G)
The Capital Market Authority approves the capital increase request and publishes the Shareholders' Circular and the Offer Document.	15/04/1445H (Corresponding to 30/10/2023G)
Publication of the United Cooperative Assurance Shareholders' Circular and the Offer Document addressed to the shareholders of Enaya.	18/04/1445H (Corresponding to 02/11/2023G)
Publication of the circular of the Board of Directors of Enaya.	18/04/1445H (Corresponding to 02/11/2023G)
Providing the documents available for inspection to United Cooperative Assurance.	18/04/1445H (Corresponding to 02/11/2023G)
Providing the documents available for inspection to Enaya.	18/04/1445H (Corresponding to 02/11/2023G)
Announcing the beginning of the creditor objection period for Enaya.	18/04/1445H (Corresponding to 02/11/2023G)
The approval of the Capital Market Authority to hold the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction and the Extraordinary General Assembly of the Enaya for the merger transaction, after completing the documents required from the relevant authorities (where applicable) to amend the Commercial Register of the United Cooperative Assurance and record the data of the Enaya in the Commercial Register of the United Cooperative Assurance.	25/04/1445H (Corresponding to 09/11/2023G)
Announcing on the Tadawul website the call of the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction (with reference to the possibility of holding a second meeting one hour after the end of the period specified for the first meeting, in the event that the quorum necessary to hold the first meeting is not met).	30/04/1445H (Corresponding to 14/11/2023G)
Announcing on the Tadawul website the call of the Extraordinary General Assembly of Enaya for the merger transaction (with reference to the possibility of holding a second meeting one hour after the end of the period specified for the first meeting, in the event that the quorum necessary to hold the first meeting is not met).	30/04/1445H (Corresponding to 14/11/2023G)
Expiry of the creditor objection period.	03/05/1445H (Corresponding to 17/11/2023G)
Enaya's announcement of the existence or non-existence of objections by creditors.	05/05/1445H (Corresponding to 19/11/2023G)
Commencement of the e-voting period for shareholders in the Extraordinary General Assembly of the United Cooperative Assurance.	Starting from 16/05/1445H (Corresponding to 30/11/2023G) until the end of the time of the Extraordinary General Assembly.
The start of the electronic voting period for shareholders in the Extraordinary General Assembly of Enaya.	Starting from 16/05/1445H (Corresponding to 30/11/2023G) until the end of the time of the Extraordinary General Assembly.
The convening of the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction (the first meeting). The quorum for the meeting shall be through the presence of a number of shareholders representing at least half of the shares having voting rights present or represented at the meeting.	21/05/1445H (Corresponding to 05/12/2023G)



Event	Timetable/ Date
The convening of the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction (the second meeting) in the event that the necessary quorum for the first meeting is not met. The quorum for the second meeting shall be through the presence of a number of shareholders representing at least one quarter of the shares having voting rights present or represented at the meeting.	One hour after the expiry of the period specified for the convening of the first meeting of the Extraordinary General Assembly in which the quorum necessary for its convening is not met.
Extraordinary General Assembly of Enaya for Merger Transaction (First Meeting). The quorum for the meeting shall be through the presence of a number of shareholders representing at least half of the shares having voting rights present or represented at the meeting.	21/05/1445H (Corresponding to 05/12/2023G)
The Extraordinary General Meeting of Enaya for the Merger transaction (Second Meeting) shall be held in the event that the necessary quorum for the first meeting is not met. The quorum for the second meeting shall be through the presence of a number of shareholders representing at least one quarter of the shares having voting rights present or represented at the meeting.	One hour after the expiry of the period specified for the convening of the first meeting of the Extraordinary General Assembly in which the quorum necessary for its convening is not met.
<b>2- Procedures in the event that the quorum for the first and second extraordinary general meetings of both companies is not met</b>	
The approval of the Capital Market Authority to call for the third meeting of the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction, or the approval of the Capital Market Authority to call for the third meeting of the Extraordinary General Assembly of Enaya for the merger transaction.	28/05/1445H (Corresponding to 12/12/2023G)
Announcing on the Tadawul website the call to the third extraordinary general meeting of the United Cooperative Assurance for the merger transaction, or announcing on the Tadawul website the invitation to the third extraordinary general meeting of the Enaya for the merger transaction.	28/05/1445H (Corresponding to 12/12/2023G)
Commencement of the e-voting period for shareholders at the third Extraordinary General Meeting of the United Cooperative Assurance, or commencement of the e-voting period for shareholders at the Third Extraordinary General Meeting of Enaya.	Starting from 15/06/1445H (Corresponding to 28/12/2023G) until the end of the time of the Extraordinary General Assembly.
The third meeting of the Extraordinary General Assembly of the United Cooperative Assurance for the merger transaction, or the third meeting of the Extraordinary General Assembly of Enaya Company for the merger transaction. The quorum for the convening of the third meeting of the Extraordinary General Assembly shall be established regardless of the number of shares represented therein.	20/06/1445H (Corresponding to 02/01/2023G)
<b>3- Completion of the Merger Transaction</b>	
Publishing the merger transaction resolution and other resolutions taken at the first or second extraordinary general meeting of the United Cooperative Assurance regarding the merger transaction on Tadawul website (or announcing that the extraordinary general meeting will not be held in the event that its quorum is not met).	22/05/1445H (Corresponding to 06/12/2023G)
Publishing the merger transaction resolution and other resolutions taken at the first meeting or the second meeting of the Extraordinary General Assembly of Enaya for the merger transaction on Tadawul website (or announcing the non-convening of the Extraordinary General Assembly in the event that its quorum is not met).	22/05/1445H (Corresponding to 06/12/2023G)
The Merger Transaction Resolution and other resolutions taken at the third Extraordinary General Meeting of the United Cooperative Assurance, or Enaya (as the case may be) shall be published on the Tadawul website.	21/06/1445H (Corresponding to 03/01/2023G)



Event	Timetable/ Date
Suspension of trading in the shares of Enaya.	<ul style="list-style-type: none"><li>– 22/05/1445H (Corresponding to 06/12/2023G) In the event of a resolution to approve the merger transaction during the first or second extraordinary general assembly meeting of United Cooperative Assurance and Enaya.</li><li>– 21/06/1445H (Corresponding to 03/01/2024G) In the event of a resolution to approve the merger transaction during the first or second extraordinary general assembly meeting of United Cooperative Assurance and Enaya.</li></ul>
Listing the new shares in Tadawul and allocate them to the shareholders of Enaya who are registered in the register of eligible Enaya shareholders on the second trading day following the date of suspension of Enaya shares.	During a period of not less than the third trading period after the publication of the resolution to approve the merger transaction during the extraordinary general meeting of the United Cooperative Assurance and the extraordinary general meeting of the Enaya and not more than the sixth trading period after the publication of the resolution to approve the merger transaction during the extraordinary general meeting of the United Cooperative Assurance and the extraordinary general meeting of the Enaya.
De-listing Enaya shares in Tadawul.	During a period of not less than the third trading period after the publication of the resolution to approve the merger transaction during the extraordinary general meeting of the United Cooperative Assurance and the extraordinary general meeting of the Enaya and not more than the sixth trading period after the publication of the resolution to approve the merger transaction during the extraordinary general meeting of the United Cooperative Assurance and the extraordinary general meeting of the Enaya.
The deadline for the distribution of the proceeds of the sale of the fractions of the shares sold.	<ul style="list-style-type: none"><li>– 22/06/1445H (Corresponding to 04/01/2024G) In the event of a resolution to approve the merger transaction during the first or second extraordinary general assembly meeting of United Cooperative Assurance and Enaya</li><li>– 20/07/1445H (Corresponding to 01/02/2024G) In the event of a resolution to approve the merger transaction during the first or second extraordinary general assembly meeting of United Cooperative Assurance and Enaya.</li></ul>

#### 4. Effectiveness of the Merger Transaction Resolution

Modifying the foreign investment license of United Cooperative Assurance.	The procedure will be initiated immediately in the event of a resolution to approve the merger transaction during the Extraordinary General Assembly Meeting of United Cooperative Assurance and Enaya.
Amending the Commercial Register of the United Cooperative Assurance, registering the data of Enaya in the Commercial Register of the United Cooperative Assurance, deleting and canceling the Commercial Register of Enaya, and announcing the effectiveness of the merger transaction resolution.	The procedure will be initiated immediately in the event of a resolution to approve the merger transaction during the Extraordinary General Assembly Meeting of United Cooperative Assurance and Enaya.

Note: The above dates are approximate and any changes to the same will be announced on Tadawul's website [www.saudiexchange.com.sa](http://www.saudiexchange.com.sa).

The documents will be available for inspection at Enaya's Head Office (address: Bin Sulaiman Building - 7th floor - Prince Sultan Street - Al Khalidiyah District/ Building No. 7521, Zip Code: 24323, Ext. 3732), on any business day in the Kingdom of Saudi Arabia (excluding weekdays and official holidays) from 9 AM until 5 PM from the date of publishing this Circular until the end of the Offer period.

