

Offer Document

This Offer Document is issued by United Cooperative Assurance Company (referred to as "**United Cooperative Assurance**", "**Merger Entity**" or "**Offeror**") and addressed to the shareholders of Saudi Enaya Cooperative Insurance Company (referred to as "**Enaya**" or "**Merged Entity**") regarding the offer made to the shareholders of Enaya for the purpose of merging Enaya into United Cooperative Assurance and transferring all assets and liabilities of Enaya to United Cooperative Assurance through a securities exchange offer ("**Merger Transaction**").



This Offer Document (the "**Offer Document**" or the "**Document**") contains important information relating to the Merger Transaction (as defined above). Therefore, this document shall be read in full and all sections hereof shall be carefully reviewed, in particular ("**Important Notice**") as well as the Enaya Management Circular shall be read fully and carefully before making any decision on whether or not to vote on the merger transaction. If any of Enaya's shareholders has any doubt regarding the content of this document or regarding the action it shall take, they shall seek private financial advice from an independent financial advisor licensed by the Capital Market Authority.

United Cooperative Assurance and Enaya entered into a merger agreement on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G). Whereas United Cooperative Assurance and Enaya agreed to merge Enaya into United Cooperative Assurance and transfer all assets and liabilities of Enaya to United Cooperative Assurance, so that 0.837398562173910 shares will be issued in United Cooperative Assurance for the interest of the shareholders of Enaya for each share owned by them in Enaya ("**Exchange Ratio**"), in accordance with the terms and conditions of the offer described in Section 2.6 ("**Merger Agreement and Summary of Terms and Conditions of the Merger Transaction**") of this document. The securities exchange will be carried out in accordance with the increase in the capital of United Cooperative Assurance from four hundred million (400,000,000) Saudi riyals to five hundred ninety two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi riyals, i.e. an increase of one hundred ninety two million six hundred and one thousand six hundred and seventy (192,601,670) Saudi riyals, through the issuance of nineteen million two hundred and sixty thousand six hundred and seventy (19,260,167) new ordinary shares with a nominal value of ten (10) Saudi riyals per share and their registration in favor of the shareholders of Enaya (the "**New Shares**" or "**Consideration Shares**"). The total nominal value of the new shares is one hundred ninety-two million six hundred and one thousand six hundred and seventy (192,601,670) Saudi riyals. If the merger transaction is approved by the shareholders of United Cooperative Assurance and the shareholders of Enaya, the articles of association of United Cooperative Assurance will be amended to include the new capital (shown in Annex 1 of this document). Noting that all shares in United Cooperative Assurance, including the shares to be issued in favor of the shareholders of Enaya, are of one class, and none of them gives preferential rights to the holder. It is pointed out that if the calculation of the number of shares due to any of Enaya's shareholders based on the exchange ratio results in fractions of shares, the resulting number will be rounded down to the lowest whole number. For example, if a shareholder of Enaya owns 50 shares in Enaya, he will be allocated 41 shares of the consideration shares, not 42 shares. The fractions of the shares will be collected and sold in the Saudi Stock Exchange at the market price at the time, on behalf of the shareholders of Enaya who are entitled thereto, and then the proceeds resulting from the sale will be distributed to their beneficiaries on a pro-rata basis, within a maximum period of thirty (30) days from the date of completion of the merger transaction. Costs related to the sale of fractional shares will be deducted from the total proceeds of this sale.

United Cooperative Assurance submitted a request to the Capital Market Authority (the "**CMA**") to increase its capital for the purpose of merging Enaya into United Cooperative Assurance and another request to Tadawul to list the new issued shares in favor of the shareholders of Enaya. The approval of the Authority was obtained to publish the shareholders' circular on the capital increase on 15/04/1445H (corresponding 30/10/2023G).

It shall be clarified that the proposed increase of the capital of United Cooperative Assurance for the purpose of the merger transaction is conditional upon the approval of the shareholders of United Cooperative Assurance during the Extraordinary General Assembly Meeting of United Cooperative Assurance for the increase of its capital for the purpose of merging Enaya into United Cooperative Assurance, in addition to the approval of the shareholders of Enaya during the Extraordinary General Assembly Meeting of the offer made by United Cooperative Assurance. United Cooperative Assurance will call for an extraordinary general assembly meeting to vote on the capital increase for the purpose of the merger with Enaya. In this context, Enaya will be merged into United Cooperative Assurance and all assets and liabilities of Enaya will be transferred to United Cooperative Assurance in exchange for the issuance of consideration shares, where (0.837398562173910) shares in United Cooperative Assurance will be issued in favor of the shareholders of Enaya for each share owned by them in Enaya. The call will be announced on Tadawul website.

Enaya will also invite its shareholders to attend the Extraordinary General Meeting for the purpose of voting on the offer made by United Cooperative Assurance for the Merger Transaction by offering a securities exchange in accordance with the above and based on the terms and conditions specified in Section No. (2) ("**Overview of the Merger transaction**") of this document. The call will be announced on Tadawul website.

In the event that the required majority, namely three-quarters of the shares with voting rights present or represented at the Extraordinary General Assembly Meeting, is approved by the shareholders of Enaya, whether the first, second or third, and all other conditions of the merger transaction, detailed in Section 2.6 ("**Merger Agreement and Summary of Terms and Conditions of the Merger Transaction**") of this document are met, including but not limited to (1) the non-objection of the General Authority for Competition to the economic concentration resulting from the merger transaction; (2) the approval of the Central Bank of Saudi Arabia to complete the merger transaction and increase the capital of the United Cooperative Assurance; (3) the approval by Tadawul of the request to list the new shares of the United Cooperative Assurance in favor of the shareholders of Enaya in accordance with the listing rules; and (4) the approval by the Capital Market Authority of the request to increase the capital of the United Cooperative Assurance Company by issuing new shares to the shareholders of Enaya for the purpose of completing the merger transaction and approving the publication of the Offer Document, in accordance with the Merger and Acquisition Regulations and the Rules of the Offering of Securities and Continuing Obligations issued by the Capital Market Authority. The shareholders of Enaya will become owners of 32.50% of the capital of the merger entity.

Thirty (30) days prior to the approval of the Merger Transaction by the required proportion of United Cooperative Assurance Shareholders and the required proportion of Enaya Shareholders, the commencement of Enaya Creditor Objection Period will be announced to give Enaya a period of fifteen (15) days to raise any objection from Enaya Creditors as provided under the provisions of Article 227 of the Companies Law (the "Creditor Objection Period"). The Creditor Objection Period will commence from the date of Enaya's announcement of the commencement of the Creditor Objection Period to Enaya, and Enaya Creditors will be able to submit their objection to the Merger Transaction (if any) by registered letters sent to Enaya or by any other means specified by the aforementioned Merger Transaction Declaration. The creditor objection period expires after the expiry of the fifteen (15) day

period without any objection being registered, or until the creditors waive their objection to the merger (if any), or until Enaya pays the debt, if it is current, or provides sufficient guarantee to meet it, if it is deferred, with emphasis on the ability of both United Cooperative Assurance and Enaya to pay their debts in accordance with the provisions of Article 225 of the Companies Law.

The completion of the merger transaction shall take place after the expiry of the creditor objection period and the publication of the resolution of approval of the merger transaction by the Extraordinary General Assembly of the United Cooperative Assurance and the resolution of approval of the merger transaction by the Extraordinary General Assembly of Enaya ("**Completion of the Merger Transaction**"). The United Cooperative Assurance will then list the new shares in Tadawul and allocate them to the shareholders of Enaya registered in the register of shareholders on the second trading day following the date of suspension of the shares of Enaya, during a period not less than the third trading period after the publication of the resolution of approval of the merger transaction during the Extraordinary General Assembly Meeting of the United Cooperative Assurance and the Extraordinary General Assembly Meeting of Enaya and not more than the sixth trading period after the publication of the resolution of approval of the merger transaction during the Extraordinary General Assembly Meeting of the United Cooperative Assurance and the Extraordinary General Assembly Meeting of Enaya. Those shares will be deposited in Enaya shareholders' portfolios of 0.837398562173910 shares in United Cooperative Assurance for each share owned in Enaya. The shareholders of Enaya will become the owners of 32.50% of the share capital of the merger entity. The owners of the new shares shall have the right to receive the dividends declared by the merging company after the date of completion of the merger transaction. The shareholder shall be entitled to his share in the dividends in accordance with the resolution of the General Assembly issued in this regard. The resolution shall indicate the due date and the date of distribution. The entitlement to dividends of the shareholders registered in the shareholders' registers shall be at the end of the day fixed for entitlement. After the merger is completed, Enaya's shares will be de-listed from Tadawul.

The merger transaction resolution shall be effective from the date of issuance of the amended Commercial Register of United Cooperative Assurance 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 ("**Merger Resolution Effectiveness**"). After the merger transaction resolution takes effect, all rights, obligations, assets and contracts of Enaya will be transferred to United Cooperative Assurance in accordance with Article 229 of the Companies Law. Thereafter, the commercial registration of Enaya will be cancelled, and Enaya will be dissolved.

The total value of the merger transaction was determined based on the total nominal value of the shares of the consideration, so that the total nominal value of the shares of the consideration is an amount of one hundred and ninety-two million six hundred and one thousand six hundred and seventy (192,601,670) Saudi riyals, and the total market value of the shares of the consideration based on the exchange ratio and the closing price of the United Cooperative Assurance of 9.99 Saudi riyals as of 10/11/1444H (corresponding to 30/05/2023G) (the last trading day preceding the date of conclusion of the merger agreement) is an amount of one hundred and ninety-two million four hundred and nine thousand and sixty-eight (192,409,068) Saudi riyals. The total market value of the Consideration Shares based on the Exchange ratio and on the United Cooperative Assurance's closing price of SAR (8.84) as of 17/04/1445H (corresponding to 01/11/2023G) (as on the earliest trading day prior to the publication of the document) is one hundred seventy million two hundred fifty-nine thousand eight hundred and seventy-six SAR (170,259,876). The total value of the Consideration Shares that will be reflected in the United Cooperative Assurance's financial statements will be determined at a later date based on the closing price of the United Cooperative Assurance's share on the last trading day preceding the date of completion of the merger transaction.

All shareholders of Enaya, including those who did not vote on the proposed resolutions to approve the merger transaction, or those who voted against it, will receive new shares in United Cooperative Assurance in accordance with the terms and conditions of this document. The shareholders of Enaya will also become the owners of 32.50% of the share capital of United Cooperative Assurance and will be entitled to receive the dividends declared by United Cooperative Assurance after the issuance of the consideration shares.

The Merger Transaction shall be subject to specific conditions (detailed in Section 2.6 ("**Merger Agreement and Summary of Terms and Conditions of the Merger Transaction**") of this document), including but not limited to: (1) approval of the capital increase by the shareholders of United Cooperative Assurance at the Extraordinary General Meeting and (2) acceptance of the offer by the shareholders of Enaya at the Extraordinary General Meeting of Enaya (noting that the Merger Transaction Resolution is effective from the date of issuance of the amended Commercial Register of United Cooperative Assurance 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 resolution takes effect, all rights, obligations, assets and contracts of Enaya will be transferred to United Cooperative Assurance in accordance with Article 229 of the Companies Law. Thereafter, the commercial registration of Enaya will be cancelled, and Enaya will be dissolved.

This document is issued by United Cooperative Assurance and has been prepared in accordance with the requirements of Article 38 of the Mergers and Acquisitions Regulations. In this context, United Cooperative Assurance assumes no responsibility for the correctness and accuracy of the information related to Enaya contained in this document. All information contained in this document related to Enaya is based on the information provided by Enaya as well as the information obtained from Enaya during the stage of United Cooperative Assurance - with the help of its advisors - conducting the necessary due diligence studies on Enaya. Noting that Enaya has acknowledged, in the Merger Agreement, the correctness of the information and data provided to United Cooperative Assurance - or to its advisors, including financial advisor Alinma Investment Company ("**Alinma Investment**") - in connection with the Merger Transaction or during the due diligence studies phase.

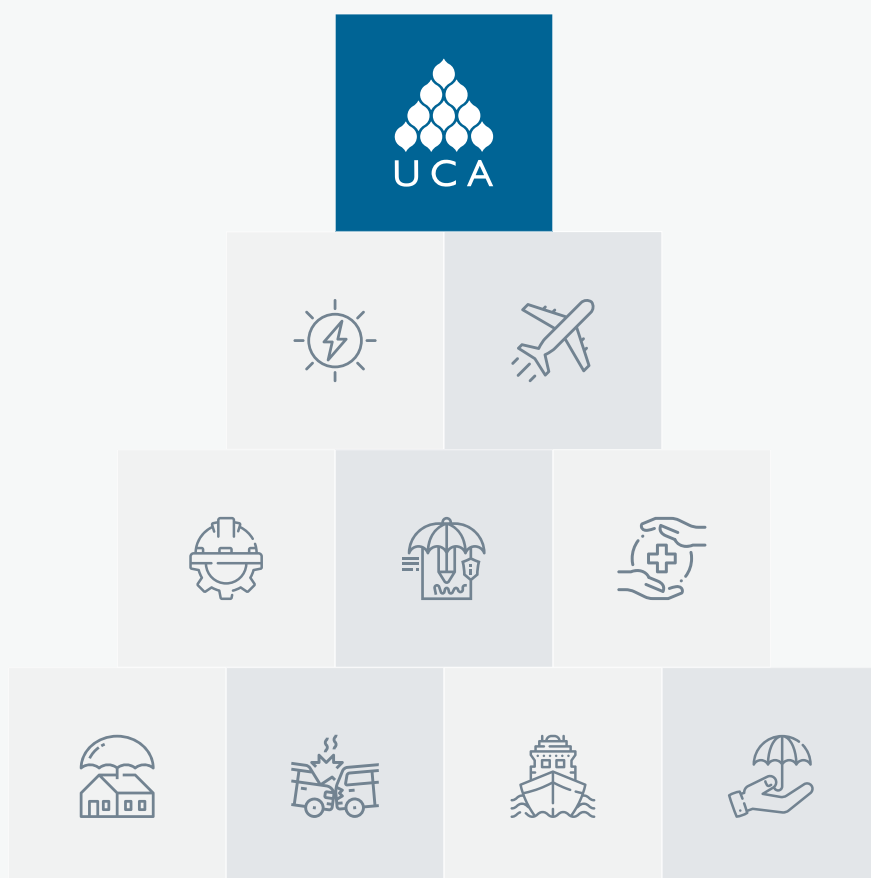
Financial Advisor

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alinma investment

The Capital Market Authority (CMA) and the Saudi Stock Exchange (Tadawul) shall not assume any responsibility for the contents of this Offer Document. They shall not make representation with respect to its accuracy or completeness, and expressly release themselves from any liability whatsoever for any loss arising out of or in reliance on any part hereof.