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# 1. Terms and Definitions

The following terms and expressions, wherever mentioned in this Circular, shall have the meanings ascribed thereto, unless the context requires otherwise:

Term	Definition
<b>Additional information</b>	The approval of amending UCA's Articles of Association, bearing in mind that such amendments have immediate effect.
<b>Affiliate</b>	A person who controls another person or is controlled by that other person, or who is jointly being controlled with that person by a third person. In any of the above, control is direct or indirect.
<b>Alternate Offer</b>	Any of the following offers: <ol style="list-style-type: none"><li>1. An actual or potential offer from any third party, except for UCA;</li><li>2. The actual or potential sale of any of Enaya's assets that is essential in the course of Enaya's business or in the context of a transaction;</li><li>3. Any other transaction which, if executed, would have resulted in a change in the controlling shares in Enaya; or</li><li>4. Any transaction entered into by Enaya that includes an unusual proposal for the distribution of dividends to its shareholders, regardless of the proposed method of executing the offer, proposal, or transaction.</li></ol>
<b>Capital Increase</b>	The proposed increase in UCA's capital from four hundred million Saudi riyals (SAR 400,000,000) to five hundred and ninety-two million six hundred and one thousand six hundred and seventy Saudi riyals (SAR 592,601,670) by issuing nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares for the benefit of Enaya's shareholders to merge Enaya into UCA and transfer all of Enaya's assets and liabilities to UCA.
<b>Circular/ Enaya Board of Directors' Circular</b>	This Circular, which includes, among other things, the opinion of Enaya's Board of Directors regarding the Offer submitted to Enaya's shareholders for the purpose of merging Enaya into UCA and UCA's plans for Enaya's and its employees.
<b>Merger Transaction Completion Date</b>	The Merger Transaction will be completed after the expiry of the Creditors' Objection Period and after the publication of the resolution of Enaya's Extraordinary General Assembly to approve the Merger Transaction and the resolution of UCA's Extraordinary General Assembly to approve the Merger Transaction.
<b>Law</b>	The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G)
<b>Rules on the Offer of Securities and Continuing Obligations</b>	Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to Resolution No. 2017-123-3 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G), as amended by Capital Market Authority Board's Resolution No. 2023-5-8 dated 25/6/1444H (corresponding to 18/1/2023G).
<b>Listing Rules</b>	Listing Rules issued by the Saudi Stock Exchange "Tadawul" and approved by Capital Market Authority Board's Resolution No. (2017-123-3) dated 09/04/1439H (corresponding to 27/12/2017G) and amended by Resolution No. (2019-104-1) dated 01/02/1441H (corresponding to 30/09/2019G) and amended by Resolution No. (2021-22-1) dated 12/07/1442H (corresponding to 24/02/2021G) and amended by Resolution No. (2022-19-1) dated 12/07/1443H (corresponding to 13/02/2022G) and amended by Resolution No. (2022-52-1) dated 12/09/1443H (corresponding to 13/04/2022G) and amended by Resolution No. (2022-96-3) dated 10/02/1444H (corresponding to 06/09/2022G) and amended by Resolution No. (2022-108-1) dated 23/03/1444H (corresponding to 19/10/2022G).
<b>Capital Market Authority or CMA</b>	The Saudi Capital Market Authority.
<b>Merger Entity</b>	United Cooperative Assurance after completing the Merger process.
<b>Merger Entity after the Merger Transaction</b>	United Cooperative Assurance after the Merger.
<b>Companies Law</b>	The Saudi Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 27/06/1444H (corresponding to 19/01/2023G).
<b>Compensation Shares or New Shares</b>	The new shares in UCA, which will be issued to Enaya's shareholders as a result of the Merger Transaction, amounting to nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares with a nominal value of ten (SAR 10) Saudi riyals per share (These new shares do not differ from the current shares issued to UCA in any way.)



Term	Definition
<b>Control</b>	The ability to influence actions or decisions of another person directly, indirectly, individually, or collectively with a relative or an affiliate through: (A) owning 30% or more of the voting rights in a company, (B) having the right to appoint 30% or more of the administrative team members.
<b>Creditors' Objection Period</b>	The period during which Enaya's creditors are entitled to submit their objections to the Merger Transaction in accordance with the provisions of Article (227) (2) of the Companies Law, for the first fifteen (15) days of the thirty (30) days period - as a minimum - preceding the convening of the Extraordinary General Assembly to vote in favor of completing the transaction, or from the date of settling any submitted objections (if any).
<b>Effective Date of the Merger Resolution</b>	The Merger Transaction Resolution will be effective from the date of issuing UCA's amended Commercial Register in which Enaya's data is registered as a result of completing the Merger Transaction, in accordance with Article 228 of the Companies Law.
<b>Completion of Merger Transaction</b>	The Merger Transaction will be completed after the expiry of the Creditors' Objection Period and after the publication of the approval resolutions of UCA's Extraordinary General Assembly regarding the Merger Transaction and Enaya's Extraordinary General Assembly regarding the Merger Transaction.
<b>Extraordinary General Assembly on the Merger Transaction</b>	The Extraordinary General Assembly meeting of the concerned party, which is held in accordance with the provisions of the Companies Law and the provisions of the Articles of Association of the concerned party.
<b>Exchange Ratio</b>	The Exchange Ratio represents the issuance of (0.8373985652173910) shares by UCA for every share issued in Enaya.
<b>General Authority for Competition</b>	The General Authority for Competition in the Kingdom of Saudi Arabia, which was established under the Competition Law issued by Royal Decree No. (M/25) dated 04/05/1425H.
<b>GCC</b>	Gulf Cooperation Council.
<b>The kingdom/ KSA</b>	Kingdom of Saudi Arabia
<b>The deadline to close the transaction</b>	Nine (9) months from the date of signing the Merger Agreement or such later date as the parties may agree in writing.
<b>Enaya or Merged Entity</b>	Enaya is a Saudi public joint stock company, established pursuant to Cabinet Resolution No. 224 issued on 25/07/1432H (corresponding to 27/06/2011G) in accordance with Royal Decree No. M/49 issued on 27/07/1432H (corresponding to 29/06/2012G), registered in Commercial Register No. 4030223528 dated 27/03/1433H (corresponding to 19/02/2012G), issued in Jeddah. Enaya is headquartered in Jeddah and its current capital is two hundred and thirty million Saudi riyals (SAR 230,000,000), divided into twenty-three million (23,000,000) shares with a nominal value of ten (10) Saudi riyals per share, all of which are fully paid and listed on Tadawul. Enaya's shares were listed on 05/04/1433H (corresponding to 27/02/2012G). Enaya obtained an insurance business license No. (T M N/32/20128) dated 19/09/1433H (corresponding to 07/08/2012G) from the Saudi Central Bank.
<b>Enaya's Board of Directors</b>	The Board of Directors of Enaya.
<b>Enaya's AoA</b>	Enaya's articles of association.
<b>Enaya's Extraordinary General Assembly</b>	Enaya's Extraordinary General Assembly meeting held for the purposes of approving merger resolutions.
<b>Enaya's shareholders</b>	Enaya's shareholders.
<b>Enaya's shares</b>	Enaya's ordinary shares with a nominal value of ten (SAR 10) Saudi riyals per share.
<b>Merger and Acquisition Regulations</b>	The Merger and Acquisition Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 2007-50-1 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 Capital Market Authority Board's Resolution No. 2023-8-1 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.
<b>Merger Transaction</b>	The proposed Merger Transaction between Enaya and UCA in accordance with the provisions of Articles (225), (227), (228), and (229) of the Companies Law and the provisions of Article (49) (1) (a) of the Merger and Acquisition Regulations, which is the transaction that will take place by transferring all of Enaya's assets and liabilities to UCA in exchange for UCA issuing Consideration Shares for the benefit of Enaya's shareholders by increasing its paid-up capital from (SAR 400,000,000) to (SAR 592,601,670).
<b>Merger Agreement</b>	The Merger Agreement concluded between UCA and Enaya on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G), which includes the terms and conditions related to the implementation of the Merger Transaction and the parties' rights and liabilities in this regard.



Term	Definition
<b>Merger Resolutions</b>	<p>Resolutions that will be presented to the shareholders of Enaya and UCA in connection with the Merger Transaction, as follows:</p> <p>With regard to Enaya Company: Approval of the Offer submitted by UCA for the purpose of merging Enaya into UCA in accordance with the provisions of Articles (225), (227), (228), and (229) of the Companies Law, by issuing a total of (19,260,167) ordinary shares of consideration shares in UCA in exchange for all Enaya's share capital, and the termination of Enaya, in accordance with the relevant regulatory requirements and the terms and conditions of the Merger Agreement, including the following matters related to the Merger Transaction:</p> <ol style="list-style-type: none"><li>1. Approval of the provisions of the Merger Agreement concluded between UCA and Enaya on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G).</li><li>2. Authorizing Enaya's Board of Directors or any person authorized by its Board of Directors to issue any resolution or take any action that may be necessary to implement any of the abovementioned resolutions.</li></ol> <p>Regarding UCA: Approval of merging Enaya into UCA in accordance with the provisions of Articles (225), (227), (228), and (229) of the Companies Law, by issuing a total of (19,260,167) ordinary shares of consideration shares in UCA in exchange for all Enaya's share capital, and the termination of Enaya, in accordance with the relevant regulatory requirements and the terms and conditions of the Merger Agreement, including the following matters related to the Merger Transaction:</p> <ol style="list-style-type: none"><li>1. Approval of the provisions of the Merger Agreement concluded between UCA and Enaya on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G).</li><li>2. Approval of increasing UCA's capital from (SAR 400,000,000) to (SAR 592,601,670) in accordance with the regulations and terms of the Merger Agreement as of the effective date in accordance with the Companies Law and the Merger Agreement.</li><li>3. Approval of the proposed amendments to UCA's articles of association provided that these amendments will take effect when the Merger becomes effective.</li><li>4. Authorizing UCA's Board of Directors, or any person authorized by its Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the above-mentioned resolutions.</li></ol>
<b>Ministry of Commerce</b>	Ministry of Commerce in the Kingdom of Saudi Arabia.
<b>Offer</b>	The Offer submitted by UCA to Enaya's shareholders for the purpose of completing the Merger Transaction in exchange for UCA issuing Consideration Shares in their favor in accordance with the provisions of Articles (225), (227), (228), and (229) of the Companies Law and the provisions of Article (49) (1) (a) of the Merger and Acquisition Regulations
<b>Offer Document</b>	The Offer Document issued by UCA and addressed to Enaya's shareholders regarding the Merger Transaction in accordance with Article (38) of the Merger and Acquisition Regulations for the purpose of merging Enaya with UCA in exchange for transferring Enaya's assets, rights, and liabilities to UCA.
<b>Offer Period</b>	The period extending from the date of announcing UCA's firm intention to make an offer to Enaya's shareholders in connection with the Merger Transaction, until the date of issuing the resolution of Enaya's extraordinary general assembly, or until the date of termination of the Merger Agreement (whichever occurs first).
<b>Relative</b>	Husband, wife, minor children, and parents.
<b>Restricted Jurisdiction</b>	Any country in which the offering of the consideration shares or the announcement of this Circular is contrary to the laws of that country.
<b>Central Bank or SAMA</b>	Saudi Central Bank.
<b>SAR</b>	Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
<b>Wasatah Capital</b>	Al Wasatah Al Maliah Company ("Wasatah Capital"), Enaya's Independent Financial Advisor to in connection with the Merger Transaction.
<b>Subsidiary</b>	A Company controlled by another Company.
<b>Trading Suspension Period</b>	The date on which trading of Enaya's shares is suspended on Tadawul website in order to prepare a list of the names of Enaya's shareholders who are entitled to receive consideration shares. For more details, please review "Key Dates and Milestones for the Merger Transaction" in this Circular.
<b>Tadawul</b>	Tadawul Saudi Stock Exchange (Tadawul).