The offer document has been prepared in Arabic and English, and Arabic is the approved language, so in the event of a difference between the Arabic and English texts, the Arabic text shall prevail.

This document was issued on 18/04/1445H (corresponding 02/11/2023G).



Real protection and a promising future

Important Notice

This document was prepared by United Cooperative Assurance in accordance with the requirements of the Merger and Acquisition Regulations issued by the Board of the Capital Market Authority under Resolution No. 1-50-2007 dated 21/09/1428H (corresponding to 03/10/2007G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G), as amended by CMA Board Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G) and the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G); in order to provide information to the shareholders of Enaya regarding the offer of United Cooperative Assurance to merge with Enaya. In this sense, all assets and liabilities of Enaya will be transferred to United Cooperative Assurance in exchange for the issuance of Consideration shares. It will be considered that the vote of the shareholders of Enaya on the merger transaction is based on the information contained in this document and on Enaya's Board of Directors' circular regarding the merger transaction.

The data contained herein was prepared at the date of this document (unless otherwise stated), and the publication of this document shall not be construed to mean that there has been no change in the information and matters relating to United Cooperative Assurance or Enaya since that date. This document does not contain any text that can be considered a forecast, planning or estimate of the current or future financial performance of United Cooperative Assurance or Enaya. Nor shall any expressions in this document be construed to mean that profits per share in the current or future financial periods will necessarily be in line with or exceed those published in the previous financial statements of both companies.

United Cooperative Assurance has not authorized any person to provide any information or make any statements or representations to the shareholders of Enaya on its behalf in connection with the Offer and the Merger Transaction other than those described herein. In the event that any unauthorized person provides any information or provides any information related to the merger transaction, it shall not be relied upon or considered to have been authorized by United Cooperative Assurance or by its financial advisor, any other party to the merger transaction or any of their advisors.

No person shall interpret or regard the contents of this document as legal, financial or tax advice, and we recommend obtaining advice from an independent financial advisor licensed by the Capital Market Authority in the event of doubt about a matter related to this offer. The contents of the website of United Cooperative Assurance or Enaya, or the contents of any other website on which this document is published, do not form a part hereof, and neither the advisors nor United Cooperative Assurance or Enaya assumes any responsibility for the contents of these websites.

United Cooperative Assurance has appointed Alinma Investment Company ("**Alinma Investment**") as its financial advisor in relation to the Merger Transaction. Alinma Investment operates in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia, holds the necessary license from the Capital Market Authority, works for United Cooperative Assurance exclusively as an independent financial advisor thereto in the merger transaction, and does not work for any other party in connection with the merger transaction. Alinma Investment will not advise in relation to the Merger Transaction, or make any other matter or arrangement referred to in this document to any party other than United Cooperative Assurance.

The purpose of this document is to: (1) explain the background and reasons for the merger transaction, (2) provide Enaya's shareholders with details of the merger transaction, and (3) provide Enaya's shareholders with information on the offer made by United Cooperative Assurance to enable them to vote for or against proposed resolutions to approve the merger transaction at the Extraordinary General Meeting of Enaya.

Forecasts and Forward-looking Statements

This document, including the information contained herein contains "future statements" relating to United Cooperative Assurance and Enaya, and in general the words "will", "may", "shall", "continue", "believes", "expects", "intends", "awaits", or any similar phrases bearing references to the future represent forward-looking statements. Forward-looking statements involve risks and uncertainties that may result in actual results differing materially from future statements and expectations. Many of these risks and uncertainties relate to factors and conditions beyond the control of the company in question, or its ability to make accurate estimates such as future market conditions, and the behavior of other market participants. Therefore, it is not permissible to rely entirely on future statements and expectations. Neither United Cooperative Assurance nor any other party to the merger transaction, nor their advisors, assumes any responsibility for forward-looking statements and prospects and neither of the above intends to update such statements and prospects except as required by law.

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

Restrictions on Publication, Distribution, Approval and Transmission

This document is addressed to the shareholders of Enaya, and shall not be published or distributed in any jurisdiction other than the Kingdom of Saudi Arabia or any other jurisdiction where this document is considered contrary to its laws.

Notice to Enaya's Shareholders Residing Outside KSA

Although all Enaya shareholders are entitled to attend the Extraordinary General Assembly of Enaya for the merger transaction and vote on its resolutions, Enaya shareholders residing outside the Kingdom of Saudi Arabia shall take into account that this document has not been submitted or registered with any regulatory authority outside the Kingdom. Therefore, if any of Enaya's shareholders are a resident of any country whose regulations require Enaya to take specific regulatory steps so that the shareholder can vote on the resolutions of the merger transaction in a regular manner, then the concerned shareholder shall not participate in voting on the resolutions proposed in the extraordinary general assembly of Enaya regarding the merger transaction. In the event that the relevant shareholder votes on the resolutions of the merger transaction despite this, United Cooperative Assurance has the right, in agreement with Enaya, not to continue with the merger transaction unless the merger transaction has been approved by the required majority of Enaya shareholders without counting the votes of the relevant shareholder.

Presentation of the Financial Statements and Other Information

The financial statements of United Cooperative Assurance were prepared for the financial years ending on December 31, 2020G, 2021G, and 2022G in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards other standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). Except as otherwise stated in this document, all financial data contained in this document shall be in Saudi Riyals.

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

Important Dates and Key Stages of the Merger Transaction

The dates set out in the table below are the final dates, and may change as they are based on several matters, including the completion of the necessary quorum to hold the first extraordinary general assembly meeting of the United Cooperative Assurance. Section 6 (“**Legal Information**”) of this Circular sets out all the terms of the Merger Transaction. United Cooperative Assurance will announce on its website and/or on the Saudi Stock Exchange website any changes in the dates mentioned in the timetable shown below.

Table 1.1: Important Dates and Key Stages of the Merger Transaction

| Event | Timetable/ Date |
|---|---|
| 1. Procedures relating to extraordinary general assemblies and creditor objection period | |
| 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 |
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| 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. |
| 2- Procedures in the event that the quorum for the first and second extraordinary general meetings of both companies is not met | |
| 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) |
| 3- Completion of the Merger Transaction | |
| 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 |
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| Suspension of trading in the shares of Enaya. | <ul style="list-style-type: none"> 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. 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. |
| 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"> 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 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. |

4. Effectiveness of the Merger Transaction Resolution

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| 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: Any changes to these dates shall be announced on Tadawul website (www.saudiexchange.com.sa).

^{**}Copies of the documents available for inspection will be made available during the period from the date of publication of the offer document until the end of the offer period at the headquarters of United Cooperative Assurance (its headquarters in Building No. 9059, King Fahd Road, extension number 2363, Al-Murooj District, postal code 12264, Riyadh, Kingdom of Saudi Arabia), phone: +966126068622, from Sunday to Thursday from 9:00 am until 4:00 pm, with the exception of official holidays in the Kingdom.

United Cooperative Assurance Directory

United Cooperative Assurance Co.

United Cooperative Assurance Company

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Each of the independent advisors and auditors of the United Cooperative Assurance Company whose names are described above has provided their written consent to the publication of their names, addresses, logos and statements in accordance with the context contained herein, and none of them has withdrawn that consent until the date hereof.

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1. Definitions and Terminology

| Term | Definition |
|---|--|
| United Cooperative Assurance, the Merger Entity or the Offeror | United Cooperative Assurance |
| Board of Directors of United Cooperative Assurance | The Board of Directors of United Cooperative Assurance as defined in Section No. 4-10 (“ The Current Organizational Structure of United Cooperative Assurance ”) of this document. |
| Enaya or the Merged Entity | Enaya Company is a Saudi joint stock company established in Jeddah in the Kingdom of Saudi Arabia and registered on 03/27/1433H (corresponding to 02/19/2012G) under Commercial Registration No. 4030223528. Enaya Company was licensed to practice cooperative insurance business in the Kingdom of Saudi Arabia from the Central Bank of Saudi Arabia No. (TMN/32/20128) dated 19/09/1433H (corresponding to 07/08/2012G) according to the principles of cooperative insurance in accordance with Royal Decree No. M/49 issued on 07/27/1432H (corresponding to 06/29/2011G), and the Cabinet Resolution No. 224 issued on 25/07/1432H (corresponding to 27/06/2011G). |
| The Offer or the Merger Offer | The offer for the exchange of securities submitted by United Cooperative Assurance to Enaya shareholders as included in this document. |
| The two companies | United Cooperative Assurance and Enaya collectively. |
| Memorandum of Understanding | Non-binding Memorandum of Understanding concluded between United Cooperative Assurance and Enaya on 11/05/1444H (corresponding to 05/12/2022G). |
| Merger Agreement | The contract signed between United Cooperative Assurance and Enaya on 11/11/1444 AH (corresponding to 31/05/2023 AD), which includes the terms and conditions related to the completion of the merger transaction, as amended between the two parties on 13/01/1445H (corresponding to 31/07/2023G). |
| Circular or Shareholder Circular | It is the circular directed and available to the shareholders of United Cooperative Assurance regarding the merger transaction and capital increase for the purpose of merging with Enaya. |
| Shares of United Cooperative Assurance | Ordinary shares in United Cooperative Assurance have a nominal value of ten (10) Saudi riyals per share. |
| Listing or Listing of Shares | Listing securities on Tadawul. |
| Request for Capital Increase for United Cooperative Assurance | It is the request to increase the capital of United Cooperative Assurance for the purpose of merging Enaya into United Cooperative Assurance in accordance with the Securities Offering Rules, Continuing Obligations and the Mergers and Acquisitions Regulations. |
| Declaration of Confirmed Intent | It is the announcement issued on 12/01/1445H (corresponding to 30/07/2023G) regarding the merger transaction in accordance with Article 17(e) of the Mergers and Acquisitions Regulations. |
| Warranties and Undertakings | These are the mutual guarantees and undertakings between United Cooperative Assurance and Enaya in the Merger Agreement which are summarized in Section 2.6.6 (the “ Warranties ”) of this document. |
| Capital Increase | The proposed increase in the capital of United Cooperative Assurance from four hundred million (400,000,000) Saudi Riyals to five hundred ninety-two million six hundred and one thousand six hundred seventy (592,601,670) Saudi Riyals for the purpose of incorporating Enaya into United Cooperative Assurance and transferring all assets and liabilities of Enaya to United Cooperative Assurance. |
| Shares | Shares issued ordinary shares of United Cooperative Assurance or a fully paid Enaya with a nominal value of ten (10) Saudi riyals per share. |
| New Shares or Consideration Shares | Shares to be issued in United Cooperative Assurance to the shareholders of Enaya 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 (10) Saudi riyals per share. |
| Saudi Central Bank or SAMA | The Central Bank of Saudi Arabia in the Kingdom of Saudi Arabia. |

| Term | Definition |
|--|---|
| Merger Transaction | The proposed merger transaction between United Cooperative Assurance and Enaya in accordance with the provisions of Articles 225, 227, 228 and 229 of the Companies Law and the provisions of subparagraph (1) of paragraph (a) of Article 49 of the Mergers and Acquisitions Regulations, which will result in the transfer of all assets and liabilities of Enaya to United Cooperative Assurance, by increasing the capital of United Cooperative Assurance by issuing nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) new ordinary shares to the shareholders of Enaya without paying any cash consideration, in accordance with the terms agreed upon between the two companies under the Merger Agreement. |
| Business Integration Process | To merge the business of United Cooperative Assurance and Enaya (including the merger of administrative functions, organizational structure, information systems, etc.) to achieve the conduct of the business of the merger entity after the merger transaction resolution becomes effective. |
| Terms and Conditions | These are the terms of effect of the Merger Transaction Resolution as summarized in Section 2.6 (“ Merger Agreement and Summary of Terms and Conditions of the Merger Transaction ”) of this document as well as any amendments or changes that may occur to it in accordance with the requirements of the Capital Market Authority, pursuant to the laws and regulations in force, or as may be agreed between United Cooperative Assurance and Enaya pursuant to the provisions of the Merger Agreement. |
| Board of Directors or Members of Board of Directors | United Cooperative Assurance Board of Directors, unless the context requires otherwise. |
| Management | Senior management and managers at senior management levels in the United Cooperative Assurance, unless the context indicates otherwise. |
| The Extraordinary General Assembly of the United Cooperative Assurance for the Merger Transaction | <ol style="list-style-type: none"> 1. The meeting of the Extraordinary General Assembly of the United Cooperative Assurance, which will be held to vote on the merger transaction and a number of other relevant resolutions. The items of the Extraordinary General Assembly of the United Cooperative Assurance will be: 2. Vote on the provisions of the Merger Agreement. 3. Vote to increase the capital of United Cooperative Assurance from four hundred million (400,000,000) Saudi riyals to five hundred ninety-two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi riyals, in accordance with the terms and conditions of the Merger Agreement. 4. Vote on the proposed amendments to the articles of association of the company related to the merger transaction (contained in Annex No. 1 (“the reasonable amendments to the articles of association of the United Cooperative Assurance related to the merger transaction”) of this document). 5. Vote to authorize the Board of Directors of United Cooperative Assurance or any person authorized by the Board of Directors of United Cooperative Assurance to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions related to the merger transaction. |