Term	Definition
<b>United Cooperative Assurance and Merger Entity</b>	United Cooperative Assurance is a Saudi joint stock company, established pursuant to Cabinet Resolution No. 94 dated 14/03/1428H (corresponding to 01/04/2007G) and Royal Decree M/24 dated 15/03/1428H (corresponding to 02/04/2007G). UCA is registered in Commercial Register No. 1010269076 issued in Riyadh on 10/06/1430H (corresponding to 03/06/2009G) and holds a license No. (TMN/19/200812) dated 02/01/1430H (corresponding to 29/12/2008G) to practice insurance activity from the Saudi Central Bank and a service investment license No. (11203001661-01) dated 25/01/1434H (corresponding to 09/12/2012G), from the Ministry of Investment. UCA's shares were listed on 17/06/1429H (corresponding to 21/06/2008G). UCA is headquartered in Riyadh, Kingdom of Saudi Arabia. UCA's current capital amounts to four hundred million Saudi riyals (SAR 400,000,000), divided into forty million (40,000,000) shares with a nominal value of ten (SAR 10) Saudi riyals per share, and all of these shares are fully paid and listed in Tadawul.
<b>UCA'S Board of Directors</b>	Board of Directors of United Cooperative Assurance.
<b>UCA'S Extraordinary General Assembly</b>	The Extraordinary General Assembly of the United Cooperative Assurance held for the purposes of approving Merger resolutions.
<b>UCA's Shareholders Circular</b>	The Circular issued by the United Cooperative Assurance and addressed to UCA's shareholders regarding the capital increase for the purpose of issuing consideration shares in accordance with Article (75) of the Rules on the Offer of Securities and Continuing Obligations for the purpose of merging Enaya into UCA.
<b>Firm Intention Announcement</b>	The announcement issued on 12/01/1445H (corresponding to 30/07/2023G) regarding the Merger Transaction in accordance with Article 17 (e) of the Merger and Acquisition Regulations.
<b>UCA's Shareholders</b>	Shareholders of United Cooperative Assurance.
<b>UCA's Shares</b>	Ordinary shares in United Cooperative Assurance with nominal value of SAR 10 per share.
<b>Representations</b>	The mutual representations and warranties between the parties hereto as described in or referred to in the Merger Agreement.



## 2.

## Introduction

### 2.1 Enaya's Circular

This Circular includes the legal information that shall be provided to Enaya's shareholders in accordance with the requirements of the Merger and Acquisition Regulations. This Circular also includes the opinion of Enaya's Board of Directors regarding the Merger Transaction, in addition to the independent financial advice provided thereto by Wasatah Capital.

All terms written in bold in this Circular shall have the same meanings ascribed thereto in this Circular, unless the context requires otherwise.

### 2.2 Overview of the Merger Transaction

The Merger between Enaya and UCA will take place through a transaction involving the exchange of securities. It has been agreed between Enaya and UCA that UCA will be the Merger Entity and that Enaya will be merged into UCA after the finalization of all the necessary procedures to complete the Merger Transaction.

The Merger shall take place depending on the "Exchange Ratio", whereby UCA shall issue new ordinary shares in favor of Enaya's shareholders, and all Enaya's assets and liabilities shall be transferred to UCA. The "Exchange Ratio" between UCA's shareholders and Enaya's shareholders shall be calculated based on the adjusted book value of each share of UCA and Enaya, which is the book value disclosed in the last financial statements published on or before the date of the Merger Agreement, which was amended based on the results of due diligence studies from the financial, legal, and actuarial aspects, which were prepared by the two companies.

The following are the most important historical events related to the Merger Transaction process:

- On 12/05/1444H (corresponding to 06/12/2022G), Enaya and UCA announced the signing of a non-binding memorandum of understanding to evaluate the feasibility of merging the two companies.
- On 11/11/1444H (corresponding to 31/05/2023G), Enaya and UCA signed the amended Merger Agreement on 13/01/1445H (corresponding to 31/07/2023G).
- On 12/01/1445H (corresponding to 30/07/2023G), UCA announced its desire to submit an Offer Document to Enaya's shareholders for the purpose of merging with Enaya through a securities exchange deal.
- On 07/08/1444H (corresponding to 27/02/2023G), a No Objection Certificate was obtained from the General Authority for Competition to the economic concentration resulting from the Merger Transaction.
- On 01/04/1445H (corresponding to 16/10/2023G), Enaya announced the Saudi Central Bank's approval of the Merger Transaction and the Saudi Central Bank's approval was obtained on 30/03/1445H (corresponding to 15/10/2023G).
- On 15/04/1445H (corresponding to 30/11/2023G), CMA announced its approval of the Shareholders' Circular prepared by UCA to increase its capital for the purpose of merging with Enaya by purchasing all Enaya's issued and paid-up share capital, and approving to publish UCA's Offer Document submitted to Enaya's shareholders.



### 3. Merger Transaction

The Merger Transaction shall be implemented in accordance with the provisions of Articles (225, 227, 228, and 229) of the Companies Law and Article (49) (1) (A) of the Merger and Acquisition Regulations, provided that the Merger conditions stated in the Merger Agreement and briefly mentioned in this Circular are met and that the Merger Transaction resolution became effective. All Enaya's assets and liabilities will be transferred to UCA in exchange for UCA issuing new shares to Enaya's shareholders registered in the shareholder register at the end of the second trading period after completing the Merger Transaction.

The Merger Transaction resolution will be effective after the expiry of the Creditors' Objection Period to the Merger Transaction, which will continue for (15) days from the date of announcing the Merger Transaction or settling all creditors' objections to the Merger Transaction (whichever comes later), and after the Extraordinary General Assembly has been held and the approval of Enaya's shareholders during the Extraordinary General Assembly meeting on the Merger Transaction, in addition to the approval of UCA's shareholders during the Extraordinary General Assembly meeting on the Merger Transaction, registering Enaya's data in UCA's Commercial Register and UCA issuing the updated Commercial Register. UCA shall continue to exist, while Enaya shall dissolve, and all its shares shall be canceled and its Commercial Register with the Ministry of Commerce shall be canceled pursuant to Articles 225, 227, 228, and 229 of the Companies Law.

Enaya's shareholders shall receive a total of (19,260,167) ordinary shares in UCA in exchange for all Enaya's capital shares. Such shares shall be issued by increasing UCA's fully paid capital from (SAR 400,000,000) to (SAR 592,601,670) and increasing the number of its issued shares from (40,000,000) to (59,260,167) shares. The total number of Consideration Shares shall be (19,260,167) ordinary shares with a nominal value of (SAR 10) per share, so that the total nominal value of the Consideration Shares shall be (SAR 192,601,670). Upon completing Merger Transaction, UCA's current shareholders shall own (67.50%) of the Merger Entity's capital, while Enaya's shareholders shall own (32.50%) of the Merger Entity's capital.

In the event that the calculation of the number of shares due to any of Enaya's shareholders based on the Exchange Ratio resulted in fractional shares, the resulting figure will be rounded down to the lowest whole number. For example, if one of Enaya's shareholders holds (50) shares in Enaya, then (41) Consideration Shares will be allocated to the same and not (41.8699) Consideration Shares. UCA will collect and sell the fractional shares according to the prevailing market price on behalf of Enaya's shareholders who are entitled to it, and then the proceeds resulting from selling the fractional shares will be distributed to its beneficiaries, each according to what he/ she deserves, within a maximum period of (30) days from the from the date of completing the Merger Transaction. The costs of selling fractional shares will be deducted from the total proceeds from selling the fractional shares.

The Consideration Shares will be issued fully paid and of the same class as UCA's ordinary shares, and Enaya's shareholders will enjoy in all respects the same rights without any mortgages or encumbrances. Both companies will continue to use their names and trademarks during the m Merger Transaction's implementation period.

#### 3.1 Implications of the Merger Transaction

After completing the Merger Transaction, Enaya's shareholders whose names are listed in Enaya's shareholder register by the end of the second trading day after the effective date of the Merger Transaction resolution or any other day as may be specified by CMA, Tadawul, or the Securities Depository Center Company (Edaa), shall receive the Consideration Shares according to the Share Exchange Ratio (without the need for any action on the part of Enaya's shareholders). In the event any of Enaya's shareholders has mortgaged all or some of his shares in Enaya, the mortgage registered with Tadawul shall automatically be replaced by a mortgage over the Consideration Shares obtained by that shareholder under the Merger Transaction, without any further action on his part. It is proposed that Enaya's shareholders, who have mortgaged all or part of their shares in Enaya, take any steps that may be necessary under the terms and conditions of the agreement governing such mortgage.

As of the effective date of the Merger Transaction resolution, all Enaya's assets and liabilities shall be transferred to UCA, UCA shall continue to exist. As for Enaya, it shall cease to exist as a legal entity, its Commercial Register shall be canceled, and all its shares shall be canceled pursuant to the provisions of Article 228 of the Companies Law.

#### 3.2 Method of Determining the Share Exchange Ratio

The Exchange Ratio between Enaya and UCA (which determines the number of shares that Enaya's shareholders will obtain in the Merger Entity as a result of the merger) was agreed upon after extensive commercial negotiations between both companies. During the negotiation phase of the Exchange Ratio, Enaya took independent advice from its Financial Advisor, in addition to reviewing the information from due diligence studies related to UCA's business. On 11/11/1444H (corresponding to 31/05/2023G), Wasatah Capital submitted its independent written financial advice to Enaya's Board of Directors to the effect that, as it stands on the date of providing the aforementioned advice, and based on and taking into account the factors and assumptions described in that advice, Wasatah Capital believes that the Exchange Ratio agreed upon under the Merger Agreement is fair from a financial standpoint for Enaya's shareholders. Appendix (1) of this Circular includes the full text of the independent written financial advice dated 11/11/1444H (corresponding to 31/05/2023G), which explains the assumptions made, the procedures adopted, the issues taken into account, and the limitations related to the audit that was carried out in respect of such advice.