| Term | Definition |
|---|--|
| Related Party or Parties | <p>In the Rules of the Offer of Securities and Continuing Obligation means:</p> <ol style="list-style-type: none"> 1. Affiliates of the Issuer; 2. Substantial shareholders of the issuer; 3. Directors and senior executives of the issuer; 4. Directors of the affiliates of the issuer; 5. Directors and senior executives of substantial shareholders of the issuer; 6. Any relatives of persons described at (1), (2), (3) or (5) above; 7. Any company controlled by any person described at (1), (2), (3), (5) or (6) above. <p>According to the Mergers and Acquisitions Regulations, a party is a person (whether this party is acting in agreement with the offeror (Offeror), the offeree company (Recipients of offers), or any of their subsidiaries, or not acting in agreement with them) - this person - has the right to deal, directly or indirectly, with the shares of the offeror or the company. The offeree, whether through a private sale or purchase transaction, offer, or by any person (in addition to the normal business and interests of the shareholder). This person has an interest or potential interest - whether personal, financial, or commercial - in what will result from the acquisition, merger, or any related party with both the offeror (Offeror) and the offeree company. For further clarification about the person and in a way that does not conflict with the general application of this definition, the definition of the person includes, but is not limited to, the following:</p> <ol style="list-style-type: none"> 1. Any person who has provided financial assistance (other than a bank in the ordinary course of business) to the offeror or the offeree company; 2. The board members of the offeror or the offeree company (or any of their subsidiaries); 3. A person owing 20% of offeror or the offeree (whether individually or by acting in concert with others); |
| Control | As it is meant in the merger and acquisition regulation, the ability to influence the actions or resolutions of another person, directly or indirectly (with the exception of indirect ownership through the swap agreement or through an investment fund in which the owner of his units has no right to his investment resolutions) individually or in combination with a person or persons acting with him by agreement, by owning (directly or indirectly) 30% or more of the voting rights in a company, and the term “Controlling” shall be interpreted accordingly. |
| Affiliate | A person who controls another person, is controlled by that other person, or is jointly controlled by a third person. In any of the foregoing the control is direct or indirect. |
| Relative | In the merger and acquisition regulation, it means the following: husband, wife, children, and parents. |
| Dividend Distribution | Any form of dividend distribution to the shareholder. |
| Circular of the Board of Directors of Enaya | It is the directed circular, which is available to the shareholders of Enaya in relation to the merger transaction, which contains, among other things, the opinion of the Board of Directors of Enaya on the merger transaction and the United Cooperative Assurance Plans for Enaya and its employees, in addition to other information related to ownership shares, transactions and material contracts in accordance with Article 39 of the Merger and Acquisition Regulations, which also includes the invitation to attend the Extraordinary General Meeting of Enaya and vote, in addition to any other documents related to the merger transaction as required by the context and the Merger and Acquisition Regulations. |
| Extraordinary General Assembly of Enaya for Merger Transaction | <p>The Extraordinary General Assembly Meeting of Enaya, which will be held to vote on the offer submitted by the United Cooperative Assurance and a number of other relevant resolutions, in accordance with the following:</p> <ol style="list-style-type: none"> 1. Vote on the provisions of the merger agreement concluded between Enaya and United Cooperative Assurance on 11/11/1444H (corresponding to 31/05/2023G). 2. Vote to authorize the Board of Directors of Enaya, or any person authorized by the Board of Directors of Enaya, to pass any resolution or take any action that may be necessary to implement any of the resolutions relating to the merger transaction. |
| Enaya Shares | The issued ordinary shares in Enaya Company are twenty-three million (23,000,000) shares, with a nominal value of ten (10) Saudi riyals per share. |
| Offer Document or Document | This document is prepared by United Cooperative Assurance in accordance with Article 38 of the Mergers and Acquisitions Regulations and is addressed to and made available to the shareholders of Enaya in connection with the Merger Transaction. |

| Term | Definition |
|--|--|
| Offer Period | The period from the date of the announcement of the confirmed intention of United Cooperative Assurance to submit an offer to the shareholders of Enaya until the date of the issuance of the resolution of the Extraordinary General Assembly of the merger transaction for each of the two companies or that the merger agreement is terminated in accordance with its provisions. |
| Creditor Objection Period | It is the period during which the creditors of Enaya have the right to submit their objections to the merger transaction referred to in Article 227 of the Companies Law and settle any objections submitted during it in accordance with the provisions of the Companies Law, where the creditors of Enaya have the right to object to the merger transaction within a minimum period of 15 days from the date of Enaya's announcement of the beginning of the creditor objection period. |
| Exchange Ratio | It is 0.837398562173910 shares of United Cooperative Assurance for each share of Enaya. |
| Shareholder(s) | Any person holding shares in United Cooperative Assurance or Enaya (where applicable). |
| Substantial Shareholders | Any person holding 5% or more shares in United Cooperative Assurance or Enaya (where applicable). |
| Person | Any natural or legal person. |
| Direct Ownership | Direct Ownership means the shares owned directly by the Shareholder in United Cooperative Assurance or Enaya (where applicable). |
| Indirect Ownership | Indirect Ownership means the shares owned indirectly by the Shareholder in the Company (United Cooperative Assurance or Enaya (where applicable) through their ownership in companies holding shares in United Cooperative Assurance or Enaya (where applicable). |
| Tadawul | Saudi Tadawul Company, a Saudi closed joint stock company affiliated with Tadawul Holding Group. It is the only entity authorized to practice the business of listing and trading securities in the Kingdom. |
| Tadawul Holding Group | Saudi Tadawul Group Holding Company, a Saudi listed joint stock company registered in the Commercial Register No. 1010241733 dated 02/12/1428H (corresponding to 12/12/2007G) and its headquarters is located in Riyadh, Kingdom of Saudi Arabia. Tadawul Holding Group, through its subsidiaries - licensed by the Authority - is the main provider of trading, clearing and settlement services in Saudi securities. |
| Securities Depository Center Company (Depository) | Securities Depository Center Company (Edda) is a subsidiary of Tadawul Holding Group and is the only entity in Saudi Arabia authorized to deposit securities traded in the financial market, register and transfer their ownership, and carry out settlement work. |
| Saudi Organization for Chartered and Professional Accountants (SOCPA) | Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia. |
| Authority | The Capital Market Authority in the Kingdom of Saudi Arabia. |
| General Authority for Competition | The General Authority for Competition in the Kingdom of Saudi Arabia. |
| Zakat, Tax and Customs Authority | Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. |
| VAT | It is an indirect tax imposed on all goods and services purchased and sold by enterprises with some exceptions. |
| Taxes or Zakat | Any fees, taxes, zakat dues, deductions or withholdings bearing the status of tax in any place where they are imposed or collected by or in support of any governmental, national, federal, regional, local or other governmental entity, entity or body, including (but not limited to) tax levied on gross or net income, profits or revenues (including any capital gains tax), taxes on receipts, usufruct rights, ownership, privilege, transfer of ownership, value added, personal property, social security contributions and related taxes, as well as any fines or penalties associated with any of the foregoing, in addition to any fines, surcharges, interest, encumbrances or additions to taxes due in respect of any of the above types of taxes. |
| Ministry of Commerce | Ministry of Commerce in the Kingdom of Saudi Arabia. |
| Ministry of Investment | Ministry of Investment in the Kingdom of Saudi Arabia. |
| Merger Closure | The completion of the merger transaction shall be after the end of the creditor objection period and after the publication of the resolution of the Extraordinary General Assembly of the United Cooperative Assurance on the merger transaction and the resolution of the Extraordinary General Assembly of Enaya Company on the merger transaction. |