The table below briefly shows the results of the agreed evaluation, and in particular, Wasatah Capital informed Enaya regarding the fairness of the financial terms of the Merger Transaction, including the Exchange Ratio:



<b>Exchange Ratio Agreed Upon</b>	0.8373985652173910 ordinary shares in UCA for every one share owned in Enaya
<b>Total Number of Consideration Shares</b>	(19,260,167) fully paid-up shares
<b>Total Nominal Value of the Consideration shares</b>	(SAR 192,601,670)
<b>Total Market Value of Consideration Shares</b>	The total market value of the Consideration Shares, based on the Exchange Ratio and the closing price of UCA share amounting to ([SAR 9.99]), as of 30/05/2023G, which is the last trading day preceding the date of concluding the Merger Agreement, is one hundred and ninety-two million and four hundred. Nine thousand and sixty-eight Saudi riyals (SAR 192,409,068).

### 3.3 Conditions for Completing the Merger Transaction

#### 3.3.1 Conditions

The implementation of the Merger Transaction is contingent upon the fulfillment of a number of preconditions. For more details on these terms and conditions of the Merger Agreement, please see Section (8) of this Circular.



## 4.

## Opinion of Enaya's Board of Directors Regarding the Merger Transaction

The Board members believe that the Merger Transaction is a fair and reasonable, after completing the due diligence study with the assistance of their advisors, and after taking into account the market situation on the date of publishing this Circular, and the future growth opportunities of the Merger Entity, including the expected benefits from the Merger Transaction, and the independent financial advice provided by Wasatah Capital to Enaya's Board of Directors on 11/11/1444H (corresponding to 31/05/2023G), a copy of which is attached in Appendix No. (1) of this Circular, stating that, as the situation stands on that date, and taking into account the factors and assumptions described in that advice, Wasatah Capital believes that the Exchange Ratio in the proposed Merger Transaction is fair from a financial point of view towards the Merged Entity's shareholders.

Members of Enaya's Board also believe that the Merger Transaction is in the interest of Enaya and its shareholders, and therefore Enaya's Board of Directors unanimously recommend approving the Merger resolutions indicated in the invitation form for convening Enaya's Extraordinary General Assembly meeting. Upon making this recommendation, Enaya's Board of Directors took into account the external advice they received on the legal, financial, accounting, strategic, and other matters related to the Merger Transaction.

It shall be noted that Enaya's Board members did not take into account the individual investment objectives, the financial situation, the zakat and tax situation, or the circumstances specific to each shareholder due to the different circumstances, conditions and objectives of each of them. Accordingly, Enaya's Board members stress the need for each of Enaya's shareholders to obtain independent professional advice from a licensed financial advisor regarding the Merger Transaction, and shall rely on his own review of the Merger Transaction to ensure the suitability of the Merger Transaction and the information contained in this Circular to the investment objectives and financial conditions of each shareholder.

Enaya's Board of Directors reserves the right to withdraw or amend its recommendations in accordance with Enaya's Board of Directors legal duties and obligations, and in accordance with sub-paragraph (16.2) of Paragraph (16) of the Merger Agreement. If the recommendation of Enaya's Board of Directors regarding the transaction is withdrawn or amended, a termination fee of three million five hundred thousand Saudi riyals (SAR 3,500,000) shall be paid to UCA.

The recommendation of Enaya's Board of Directors stated in the notice calling for Enaya's Extraordinary General Assembly Meeting failed to take into account future trading activities, trading levels or patterns, or prices of UCA shares after the date of this Circular.

## 5.

### Opinion of Enaya's Board of Directors Regarding UCA's Plans for Enaya and the Benefits of the Merger Transaction

#### 5.1 Overview

Given the economic situation and structure of the Saudi insurance market, it is necessary to reconsider the process of economic alliances between insurers, especially by small companies, to create creditworthy entities capable of competing, as the insurance market is currently considered controlled by a limited number of large companies. Therefore, the Merger of Enaya with UCA is an important step in order to reach a larger business volume and market share for the purpose of enhancing the competitive position of the Merger Entity and benefiting from the growth opportunities available in the market.

#### 5.2 Benefits for the shareholders of Enaya and UCA

The benefits accruing to each of the shareholders of Enaya and UCA are summarized as follows:

- Increasing the market share and increasing and diversifying the customer base: It is expected that the Merger Entity's market share will increase through a significant increase in the total written premiums compared to the total written premiums of all companies in the medical insurance sector. In addition, it is expected that the Merger Entity will have a larger and more diversified customer base as a result of merging the customer base of both companies, which in turn will lead to an improvement in the position of the Merger Entity and the results of its operational and financial operations compared to the current positions of UCA and Enaya.
- Improving the Merger Entity's ability to invest its funds: As a result of the Merger Transaction, it is expected that the ability of the Merger Entity to invest its funds will improve better as a result of the accumulation of experience regarding the investment aspect of UCA and Enaya after the Merger, and as a result of increasing the Merger Entity's financial strength.
- Reducing the ratio of operating expenses to the total written insurance premiums and the ability to provide products at competitive prices: As a result of the Merger Transaction, the Merger Entity will be able to reduce operational expenses, public and administrative expenses in proportion to the size of its new business, as a result of merging the common services of both UCA and Enaya, which will lead to a decrease in the ratio of operating expenses to the total written insurance premiums. In addition, the decrease in the Merger Entity's operating expenses will cast a shadow on UCA's ability to provide insurance products at more competitive prices in the long term.
- Improving the ability of the Merger Entity to negotiate prices with reinsurers: As a result of the Merger, which will create greater value for the Merger Entity, the ability of the Merger Entity to negotiate with reinsurers will be stronger due to the Merger Entity's large volume of business after the Merger, which will put it in a stronger position when negotiating prices with reinsurers, which in turn will lead to reducing reinsurance costs.
- Enhancing the geographical spread of the Merger Entity's business: It is expected that after the Merger, the Merger Entity will enjoy a wider geographical spread by merging the network of subsidiaries owned by UCA and Enaya Company. In addition, increasing the geographical spread of the Merger Entity will achieve the Merger Transaction's required objectives in terms of growth in gross written premiums through the subsidiaries network that has become more widespread, which in turn will increase the Merger Entity's economic strength and ability to compete in the insurance sector.
- Improving the efficiency of the Merger Entity's capital: As a result of the Merger Transaction, the Merger Entity will enjoy stronger capital and a stronger level of financial solvency, which will therefore increase its ability to bear a higher level of risk and provide better insurance services. The Merger Entity's capital after implementing the Merger Transaction resolution will amount to five hundred and ninety-two million six hundred and one thousand six hundred and seventy Saudi riyals (SAR 592,601,670), an increase of 48.15% over UCA's capital before implementing the Merger Transaction resolution of four hundred million Saudi riyals (SAR 400,000,000).
- Benefiting from the integration of administrative and technical expertise that may result from a business merger: It is expected that after the Merger Transaction, the Merger Entity will benefit from the cumulative expertise with regard to the administrative and technical aspects, technical structure, and risk management owned by both companies.

#### 5.3 Opinion of Enaya's Board of Directors regarding UCA's plans for Enaya

All Enaya's Board members believe, after exercising due diligence, that the Merger Transaction is in the best interest of Enaya and its shareholders and that it will contribute to strengthening the Merger Entity's position in the Saudi insurance market, improving its financial position and achieving its strategy of increasing business volume, reducing expenses, and increasing business. Accordingly, Enaya's Board of Directors recommends to shareholders to vote in favor of the Merger Transaction during Enaya's Extraordinary General Assembly meeting.

Enaya's Board of Directors welcomes UCA's assertion that it does not expect that the Merger Transaction, if completed, will result in mandatory layoffs of employees, and that the Merger Entity will set new standards for training employees, developing their skills, and working to provide distinguished job opportunities in a larger facility, according to the business merger process.



## 6. Shares of Ownership and Transactions

The following table shows the direct and indirect shareholding of Enaya's Board in Enaya:

**Table 6-1: Ownership of Enaya's Board Members in Enaya**

Board of Directors	Direct ownership		Indirect ownership	
	%	Number of Shares	%	Number of Shares
Amr Muhammad Khashoggi (Board Chairman, Independent)	-	-	-	-
Faisal Farouk Mohammed Tamer (Vice Chairman, Non-Executive Member)	0.00035652%	83	-	-
Hamad Abdulla Al-Ali (Non-Executive Member)	-	-	-	-
Abdullah Mohsen Al-Nimri (Independent Member)	-	-	-	-
Khalid Abid Gama (Independent Member)	-	-	-	-
Al Dana Khaled Al Juffali (Non-Executive Member)	-	-	-	-
Al Dana Khaled Al Juffali (Non-Executive Member)*	%0.6666565	153,331	0.0316174%	7,272

Source: Tadawul

\* Member/ Al Dana Khaled Al Juffali's indirect ownership as a result of its 1% ownership in Khaled Juffali Holding Co., which in return owns 3.1619% of Enaya's shares.

Enaya's Board of Directors confirms that:

- Enaya does not own or control, currently or at any time during the twelve months preceding the date of publishing this Circular, any shares in UCA.
- All of its members did not deal in the shares of Enaya or UCA during the twelve months preceding the date of publishing this Circular, except for the ownership of Board shown in the above table.
- All Enaya's Board members will vote to approve these resolutions in proportion to the number of their shares.
- There are no ownership interests in Enaya and UCA owned or controlled by: (i) a subsidiary of Enaya; (2) a pension fund affiliated to Enaya or one of its subsidiaries; (3) an Enaya advisor; or (iv) any person acting in agreement with Enaya.
- There are no ownership interests in Enaya and UCA owned or controlled by a person who has entered into an agreement to any compensation or option arrangement, or any arrangement, agreement, or understanding, whether formal or informal, of whatever nature, which may be an inducement to any person to keep, deal, or refrain from dealing in Enaya securities.
- Enaya has not purchased or redeemed any of its shares during the twelve months preceding the publication of this Circular.
- There are no ownership interests in Enaya and UCA that is managed at the discretion of an investment fund manager that is in control, controlling, or under the same control with Enaya or any person acting in concert therewith; or with any "relevant advisor" of Enaya or any person acting in concert therewith. "Relevant Advisor" means Wasatah Capital, any of Enaya's advisors regarding the Merger Transaction, any advisors providing advice to a person acting in concert with Enaya regarding the Merger Transaction or to a person authorized by CMA to engage in securities activity for the benefit of Enaya or regarding the matter for which the person is considered a party to the act in agreement with Enaya.



## 7.

### Material Contracts

During the two years preceding the start of the Offer Period, with the exception of the Merger Agreement signed with UCA, Enaya did not enter into any material contracts (other than the Merger Agreement), outside the ordinary course of business, amounting to 10% or more of Enaya's annual revenue, according to its financial statements for the financial year ended on 31 December 2022G.