| Term | Definition |
|---|--|
| Effectiveness of Merger Transaction Resolution | The merger transaction resolution shall take effect from the date of issuance of the amended commercial register of the United Cooperative Assurance in which the data of Enaya Company is registered as a result of the completion of the merger transaction, in accordance with Article 228 of the Companies Law. |
| Financial Statements | Audited financial statements for the financial years ended 31 December 2020, 2021 and 2022 prepared in accordance with International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances issued by the Saudi Organization for Auditors and Accountants, United Cooperative Assurance or Enaya (where applicable). |
| Financial Year | The financial year ending on December 31 of each calendar year. |
| Advisors | United Cooperative Assurance Advisors in connection with the Merger Transaction whose names appear on pages E, G and F of this document. |
| Financial Advisor | Alinma Investment Company, which was appointed by United Cooperative Assurance as a financial advisor in connection with the merger transaction. |
| Legal Advisor | Abdulaziz Al Ajlan & Partners Advocates and Legal Consultants, who has been appointed by United Cooperative Assurance as the Legal Consultant in relation to the Merger Transaction. |
| United Cooperative Assurance Independent Auditors | PricewaterhouseCoopers Chartered Accountants (PwC), Ibrahim Ahmed Al-Bassam and Partners Chartered Accountants (PKF) for the financial year ended 31 December 2020, Al-Azm, Al-Sudairy, Al-Sheikh and Partners Chartered Accountants and Auditors (Crowe) and KPMG Professional Consultants (KPMG) for the financial years ended 31 December 2021 and 31 December 2022. |
| Financial, tax, zakat and actuarial professional due diligence advisor | PricewaterhouseCoopers Chartered Accountants. |
| Proforma Financial Statements Accountant | Baker Tilly MKM & Co. Chartered Accountants. |
| Insurance Company | It is an insurance company subject to the supervision of the Saudi Central Bank and the Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 dated 02/06/1424H corresponding to (31/07/2003G) and the Executive Regulations of the Cooperative Insurance Companies Control Law issued by Ministerial Order No. 1/561 dated 01/03/1425H (corresponding to 20/04/2004G). |
| Listed | They are securities or shares that have been accepted for listing in Tadawul. |
| Business Day | Any day, except Friday and Saturday and any day that is an official holiday in the Kingdom of Saudi Arabia or any day on which banking institutions stop working in accordance with the regulations in force and other government procedures. |
| Closing Price | The last price at which the share was traded on the relevant trading day according to the mechanism specified by Tadawul. |
| Saudi Riyal or Riyal | Saudi Riyal, the official currency of the Kingdom of Saudi Arabia. |
| Companies Law | The Companies Law in the Kingdom, issued by Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), and its amendments. |
| Competition Law | The Competition Law issued by Royal Decree No. M/75 dated 29/02/1440H (corresponding to 07/11/2018G) and its amendments. |
| Articles of Association | United Cooperative Assurance Articles of Association and its amendments. |
| Capital Market Law | The Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G), and its amendments. |
| Rules for Offering Securities and Continuing Obligations | Rules of offering securities and continuous obligations issued by the Board of the Capital Market Authority under Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H (corresponding to 31/07/2003G), and amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G). |
| Listing Rules | Listing Rules approved by CMA Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), and amended by CMA Board Resolution No. 01-108-2022 dated 23/03/1444H (corresponding to 19/10/2022G). |
| Mergers and Acquisitions Regulation | Mergers and Acquisitions Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-50-2007 dated 21/09/1428H (corresponding to 03/10/2007G) and amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G). |

| Term | Definition |
|--|---|
| Corporate Governance Regulation | Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/5/1438H (corresponding to 13/2/2017G) as amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G). |
| H | Hijri Calendar. |
| G | Gregorian Calendar. |
| AM Best | AM Best is a US rating agency that specializes in credit ratings and focuses on the insurance sector worldwide. |
| “A+ +” rating | AM Best rating means the rated entity has superior ability to meet ongoing insurance obligations |
| “AAA” rating | AM Best rating means the rated entity has an excellent ability to meet its ongoing insurance obligations |
| “A+” rating | AM Best rating means the rated entity has a superior ability to meet its ongoing insurance obligations |
| “A” rating | AM Best rating means the rated entity has an excellent ability to meet ongoing insurance obligations |
| “A-” rating | AM Best rating means the rated entity has an excellent ability to meet its ongoing insurance obligations |
| “B+ +” rating | Rated by AM Best means that the rated entity’s financial strength is subject to adverse changes in underwriting and economic conditions |
| “B+” rating | Rated by AM Best means that the rated entity’s financial strength is subject to adverse changes in underwriting and economic conditions |
| “AA” rating | A credit rating by S&P means that the rated entity has a very high ability to meet its financial obligations. It shall be noted that no positive sign (+) or negative sign (-) has been added to the classification score to show the relative position within the classification categories, as not adding the signal indicates the average limit in the “AA” group (very low risk). |
| “AA-” rating | A credit rating by S&P means that the rated entity has a very high ability to meet its financial obligations. It shall be noted that a negative sign (-) has been added to the classification score to show the relative position within the classification categories, as the negative sign (-) indicates the minimum in the “AA” group (very low risk). |
| “A+” rating | A credit rating by Standard & Poor’s means that the rated entity has a high ability to meet its financial obligations, but is somewhat vulnerable to the adverse effects of changes in economic conditions. It shall be noted that a positive sign (+) has been added to the classification score to show the relative position within the classification categories, as the positive sign (+) indicates the upper limit in the “A” group (low risk). |
| “A” rating | A credit rating by S&P implies that the rated entity has a high ability to meet its financial obligations. It shall be noted that no positive sign (+) or negative sign (-) has been added to the classification score to show the relative position within the classification categories, as not adding the signal indicates the average limit in the “A” group (low risk). |
| “A-” rating | A credit rating by Standard & Poor’s means that the rated entity has a high ability to meet its financial obligations, but is somewhat vulnerable to the adverse effects of changes in economic conditions. It shall be noted that the negative sign (-) has been added to the classification score to show the relative position within the classification categories, as the negative sign (-) indicates the minimum in the “A” group (low risk). |
| “BBB” rating | A credit rating by S&P means that the rated entity has sufficient capacity to meet its financial obligations. However, they are likely to weaken in favorable or changing economic conditions. It shall be noted that no positive sign (+) or negative sign (-) has been added to the classification score to show the relative position within the classification categories, as not adding the sign indicates the average limit in the “BBB” group (average quality). |