## 8.

## Material Terms, Conditions, Conditions Precedent, or Representations Contained in the Documents or Representations of the Merger Agreement

UCA and Enaya entered into a Merger Agreement on 11/11/1444H corresponding to 31/05/2023G, (referred to hereafter as “Merger Agreement” or “Agreement”), which included special conditions for the implementation of the Merger Transaction in accordance with the steps, procedures, and exchange ratio specified in this Circular, in addition to certain warranties and representations by the Management of the Two Companies. Therefore, the Merger Transaction shall be subject to 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.

### 8.1 Agreement to complete the Merger Transaction

In accordance with Clause 2 of the Merger Agreement, both UCA and Enaya Company agreed to merge in accordance with the Companies Law, the Mergers and Acquisitions Regulations, and other applicable laws and regulations in accordance with the provisions of the Merger Agreement, subject to the conditions set out Section No. 8-2 (“Conditions Precedent”), In addition to the following:

1. Enaya Company shall be merged and incorporated into UCA and all its rights, liabilities, assets and obligations shall be transferred to UCA in accordance with the Companies Law as of the effective date of the Merger Transaction decision;
2. On the effective date or as soon as possible after the completion of the Merger Transaction, the shareholders of Enaya Company whose names are listed in the shareholder register of Enaya Company by the end of the second trading day after the effective date of the Merger decision or any other day that the Authority or the Securities Depository Center may specify, shall receive the compensation shares according to the share exchange rate;
3. On the effective date of the Merger Agreement, Enaya Company will expire as a legal entity;
4. The “Exchange Ratio” shall be as follows: 0.8373985652173910 shares in the UCA in exchange for each share owned in Enaya Company.
5. In the event that the process of calculating the number of shares owed to any of Enaya’s shareholders based on the exchange ratio results in fractional shares, the resulting number shall be rounded to the lowest whole number.
6. Subject to the applicable rules and regulations, UCA shall collect the fractional shares and sell the relevant UCA shares on behalf of all Enaya Company shareholders who are entitled to obtain the partial shares of UCA in the market for cash, and after that, UCA shall distribute the net cash proceeds to Enaya shareholders in proportion to their partial entitlements.
7. Both UCA and Enaya Company shall cooperate to announce the signing of the Merger Agreement on Tadawul immediately after its signing (or as soon as practicable thereafter).
8. The parties agreed that upon completion of the Merger Transaction, 67.50% of the capital of UCA shall be allocated to the shareholders of UCA, and the remaining 32.50% of the capital of UCA shall be allocated to the shareholders of Enaya.

### 8.2 Conditions Precedent

In accordance with Clause (3) of the Merger Agreement, both UCA and Enaya shall make reasonable efforts (to the extent of their respective capabilities) to ensure that the following conditions are met as soon as practicable, and each party shall coordinate with the other party as required in this regard, to achieve the following:

1. Obtaining the non-objection of the General Authority for Competition on the economic concentration resulting from the Merger, or a conditional non-objection regarding the Merger (but on terms acceptable to UCA and Enaya) or the expiry of the applicable legal review period, in accordance with the Competition Law.
2. Obtaining approval from the Saudi Central Bank on the Merger Transaction and capital increase of UCA.
3. Obtaining Tadawul’s approval of the request to list the new shares of UCA in CMA in accordance with the Listing Rules.
4. Obtaining CMA’s approval to list the shares issued to increase UCA’s capital and the approval of the publication of the offer document.
5. Obtaining The Capital Market Authority’s approval of the request to register the capital increase shares of UCA and approval of publishing the offer document.
6. Obtaining the approval of the Ministry of Commerce or the Authority (as applicable) on the proposed amendments to the Articles of Association of UCA, as stipulated in the decisions of the Extraordinary General Assembly of UCA.
7. Obtaining the approval of The Extraordinary General Assembly of UCA by a majority of not less than three-quarters of the voting shares represented at the meeting on the terms of the Merger Transaction and other relevant decisions, namely the approval of increasing the capital of UCA in accordance with the terms and conditions of the Merger Agreement. Approval of the proposed amendments to the Articles of Association of UCA regarding the Merger Transaction, and approval of authorizing the Board of Directors of UCA or any person authorized by the Board of Directors of UCA to issue any decision

or take any action that may be necessary to implement any of the aforementioned decisions related to the Merger Transaction.

8. The approval of the Extraordinary General Assembly of Enaya, by a majority of not less than three-quarters of the voting shares represented at the meeting, on the Merger Transaction and other relevant decisions, which is voting on the offer submitted by UCA, in accordance with the terms and conditions of the Merger Transaction, and the authorization of the Board of Directors of Enaya, or any person authorized by the Board of Directors of Enaya, to issue any decision or take any action that may be necessary to implement any of the decisions related to the Merger Transaction.
9. No judicial order, judgment, decree, or other action issued by any governmental body with jurisdiction in the Kingdom of Saudi Arabia shall be effective, nor may prohibit, or render illegal the completion of the Merger Transaction in accordance with the terms of the Merger Agreement.

Enaya undertakes that its Board of Directors shall issue a letter addressed to UCA to confirm whether (1) any of Enaya Company's employees, senior executives, or consultants are entitled to a reward, commission, compensation, or any other remuneration in connection with the Merger, along with providing details of these entitlements in full; (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 Enaya's accounts, as stated in the financial statements, to the extent that such payments have been made or will be made but are not accounted for in the financial statements, this amount will be reduced from Enaya's final valuation.

UCA also undertakes that its Board of Directors shall issue a letter addressed to Enaya to confirm whether (1) any of UCA's employees, senior executives, or consultants are entitled to a reward, commission, compensation, or any other remuneration in connection with the Merger, along with providing details of these entitlements in full; (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 UCA's accounts, as stated in the financial statements, to the extent that such payments have been made or will be made but are not accounted for in the financial statements, this amount will be reduced from UCA's final valuation.

UCA undertakes to notify Enaya, in accordance with the applicable law, immediately upon becoming aware of (1) the fulfillment of any of the above-mentioned conditions; or (2) delay in fulfilling any condition, act, omission, or event, or any other cause of whatever nature, which may lead to delaying the fulfillment of the above-mentioned conditions or not fulfilling them at all.

Enaya undertakes to notify UCA, in accordance with the applicable law, immediately upon becoming aware of (1) the fulfillment of any of the conditions mentioned above; or (2) delay in fulfilling any condition, act, omission, or event, or any other cause of whatever nature, which may lead to delaying the fulfillment of the above-mentioned conditions or not fulfilling them at all.

The above-mentioned conditions and undertakings may not be waived or amended except with the written approval of Enaya and UCA.

### 8.3 Shareholder documents

In accordance with Clause 5 of the Merger Agreement, both UCA and Enaya shall take all necessary procedures within their powers to ensure that the Circular of the Board of Directors of Enaya (in the case of Enaya), the offer document, and the Circular to the shareholders of UCA (in the case of UCA) have been:

- a. Completed and approved by the Authority (where applicable);
- b. Published in accordance with the Authority's requirements;

In each case, as soon as reasonably practicable after the date of the announcements, provided that UCA issues a firm intention announcement in accordance with the Merger Agreement.

Both UCA and Enaya undertake to promptly provide all information respective to each other, as reasonably required, for inclusion in the Circular of the Board of Directors of Enaya or in the UCA Shareholders' Circular, and the offer document as applicable, and to provide any assistance to each other regarding the completion of the Circular of the Board of Directors of Enaya or UCA shareholders' Circular and the offer document, including ensuring access to relevant professional advisors and ensuring that the required assistance is provided.

If a supplementary instrument of the Merger is required to be published by either 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 that information is required under the applicable law, it shall always be deemed (respectively) "reasonably required", "necessary" or "reasonably desirable".

### 8.4 Extraordinary General Assembly of UCA and Enaya

In accordance with Clause (6) of the Merger Agreement, Enaya undertakes to UCA the following:

- a. Immediately after the CMA's approval of the Extraordinary General Assembly of Enaya, Enaya shall publish the notice of the Extraordinary General Assembly of Enaya in accordance with its Articles of Association, the Companies Law, and the CMA regulations so that the Extraordinary General Assembly of Enaya shall held on a date not later than twenty-one (21) days after The date of publishing the transactions documents (or any later date that may be agreed upon between UCA and Enaya). If the quorum is not present for the first invitation to the Extraordinary General Assembly of Enaya, Enaya shall ensure



that the meeting is adjourned for one hour. If a quorum is not present for the second invitation to the Extraordinary General Assembly of Enaya and subject to obtaining the approval of the Capital Market Authority, Enaya shall ensure that the notice of the Extraordinary General Assembly of Enaya Company for the third invitation to the Extraordinary General Assembly of Enaya is published within five business days after the originally proposed date. for the Extraordinary General Assembly of Enaya Company (or on any other date on which the meeting can be held on the same day on which the third invitation to the Extraordinary General Assembly is sent to UCA or any other date that may be agreed upon between UCA and Enaya);

- b. Enaya warrants that:
  1. A statement has been included in the Circular of the Board of Directors of Enaya and Offer Document that the Directors of Enaya 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 Enaya has been included in the Circular of the Board of Directors of Enaya to the shareholders of Enaya to approve the Merger and each resolution of the Extraordinary General Assembly of Enaya 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 Enaya;
- c. In the event of approval of the Extraordinary General Assembly of Enaya, Enaya shall make the necessary arrangements to publish the special decisions of Enaya in accordance with applicable regulatory requirements as soon as practicable after the meeting of the Extraordinary General Assembly of Enaya (this publication date shall be the “Publication Date of Enaya Company”);
- d. After the publication date of Enaya, Enaya shall take all reasonable measures that may be required (if any) to prepare for the delisting of Enaya’s shares and the suspension of their trading in Tadawul on the date of completion of the Merger Transaction 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, in each case, if the Board of Directors of Enaya (acting in good faith) decides not to give its recommendation to the Shareholders of Enaya (to approve the Merger and each resolution of Enaya) (or considers that this recommendation shall be amended, withdrawn, or reserved about).