| Term | Definition |
|--|---|
| A Material Adverse Event (as defined in the Merger Agreement) | <p>Any event, occurrence or change in circumstances which has, or may reasonably be expected to have, alone or in combination with other events, occurrences or changes, a material adverse effect on the business, assets, liabilities, financial position, profitability or future prospects of Enaya or United Cooperative Assurance (in all cases in its entirety), or on the Merger Transaction or its effectiveness including the following:</p> <p>A. For United Cooperative Assurance, the net book value of United Cooperative Assurance shall be reduced by fifteen percent (15%) or more as of the date of the financial statements (i.e. 31 December 2022), and whether such a reduction has occurred shall be determined using the valuation methodology, equations and assumptions used by Enaya in valuing United Cooperative Assurance's assets and liabilities as of the date of the Merger Agreement.</p> <p>B. For Enaya, the net book value of Enaya shall be reduced by fifteen percent (15%) or more as of the date of the financial statements (i.e. 31 December 2022), and whether such a reduction has occurred shall be determined using the valuation methodology, equations and assumptions used by United Cooperative Assurance Company in valuing the assets and liabilities of Enaya as of the date of the Merger Agreement.</p> <p>In all cases, provided that the following shall not be taken into account in determining whether a material adverse event has occurred:</p> <p>A. Any decline in the economic, political or market conditions, or the conditions of stock markets, credit markets, financial markets or other capital markets in the financial services sector globally, in the Middle East, in the Kingdom of Saudi Arabia, or in the general conditions, unless it results in negative effects that substantially exceed the damages affecting companies or other entities operating in the same sector in which Enaya or United Cooperative Assurance operates (where applicable).</p> <p>B. Any changes, events or developments resulting from the signing or delivery of the Merger Agreement, the public announcement thereof, the suspension or completion of the Merger Transaction or any of the other transactions referred to in the Merger Agreement, including the impact of changes and developments on the contractual and other relationships of Enaya or United Cooperative Assurance (where applicable) with employees, customers, suppliers and partners.</p> <p>C. Any changes, events or developments resulting from the failure of Enaya or United Cooperative Assurance (where applicable) to meet any expectations, forecasts or estimates, internal or published, related to revenues, profits or other financial or operational performance indicators for any period (noting that the facts and circumstances that led to the failure to meet any of the above may be considered negative material events, and may be taken into account in determining whether an adverse material event has occurred, exclusively if such facts and circumstances are not described in paragraph (a) or in paragraphs (d) through (h) of this definition).</p> <p>D. Any change in the market price, credit rating (of the relevant party or its securities) or trading volume of the relevant party's securities (knowing that the facts and circumstances that led to the failure to meet any of the above may be considered adverse material events, and may be taken into account in determining whether an adverse material event has occurred, exclusively if those facts and circumstances are not described in paragraphs (a) or (c), or paragraphs (e) through (h) of this definition).</p> <p>E. Any changes or proposed changes in the Applicable Laws (or in all cases in their official interpretations) occurring after the date of the Merger Agreement, except where the change to the Applicable Laws has adverse effects on Enaya or United Cooperative Assurance (where applicable) that substantially outweigh the damages to one or the other companies or entities operating in the same sector as Enaya or United Cooperative Assurance (where applicable).</p> <p>F. Geopolitical circumstances, the outbreak or escalation of hostilities, the occurrence of any acts of war, sabotage or terrorism, or the escalation or aggravation of any existing or potential acts of war, sabotage or terrorism as of the date of the Merger Agreement, except for changes, events or developments that have adverse effects on Enaya or United Cooperative Assurance (where applicable) that materially outweigh damage to one or the other companies or entities operating in the same sector as Enaya or United Cooperative Assurance (where applicable).</p> <p>G. Any floods, earthquakes or other natural disasters, unless such changes, events or developments have adverse effects that materially outweigh the damage to companies or other entities operating in the same sector as Enaya or United Cooperative Assurance (where applicable).</p> <p>Any changes, events or developments arising from any actions expressly required to be taken in connection with the Merger Transaction.</p> |

2. Overview of the Merger transaction

2.1 Introduction

On 11/05/1444H (corresponding to 05/12/2022G), United Cooperative Assurance announced the signing of a non-binding memorandum of understanding with Enaya, in order to assess the feasibility of merging the two companies, in addition to initiating verification and due diligence studies for financial, legal, actuarial, tax and zakat aspects. The signing of the non-binding MoU follows the preliminary results of studies and discussions on the proposed merger transaction. The two companies have agreed under this non-binding memorandum that the proposed merger transaction will take place through a securities exchange offer to merge Enaya into United Cooperative Assurance in exchange for United Cooperative Assurance issuing new shares to the eligible Enaya shareholders. Accordingly, the two companies formed a working group consisting of members of the executive management of each company to study and review the commercial, financial and legal aspects of the proposed structure of the merger transaction.

United Cooperative Assurance and Enaya entered into a merger agreement on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G). On 12/01/1445H (corresponding to 30/07/2023G) United Cooperative Assurance announced its firm intention to continue the merger transaction and submit an offer to the shareholders of Enaya for this purpose. The merger agreement included all the provisions and steps necessary to implement the merger transaction between the two companies in accordance with the laws and regulations issued by the Capital Market Authority, especially the Merger and Acquisition Regulation, the Rules of Securities Offering, the Continuing Obligations and the Companies Law. For further details, please see Section No. 2.6 (“**Merger Agreement and Summary of Terms and Conditions of the Merger Transaction**”) of this document. It has been agreed between the Boards of Directors of the two companies that the merger transaction shall be carried out on the basis of exchanging the shares of the two companies without any cash consideration, that is, by issuing (0.8373985652173910) shares in United Cooperative Assurance for each share owned in Enaya. Accordingly, the total number of new shares issued in United Cooperative Assurance in favor of the shareholders of Enaya will be nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) new shares of United Cooperative Assurance, which constitutes (32.50%) of the total number of shares of United Cooperative Assurance after the completion of the merger transaction. Knowing that the current capital of United Cooperative Assurance is four hundred million (400,000,000) Saudi riyals divided into forty million (40,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share. After the capital increase and the completion of the merger transaction, the capital of United Cooperative Assurance will become five hundred and ninety-two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi riyals and the number of its shares will reach fifty-nine million two hundred and sixty thousand one hundred and sixty-seven (59,260,167) ordinary shares.

2.2 Background and Reasons for the Merger Transaction

The main motives of the merger transaction revolve around the competitiveness of market shares in the insurance sector. According to the Financial Stability Report for 2022 issued by the Saudi Central Bank, five insurance companies accounted for 68.8% of the total written premiums of the insurance market in the Kingdom for the year 2021. The proposed merger transaction with Enaya is an important step to help United Cooperative Assurance to acquire a larger market share by offering a wide range of general insurance and health insurance products in addition to increasing the customer base of United Cooperative Assurance, improving the insurance services provided to customers and the ability to bear greater risks. The merger is expected to contribute to the achievement of a number of economic objectives and matters that will benefit the existing and new shareholders of United Cooperative Assurance.