UCA undertakes to Enaya as follows:

- a. Immediately after CMA’s approval of the Extraordinary General Assembly of UCA, UCA shall publish the notice of the Extraordinary General Assembly of UCA in accordance with its Articles of Association, the Companies Law, and the Authority’s regulations so that the Extraordinary General Assembly of UCA shall held on a date not later than twenty-one (21) days after the date of publishing the transactions documents (or any later date that may be agreed upon between UCA and Enaya). If the quorum is not present for the first invitation to the Extraordinary General Assembly of UCA, UCA shall ensure that the meeting is adjourned for one hour. If a quorum is not present for the second invitation to the Extraordinary General Assembly of UCA and subject to obtaining the approval of the Capital Market Authority, UCA shall call the Extraordinary General Assembly of UCA (the third invitation) within five business days after the originally proposed date for the Extraordinary General Assembly of UCA (or any other date that may be agreed upon between UCA and Enaya);
- b. UCA warrants that:
  1. A statement has been included in the UCA Shareholders’ Circular and Offer Document that the Directors of UCA 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 UCA has been included in the UCA Shareholders’ Circular to the shareholders of UCA to approve the Merger and each resolution of the Extraordinary General Assembly of UCA 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 UCA;
- c. In the event of approval by the Extraordinary General Assembly of UCA, UCA shall make the necessary arrangements to publish the special decisions of UCA in accordance with applicable regulatory requirements as soon as practicable after the meeting of the Extraordinary General Assembly of UCA;
- d. Before completing the Merger Transaction, UCA shall take all reasonable measures required to prepare for the following:
  1. To issue new UCA shares upon the completion of the Merger Transaction or as soon as practicable after the completion of the Merger Transaction;
  2. To appoint 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 UCA (acting in good faith) decides not to give its recommendation to the Shareholders of UCA (to approve the Merger and each resolution of UCA) (or considers that this recommendation shall be amended, withdrawn, or reserved about).

## 8.5 Business Integration

In accordance with Clause (11) of the Merger Agreement, UCA and Enaya 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 UCA and Enaya. Such representatives may submit their recommendations to the parties for consideration and approval.

## 8.6 Warranties

In accordance with Clause (12) of the Merger Agreement, each party shall warrant to the other party that:

- a. It has the power and authority required to conclude the Merger Agreement, fulfill the obligations thereunder;
- b. Its obligations resulting under the Merger Agreement constitute binding undertakings thereunder; and
- c. The signing and execution of the Merger Agreement and the performance of the obligations arising therefrom shall not lead to a material violation of any provision of the constituent documents of each party.

Each party warrants and undertakes to the other party that:

- a. 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;
- b. 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);
- c. Its audited financial statements for the financial period ending on the date of the financial statements, which it disclosed to the other party, give a true, non-misleading, and accurate view of that party's results for the relevant period and its financial position at the end of the aforementioned period;
- d. It does not carry out any business or activity other than the insurance activities authorized by the Central Bank of Saudi Arabia (SAMA);
- e. The signing and execution of the Merger Agreement and the fulfillment of its obligations resulting thereunder shall 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, otherwise as disclosed to the other party;
- f. That all information provided to the other party in connection with the Merger (including during due diligence) about the party or any of its group, as at the date to which it refers, is true, accurate, and is not misleading in all material respects; and
- g. It did not conceal any material information in the context of the Merger.

Each party warrants to the other party that all information provided by each party about itself and its group to the other party after the date of the Merger Agreement (including all information reasonably required of the other party or as required by applicable law, in each case for the purposes of completing any of the Transaction documents), as on the date to which it refers, is true, accurate, and not misleading in all material respects.

## 8.7 Completion and enforcement of the Merger Transaction

Upon the completion date of the Merger Transaction as soon as practicable thereafter:

- a. Enaya shall take all necessary measures to allow the suspension of its shares trading in Tadawul, allowing Securities Depository Center (EDAA) to prepare a list of Enaya shareholders eligible to receive UCA's new shares, at the end of the second trading day following the date of such suspension or any other day as determined by the Capital Market Authority, Tadawul or EDAA;
- b. UCA shall take all measures to issue and deliver new fully paid-up shares to the shareholders of Enaya listed in the agreed-upon list according to the exchange ratio. UCA shall also undertake all necessary measures to enable acceptance of the listing of the new shares in Tadawul.

Following the publication of UCA's resolutions and Enaya's resolutions and prior to the effective date of the Merger Transaction decision, UCA 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, UCA and Enaya shall take all necessary procedures that may be required to delist Enaya's shares in Tadawul.

Whether on the Effective Date of the Merger Transaction or as soon as practicable thereafter, UCA shall ensure that an announcement of the Merger is published on Tadawul.



## 8.8 Governance

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

- a. UCA and Enaya agree that UCA's Board of Directors shall be formed after the completion of the Merger Transaction of seven (7) members.
- b. UCA and Enaya agreed that the number of nominated members to the Board of Directors of UCA by each party shall depend on the exchange ratio, taking into account Appendix 1 of the Merger Agreement and no later than twenty (20) business days prior to the publication of the Shareholders' Circular.
- c. Enaya shall nominate two (2) out of seven (7) members of the Board of Directors, from among the current members of the Board of Directors of Enaya or others. Enaya shall notify UCA of the proposed individuals nominated by Enaya to serve as members of the Board of Directors of UCA, starting from the date of completion of the Merger Transaction.
- d. UCA shall nominate five (5) out of seven (7) members of the Board of Directors, from among the current members of the Board of Directors of UCA or others, including Mr. Khaled Hussein Ali Reda in his capacity as Chairman of the Board. Before closing, UCA shall send a notice to Enaya Company informing it of the names of the proposed individuals nominated by UCA to serve as members of the Board of Directors of UCA, starting from the date of completion of the Merger Transaction.
- e. The Board of Directors of UCA appoints Mr. Mohammed bin Mohammed Saeed Basrawi as CEO of UCA as of the date of completion of the Merger Transaction.
- f. After completion of the Merger Transaction, the Board of Directors shall form an audit committee of UCA in accordance with the provisions of applicable laws, the Corporate Governance Policy of UCA, the policy of selecting and appointing members of the Board of Directors and committees of UCA, and the work regulations of the audit committee of UCA. The members of the committee shall be selected on the condition of obtaining a non-objection from the Central Bank of Saudi Arabia. Enaya shall nominate the Chairman of the Audit Committee in agreement with UCA.
- g. Upon completion of the Merger Transaction, an Executive Committee of UCA shall be formed in accordance with the provisions of applicable laws, the Corporate Governance Policy of UCA, the policy of selecting and appointing members of the Board of Directors, and committees of UCA, and the work regulations of the Executive Committee of UCA. The members of the committee shall be selected on the condition of obtaining a non-objection from the Central Bank of Saudi Arabia, and the Chairman of the Executive Committee shall be chosen from among the committee members.
- h. UCA and Enaya shall disclose the arrangements set forth in this paragraph of the Circular in the Board of Directors of Enaya (with respect to Enaya) and in UCA Shareholders' Circular and the offer document (with respect to UCA), in accordance with the requirements of the applicable law.
- i. On the date of completion of the Merger Transaction or as soon as practicable thereafter, UCA 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.

## 8.9 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 involving material consideration, expenditure, or debt exceeding (SAR 5,000,000) (or equivalent); or
- e. Make any change to its capital or its constitutive documents.

Nothing in the previous paragraph shall be construed in such a way as to restrict or prevent UCA, Enaya, 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 UCA and Enaya).

Any proposed action notified by either 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.

The Parties acknowledge and agree that a violation of the terms in this Section constitutes a Material Adverse Event, provided that such violation would have a material and adverse effect on the Merger in the reasonable assessment of the non-breaching Party.

## 8.10 Costs and Expenses

- a. 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), and all statutory costs and expenses charged by any governmental entity, Tadawul, and Securities Depository Center (Edaa) in connection with the Merger Transaction and the documents to be entered into thereunder.
- b. UCA and Enaya agreed that both parties shall 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.

## 8.11 Material Adverse Changes

If either party considers that a material adverse event occurred in relation to the other party prior to the Merger Transaction effective date, such party shall promptly serve written notice to the other party ("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. The 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) business days of receiving the Material Adverse Event Notice, the party alleging a material adverse event may apply to the Arbitration Center in the Kingdom of Saudi Arabia for the sole purpose of nominating an expert, and such nomination shall be binding on the parties.

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

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

## 8.12 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 Enaya and UCA 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 12-2(f) and 12-2(g) of the Merger Agreement, which provides that all the information presented by either party to the other in connection with the Merger (including during due diligence), of such party or its group 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. A warranty under Clause 12-3 of the Merger Agreement, which provides that all the information presented by either party to the other of such party or its group after the signing of the Merger Agreement (including all the information reasonably required by the other party or under applicable laws in all cases for the purposes of terminating the Merger Agreement) is true and accurate in all material respects and not misleading in any material respect as of the date such information is provided.
  - b. Failure to complete the Merger Transaction on or before the termination date, which date shall be after nine (9) months from the date of signing the transaction or any other date agreed upon in writing by the parties.
  - c. Precedent conditions are not fulfilled or waived, in part or in full, before the date of completion of the Transaction;
  - d. By either party in accordance with Clause 15 (2) of the Merger Agreement;
  - e. The parties agree to terminate the Merger Agreement in writing.

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, non-assignment to third parties, the entire agreement, costs and expenses, dispute resolution, and governing law shall remain in force even after the termination of the Merger Agreement.

If the Merger Agreement is terminated in accordance with its terms, neither party 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 Clauses 15 and 16 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.

### 8.13 Termination Fees

In exchange for Enaya's agreement to allocate resources and incur expenses, attorneys' fees, and other costs to achieve Enaya's interest in the Merger, UCA undertakes under the Merger Agreement to pay the termination fees amounting to SAR 3,500,000 immediately to UCA or the body designated by Enaya (no later than in any case five (5) business days upon Enaya's 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 UCA is unable to recommend a merger to the shareholders of UCA, or if the Board of Directors of UCA withdraws from the Merger Transaction, or makes a negative and material amendment to its recommendation to complete the Merger Transaction as indicated in the Shareholders' Circular of UCA, or if it recommends another offer to the Shareholders of UCA other than the offer contained in UCA Offer Document;
- b. UCA 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 Enaya has expressly agreed in writing not to render UCA obligated or required to take in accordance with the terms of the Merger Agreement); or
- c. Except by the parties' written agreement to terminate the Merger Agreement, UCA causes the cancellation or withdrawal of the offer contained in UCA Offer Document or this Circular, as the case may be; or

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

- a. The Board of Directors of Enaya is unable to recommend a merger to the shareholders of Enaya, or if the Board of Directors of Enaya withdraws from the Merger Transaction, or makes a negative and material amendment to its recommendation to complete the Merger Transaction as indicated in the Shareholders' Circular of Enaya, or if it recommends another offer to the Shareholders of Enaya other than the offer contained in UCA Offer Document;
- b. Enaya 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 UCA has expressly agreed in writing not to render Enaya obligated or required to take in accordance with the terms of the Merger Agreement); or
- c. Except by the parties' written agreement to terminate the Merger Agreement, Enaya causes the cancellation or withdrawal of the offer contained in this Circular or UCA Offer Document, as the case may be.



## 8.14 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 fails to 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 Arabic.
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' award 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.





## 9. Zakat and Tax

The Merger Transaction may have zakat and tax effects on the shareholders of Enaya, and in the event of any doubt regarding their zakat or tax conditions, we recommend that they consult immediately with an independent professional tax advisor.



## 10.

# Procedures Necessary to Complete the Merger Transaction

## 10.1 Regulatory Approvals Required for the Completion of the Merger Transaction

For the Merger Transaction to be effective, a number of regulatory procedures shall be taken and approvals shall be obtained from the regulatory authorities as follows:

1. To obtain approval or no-objection from the General Authority for Competition regarding the completion of the Merger Transaction, and the approval of the General Authority for Competition was obtained on 07/08/1444H (corresponding to 27/02/2023G);
2. To obtain approval or no-objection from the Saudi Central Bank regarding the Merger Transaction and increasing the capital of UCA, and the approval of the Saudi Central Bank was obtained on 30/03/1445H (corresponding to 15/10/2023G);
3. To obtain Tadawul's approval to list the consideration shares issued to the shareholders of Enaya in accordance with the process of increasing the capital of UCA, and the approval of the Tadawul was obtained on 01/04/1445H (corresponding to 16/10/2023G);
4. To obtain the approval of the Capital Market Authority (CMA) on the request to increase the capital of UCA and publishing the offer document and the Shareholders' Circular, and the approval of CMA was obtained on 15/04/1445H (corresponding to 30/11/2023G);
5. To obtain the approval of the Ministry of Commerce on the proposed amendments to UCA articles of associations; and
6. To obtain the approval of the Capital Market Authority to invite the extraordinary general assembly of each of Enaya and UCA.

## 10.2 Approval of Enaya Extraordinary General Assembly and Approval of UCA Extraordinary General Assembly

One of the conditions for completing the Merger Transaction is to obtain the approval of Enaya Extraordinary General Assembly of the shareholders and UCA shareholders on the Merger Transaction, as follows:

1. The approval of the required majority of Enaya shareholders on the decisions contained in the notification of the invitation to UCA Extraordinary General Assembly.
2. The approval of the required majority of Enaya shareholders on the decisions contained in the notification of the invitation to Enaya Extraordinary General Assembly.

Enaya Company shall make a request to the Capital Market Authority to invite the Extraordinary General Assembly. After obtaining the approval of the Capital Market Authority to hold the Extraordinary General Assembly, Enaya shall publish the notification of the invitation to the Extraordinary General Assembly, which shall be held at least (21) days after the date of publishing the invitation.

All shareholders registered in the Enaya Company's shareholders register (as applicable) at the end of trading on the day of the Extraordinary General Assembly meeting of the Merger Transaction are entitled to attend the Extraordinary General Assembly. The shareholder shall be able to attend and vote on the agenda (either by himself or by electronic voting or by proxy).

In accordance with the requirements of Paragraph (N) of Article (3) of the Merger and Acquisition Regulations, a shareholder who owns shares in Enaya and UCA is not entitled to vote on merger decisions except in one of the two companies only.

All Enaya shareholders have the right to vote on the resolutions submitted to its extraordinary general assembly to approve the Merger Transaction (unless they are prohibited from voting due to any conflict of interest or based on any other restrictions stipulated in the applicable laws and regulations in the Kingdom of Saudi Arabia); however, We remind the shareholders residing outside the Kingdom of Saudi Arabia that this Circular or offer document has not been deposited, notified or registered with any legal entity outside the Kingdom of Saudi Arabia. If any Enaya shareholder resides in any other country whose laws require Enaya to take steps to enable that shareholder to regularly vote on the Merger Transaction or on this Circular, then such shareholder shall abstain from voting on those decisions. If the shareholder nevertheless votes on the merger, Enaya, after consulting with UCA and the Saudi Stock Exchange, shall reserve the right not to continue with the merger process unless the relevant decisions are approved by the required majority without counting the vote of such shareholder.

In accordance with Paragraph (N) of Article (3) of the Merger and Acquisition Regulations, the shareholders who own shares in both companies may not vote except on decisions related to the Merger Transaction at the meeting of the general assembly for one of these two companies.

For clarification, if the required percentage, which is at least three-quarters of the shares represented in the meeting (excluding the shares owned by shareholders who are not entitled to vote on merger decisions), from Enaya shareholders agrees to the Merger Transaction in Enaya Extraordinary General Assembly held for the Merger and if all other conditions of the merger are fulfilled, all Enaya shareholders (including those who voted against or did not participate in the voting) shall not become owners of any shares in Enaya (as Enaya shall expire) and shall receive in return the consideration shares in the Merger Entity according to the terms and conditions of the merger, upon completion of the Merger Transaction.



### 10.3 Quorum and Minimum Required

The quorum required for Enaya Extraordinary General Assembly is completed in the presence of shareholders representing at least half of its capital, whether in person, by proxy, or through a remote voting service (electronic). If such quorum is not present in the first meeting, the invitation to a second meeting shall be sent one hour after the end of the period specified for convening the first meeting, provided that the meeting invitation shall expressly permit the same. The second meeting shall be valid if attended by shareholders representing at least a quarter of the capital. In the event that the necessary quorum is not present in the second meeting, a third meeting of the Extraordinary General Assembly shall be held after a period of no less than twenty-one (21) days from the date of publishing the notification of the invitation. The third meeting shall be valid regardless of the number of shares represented therein.

The decisions of the merger in Enaya Extraordinary General Assembly related to the Merger Transaction shall be approved by Enaya shareholders who represent no less than (75%) of Enaya share capital attending in the meeting, whether in person, by proxy, or through the remote voting service (electronic) and voters at the meeting.

### 10.4 Vote

#### Attending Enaya Extraordinary General Assembly in person or by proxy

10-4-1 The shareholder will be able to attend by himself and vote on the agenda, or delegate another person to attend the assembly and vote on the agenda on his behalf (according to the relevant procedures) whether such person is a shareholder in Enaya or otherwise (provided that such person is not an employee or Board member of Enaya). The power of attorney shall be in writing, signed by the authorized shareholder of Enaya Company, and approved by the Chamber of Commerce, a bank, or persons authorized by the Capital Market Authority, the Notary Public, or persons authorized to do notarial work. The proxy shall submit the original certified power of attorney on the day of the assembly meeting, in addition to a copy of the national identity, passport or resident ID of the attorney.

10-4-2 Enaya shareholders shall be able to vote on the agenda items of the Extraordinary General Assembly remotely (electronically) through “Tadawulati” service provided by Tadawul, provided that the shareholders have registered in the “Tadawulati” service, bearing in mind that registration and voting are in “Tadawulati” services. Available free of charge to all Enaya shareholders. It is possible to register in “Tadawulati” service in any of the following ways:

1. Through the shareholder’s electronic account for electronic trading, without the need to attend in person, by registering on “Tadawulati” website; or
2. Through brokerage firms (authorized persons) in which the shareholder owns an investment portfolio.
3. The electronic voting period for UCA shareholders on the decision to increase its capital for the purpose of merging with Enaya shall be as follows:
  - Begins on 30/11/2023G and ends 05/12/2023G
4. The electronic voting period for the Enaya shareholders on the offer related to the merger of Enaya and UCA and transfer or all Enaya’s assets, rights and obligations to UCA
  - Begins on 30/11/2023G and ends 05/12/2023G The terms and conditions related to electronic voting, which shall be taken into account before starting the electronic voting process, are as follows:
    1. The shareholder’s vote shall be counted within the quorum of the general assembly meeting held in this regard and when the relevant decisions are taken.
    2. The vote of the shareholder shall be circulated on all shares owned or to be owned by such shareholder in Enaya, whether in the investment portfolio through which the voting was made, or otherwise.
    3. Shareholder’s last vote shall override previous votes.

All measures shall be taken to ensure that all shareholders who have voted remotely own the relevant shares as on the date of the Extraordinary General Assembly meeting, and all or some of the votes related to the sold shares will be excluded during the remote voting period.

If the transaction is approved by Enaya shareholders and by UCA shareholders and after the publication of the decisions of Enaya Extraordinary General Assembly and the decisions of UCA Extraordinary General Assembly on the Merger Transaction of UCA (the date of publication of such decisions shall be the same date of completion of the Merger Transaction), the shares of Enaya shall be delisted from Tadawul. All Enaya shareholders, including those who failed to vote on the resolutions proposed to approve the transaction, or those who voted against it, shall receive new shares in UCA in accordance with the terms and conditions of this Offer.

## 10.5 Creditors Objection Period

After obtaining the statutory approvals mentioned in paragraph (10-1) of this Circular, Enaya shall announce the objection to the merger resolution at least thirty (30) days prior to the Extraordinary General Assembly of both Enaya and UCA, where the announcement shall refer to the right of any creditor of Enaya to object to the Merger Transaction by sending a registered letter to the head office of Enaya within the first fifteen (15) days of the thirty (30) days, as a minimum, prior to Enaya Extraordinary General Assembly to vote in favor of completing the Merger Transaction. In case that any of the creditors submitted their objection during the aforementioned period and Enaya fails to fulfill the debt if it is immediate, or provided sufficient guarantee to fulfill it if it is 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, Enaya shall announce on Tadawul website the results of such period, as follows:

- That no objections were received during such 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 UCA. In this case, Enaya shall, after completing the settlement of all objections received, announce the same on Tadawul website.

## 10.6 Completion of the Merger Transaction

The Merger Transaction shall be completed after the end of the creditors' objection period, and the publication of the approval decisions of UCA Extraordinary General Assembly regarding the Merger Transaction and Enaya Extraordinary General Assembly regarding the Merger Transaction. After completing the Merger Transaction, UCA shall issue new shares in Tadawul to Enaya shareholders registered in Enaya shareholders register in the second trading period after the completion of the Merger Transaction within a period of at least the third trading period after the publication of the approval of the Merger Transaction during UCA Extraordinary General Assembly and Enaya Extraordinary General Assembly and no more than the sixth trading period after the publication of the approval of the Merger Transaction during UCA Extraordinary General Assembly and Enaya Extraordinary General Assembly. These shares shall be deposited in the portfolios of Enaya shareholders, amounting to 0.8373985652173910 shares in UCA for every one share owned in Enaya. Enaya shareholders shall then own 32.50% of the capital of the Merger Entity. The new shareholders shall have the right to the dividends announced by the Merger Entity after the date of completion of the Merger Transaction. Shareholder shall be entitled to its share in profits according to the resolution of the general assembly in this regard, where such resolution shall indicate the date of entitlement and distribution date. Entitlement of profits by the shareholders registered in the shareholders register by the end of the day set for entitlement. After the completion of the Merger Transaction, the listing of Enaya shares in Tadawul shall be cancelled.

The resolution on the Merger Transaction shall be effective from the date of issuance of UCA amended commercial register in which the data of Enaya 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 Enaya shall be transferred to UCA in accordance with Article 229 of the Companies Law. After that, Enaya shall be de-registered from the commercial registration and thus Enaya will be dissolved.



## 11. Additional information

The offer document includes additional information related to the Merger Transaction, and therefore, the offer document shall be read carefully before taking any decision to vote in favor of the decisions presented at Enaya Extraordinary General Assembly for the Merger Transaction.

This reference shall not be interpreted as that the members of the Enaya Board of Directors bear, whether jointly or severally, any responsibility towards the shareholders of Enaya in relation to the information contained in the offer document, and accordingly, the members of the Board of Directors of Enaya, jointly or severally, do not provide any representations or warranties, express or implied, as to the correctness and completeness of the information contained in the offer document, except for the information provided by them.



## 12. Exemptions

Enaya's request to be exempted from the requirement that the proposed termination fees shall not be higher than 1% of the offer value as stipulated in Paragraph (b-2) of Article (36) of the Merger and Acquisition Regulations.





## 13. Documents Available for Viewing

Copies of the following documents shall be made available for inspection at Enaya's head office (Address: Bin Sulaiman Building - 7th floor - Prince Sultan Street - Al Khalidiyah District/ Ext. 3732 – Postal Code: 21481) during normal business hours on any business day from the date of publication of this Circular or offer document until the end of the period the offer:

1. Memorandum of Association or Articles of Association of Enaya and UCA;
2. The audited financial statements of Enaya and UCA for the financial years ending on 31 December 2022G, 2021G, and 2020G;
3. The Merger Agreement concluded between Enaya and UCA on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G) including termination fees;
4. Independent advice of the financial advisor to Enaya;
5. Evaluation report;
6. Letters of approval for Enaya consultants to use their names, logos and statements in this document; and
7. The letter related to the request for exemption from the requirement of Paragraph (b-2) of Article 36 related to termination fees.



## 14. Conclusion

Enaya's Board of Directors has endorsed the Merger Transaction and made its recommendation. We invite Enaya's Board member to attend the Extraordinary General Assembly meeting and recommend voting in favor of the resolution presented at the meeting, assuming that the financial position of UCA may not experience any fundamental or material deterioration after the date of publishing this Circular.

**Amr Muhammad Khashoggi**

**Chairman of the Board of Directors of Enaya Company**





## Appendix (1): Independent Advice of the Financial Advisor

wasatah capital



وساطة كابيتال

INVESTMENTS FOR LIFE  
استثمارات تيقني

### The Financial Advisor's Opinion on the Exchange Ratio

Date: 11/11/1444H

Corresponding to: 31/05/2023G

#### Saudi Enaya Cooperative Insurance Company

Jeddah, Al Khalidiyah District - Prince Sultan Street - Bin Sulaiman Building - 7th floor – 23423 KSA

#### To: Saudi Enaya's Board Members

With reference to the announcement made by Saudi Enaya Cooperative Insurance Company (hereinafter referred to as "Enaya" or "Merged Entity") of entering into a binding Merger Agreement with United Cooperative Assurance (hereinafter referred to as "UCA" or "Merger Entity") whereby securities shall be exchanged to purchase Enaya's entire share capital ("Transaction" or "Merger Transaction") by increasing UCA's capital by issuing new ordinary shares ("New Shares" or "Consideration Shares") in favor of Enaya's shareholders and pursuant to the regulations of the Saudi Capital Market Authority ("CMA") and the Companies Law and the Competition Law and the implementing regulations thereof issued by the Board of Directors of the General Authority for Competition; with reference to your request to provide Enaya with the opinion of Al Wasatah Al Maliah Company (hereinafter referred to as "Wasatah Capital" or the "Financial Advisor"), in our capacity as Enaya's Financial Advisor regarding the fairness of the Exchange Ratio ("Exchange Ratio"); and according to Article (18) of the Merger and Acquisition Regulations ("Regulations"), we would like, through this letter, to present to you our opinion on the fairness of the Exchange Ratio referred to in the Merger Agreement signed with UCA on 11/11/1444H (corresponding to 31/05/2023G) ("Merger Agreement"). By virtue of the Merger Agreement, UCA shall issue (19,260,167) nineteen million two hundred sixty thousand one hundred sixty-seven ordinary shares ("Ordinary Shares") with a total nominal value of (SAR 192,601,167) one hundred ninety-two six hundred one hundred sixty-seven Saudi Riyals for Enaya's entire share capital. This means that (0.8373985652173910) share will be issued in UCA in exchange for each (1) share owned in Enaya ("Exchange Ratio"). Accordingly, UCA's share capital shall increase from (SAR 400,000,000) four hundred million Saudi Riyals to (SAR 592,601,670) five hundred ninety-two million six hundred one thousand six hundred seventy Saudi Riyals and increasing the number of shares from (40,000,000) forty million shares to (59,260,167) fifty-nine million two hundred sixty thousand one hundred sixty-seven shares. With regard to presenting this opinion, the scope of review and main assumptions relied upon by Wasatah Capital included, but not limited to:

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استثمارات تيقني

- Viewing the audited financial statements of Enaya and UCA for the years ending 31 December 2020G, 2021G, and 2022G;
- Viewing and reviewing financial, legal and actuarial due diligence reports prepared by other independent advisors appointed by Enaya;
- Negotiations and agreement between Enaya's Board of Directors and UCA on the amendments proposed to apply to Enaya and UCA;
- Amendments proposed by the advisors appointed by UCA to Enaya's equity as of 31 December 2022G;
- Reviewing the Merger Agreement and memorandum of understanding signed between Enaya and UCA; and
- Reviewing the financial and commercial terms and conditions proposed for the Merger Transaction.

In addition, we have discussed with both the Management of the Merger Entity and the Merged Entity regarding specific aspects of the Merger Transaction, the financial position and the effects of the Merger Transaction on the financial position for the purposes of presenting this opinion. For the purposes of providing this opinion, Wasatah Capital has assumed the accuracy and correctness of all financial, statutory, regulatory, tax, accounting and other data, information and documents provided us or discussed with us. Wasatah Capital does not assume any responsibility for the accuracy or completeness of the data, information or documents provided to us, especially the data, information and documents obtained from external sources. However, Wasatah Capital does not have any reason to believe that such data, information and documents are materially inaccurate, such data, information and documents were not verified by Wasatah Capital. Accordingly, there is not any warranty or representation to the correctness or completeness of such data, information and documents. In addition, Wasatah Capital assumes that there is not any material change to the financial position.

Moreover, the assets, liabilities and operations and business results of Enaya and UCA since the last financial statements were published and made available to the public until the date of presenting this opinion.

Our opinion does not include the decision taken by Enaya on entering the transaction, or any aspects of the correctness or fairness of the legal or financial structure under the transaction. Our opinion is limited to stating the fairness of the Exchange Ratio from the financial point of view towards Enaya under the Merger Agreement, and the reviews and propositions relied upon by Wasatah Capital as of the date herein. We do not express any opinion regarding the fairness of the Merger Transaction towards creditors or any other authorized parties of Enaya or any other consideration to be paid to them or to Enaya's decision to enter into the Merger Transaction. Furthermore, we do not provide any opinion regarding the amount or nature of any compensation or consideration to the officers, directors or employees of any party to the Merger



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Transaction, or any class of such persons in relation to the Exchange Ratio or regarding the extent of fairness of any compensation paid in this way. We also do not provide in this letter any opinion about the price at which the shares of Enaya or UCA will be traded at any time in the future. As a result, there are other factors after the date of this opinion, which can affect the value of the business between Enaya and UCA (after the completion of the Merger Transaction), including, but not limited to: (1) full or partial disposal of the Merger Entity's share capital by the Merger Entity's shareholders within a short period of time after the effective date of the Merger Transaction; (2) changes in the prevailing interest rates and other factors that may generally affect the price of securities; (3) negative changes in capital markets; the occurrence of any negative changes in the financial position, business or assets or results of operations or future expectations of the Merger Entity; (5) any necessary actions or restrictions issued by government agencies or regulatory authorities; and (6) inability to complete and meet the requirements to implement all necessary agreements to complete the Merger Transaction. We do not provide any opinion about whether any other alternative transaction is more beneficial to Enaya.

We would like to confirm that we are not legal, statutory, accounting or tax experts. We have relied upon the estimated made by the Merged Entity's advisors on such matters. We have also assumed that all government, statutory, or other essential approvals or consents necessary to complete the Merger Transaction will be obtained without any negative impact on the Merger Entity or the Merged Entity or the interests resulting from the Merger Transaction. When making our decision, we relied upon the business estimated made by the Merged Entity regarding the Merger Transaction.

Wasatah Capital as a financial advisor receives professional fees from Enaya in relation to the transaction in consideration for the advisory services, including this opinion, provided by Wasatah. The financial advice provided by us and our opinion are provided to be used by Enaya's Board of Directors just to help the Board to assess the Merger Transaction and for the purposes thereof. This opinion may not at all be considered a recommendation on how any of Enaya's holders of ordinary shares shall vote regarding the transaction or any other matter. In addition, this opinion shall not be relied upon or used by others without a prior written approval of Wasatah Capital. We have given our consent to include this opinion in the Circular of Enaya's Board of Directors Enaya will publish in connection with the Merger Transaction. Based on the above, Wasatah Capital considers that the Exchange Ratio under the Agreement as of the date of this letter is fair for Enaya from a financial point of view.

Best Regards,

Wasatah Capital

Abdullah Bin Sulaiman Al-Rasheed

Chief Executive Officer



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