The motives for the merger transaction are, but are not limited to, the following:

- **Increasing market share and increasing and diversifying the customer base:** The market share of the merger entity is expected to increase by a significant increase in the gross written premiums compared to the gross written premiums of all companies in the medical insurance sector, in addition to the fact that the merger entity is expected to 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 centers of United Cooperative Assurance and Enaya.
- **Improving the ability of the merger entity to invest its funds:** As a result of the merger transaction, the ability of the merger entity to invest its funds better is expected to improve as a result of the accumulation of experience regarding the investment aspect of the United Cooperative Assurance and Enaya after the merger, as well as the increase in the financial strength of the merger entity.
- **Reducing the ratio of operating expenses to total underwritten premiums and the ability to provide products at competitive prices:** As a result of the merger transaction, the merger entity will be able to reduce operating expenses and general and administrative banks commensurate with its new business volume, as a result of the merger of the joint services of United Cooperative Assurance and Enaya, which will lead to a decrease in the ratio of operating expenses to total underwritten premiums. In addition, the low operating expenses of the merger entity will cast a shadow over the company's ability to offer insurance products at more competitive prices in the long term.
- **Improving the ability of the merger entity to negotiate prices with the reinsurers:** As a result of the merger that will create greater value for the merger entity, the ability of the merger entity to negotiate with the reinsurers will be stronger due to the large volume of business of the merger entity after the merger, which will put it in a stronger position to negotiate prices with the reinsurers, which in turn will reduce 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 branches owned by both United Cooperative Assurance and Enaya Company. In addition, increasing the geographical spread of the merger entity will achieve the required targets of the merger transaction in terms of growth in gross written premiums across the network of branches, which has become more widespread, which in turn will increase the economic strength of the merger entity and will also increase the ability of the merger entity to compete in the insurance sector.
- **Improving the capital efficiency of the merger entity:** As a result of the merger transaction, the merger entity will enjoy stronger capital and a stronger level of solvency. Thus, the company will raise its ability to bear a higher level of risk and provide better insurance services, and it is expected that the new capital will contribute to obtaining a better rating by the rating agencies. The capital of the merger entity will be five hundred and ninety-two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi riyals, an increase of 48.15% over the current capital of United Cooperative Assurance before the merger transaction resolution of four hundred million (400,000,000) Saudi riyals is effective.
- **Benefiting from the integration of administrative and technical expertise that may result from the business combination:** It is predicted after the merger transaction that the merger entity will benefit from the cumulative experience in terms of administrative and technical aspects, technical structure and risk management owned by both companies.

Taking into account that the merger transaction is endorsed and recommended by the Boards of Directors of United Cooperative Assurance and Enaya.

2.3 An Overview of the Merger Transaction

On 11/05/1444H (corresponding to 05/12/2022G), United Cooperative Assurance announced the signing of a non-binding memorandum of understanding with Enaya, in order to assess the feasibility of merging the two companies, in addition to initiating verification and due diligence studies for financial, legal, actuarial, tax and zakat aspects. The signing of the non-binding MoU follows the preliminary results of studies and discussions on the proposed merger transaction. The two companies have agreed under this non-binding memorandum that the proposed merger transaction will take place through a securities exchange offer to merge Enaya into United Cooperative Assurance in exchange for United Cooperative Assurance issuing new shares to the eligible Enaya shareholders. Accordingly, the two companies formed a working group consisting of members of the executive management of each company to study and review the commercial, financial and legal aspects of the proposed structure of the merger transaction.

Subsequently, United Cooperative Assurance and Enaya entered into a merger agreement on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G), under which it was agreed to take the necessary steps to implement the merger transaction in accordance with the provisions of Articles 225, 227, 228 and 229 of the Companies Law and subparagraph 1 of paragraph (a) of Article 49 of the Mergers and Acquisitions Regulations. United Cooperative Assurance announced on 12/01/1445H (corresponding to 30/07/2023G) its confirmed intention to submit an offer to the shareholders of Enaya for the purpose of the merger. The Parties agreed that the sole consideration for the merger shall be the issuance by United Cooperative Assurance of new shares on the date of completion of the merger transaction (taking into account the settlement procedures) exclusively for the benefit of the eligible shareholders of Enaya in exchange for the merger of Enaya in United Cooperative Assurance, where United Cooperative Assurance will issue 0.8373985652173910 shares in United Cooperative Assurance for each share owned in Enaya.

United Cooperative Assurance will increase its capital from four hundred million (400,000,000) Saudi riyals to five hundred and ninety-two million six hundred and one thousand six hundred and seventy (592,601,670) Saudi riyals, through the issuance of nineteen million two hundred and sixty-thousand one hundred and sixty-seven (19,260,167) new ordinary shares with a nominal value of ten (10) Saudi riyals per share in favor of the shareholders of Enaya who are registered in the register of shareholders of Enaya on the second trading day following the date of suspension of shares of Enaya, at a rate of 0.8373985652173910 new shares in United Cooperative Assurance for each share owned in Enaya. Therefore, the percentage of shareholders of Enaya will reach 32.5% of the capital of United Cooperative Assurance after the completion of the merger transaction.

The total value of the merger transaction was determined based on the nominal value of the consideration shares, and the total nominal value of the consideration shares is an amount of one hundred and ninety-two million six hundred and one hundred and seventy (192,601,670) Saudi riyals. The total market value of the consideration shares based on the exchange ratio and the closing price of the United Cooperative Assurance of 9.99 Saudi riyals as of 10/11/1444H (corresponding to 30/05/2023G) (the last trading day preceding the date of conclusion of the merger agreement) is an amount of one hundred and ninety-two million four hundred and nine thousand and sixty-eight (192,409,068) Saudi riyals. The total market value of the consideration shares based on the exchange ratio and on the closing price of the United Cooperative Assurance Share of SAR (8.84) as of 17/04/1445H (corresponding to 01/11/2023G) (according to the nearest trading day before the publication of the document) is an amount of one hundred seventy million two hundred fifty-nine thousand eight hundred and seventy-six SAR (170,259,876). The total value of the consideration shares that will be reflected in the financial statements of the United Cooperative Assurance at a later date will be determined based on the closing price of the United Cooperative Assurance Share on the last trading day preceding the date of completion of the merger transaction.

On the date of completion of the merger transaction, the shareholders of United Cooperative Assurance will own 67.50% of the shares of the merger entity and the shareholders of Enaya will own 32.50% of the shares of the merger entity.

In the event that the calculation of the number of shares due to any of the shareholders of Enaya based on the exchange ratio results in fractions of shares, the resulting number will be rounded down to the lowest integer. For example, if a shareholder of an Enaya owns 50 shares in Enaya, he will be allocated 41 shares of the consideration shares, not 42 shares. The fractions of the shares will be collected and sold in the Saudi Stock Exchange at the market price at the time on behalf of the shareholders of Enaya who are entitled thereto, and then the proceeds resulting from

the sale of the fractions of the shares will be distributed to their beneficiaries, each according to what it is entitled to, within a maximum period of thirty (30) days from the date of completion of the merger transaction. Costs related to the sale of fractional shares will be deducted from the total proceeds of the sale of fractional shares. The following table shows the ownership details in United Cooperative Assurance before and after the capital increase as of the date of this document.

Table 2.1: Ownership details at United Cooperative Assurance before and after the completion of the merger transaction as of the date of this document

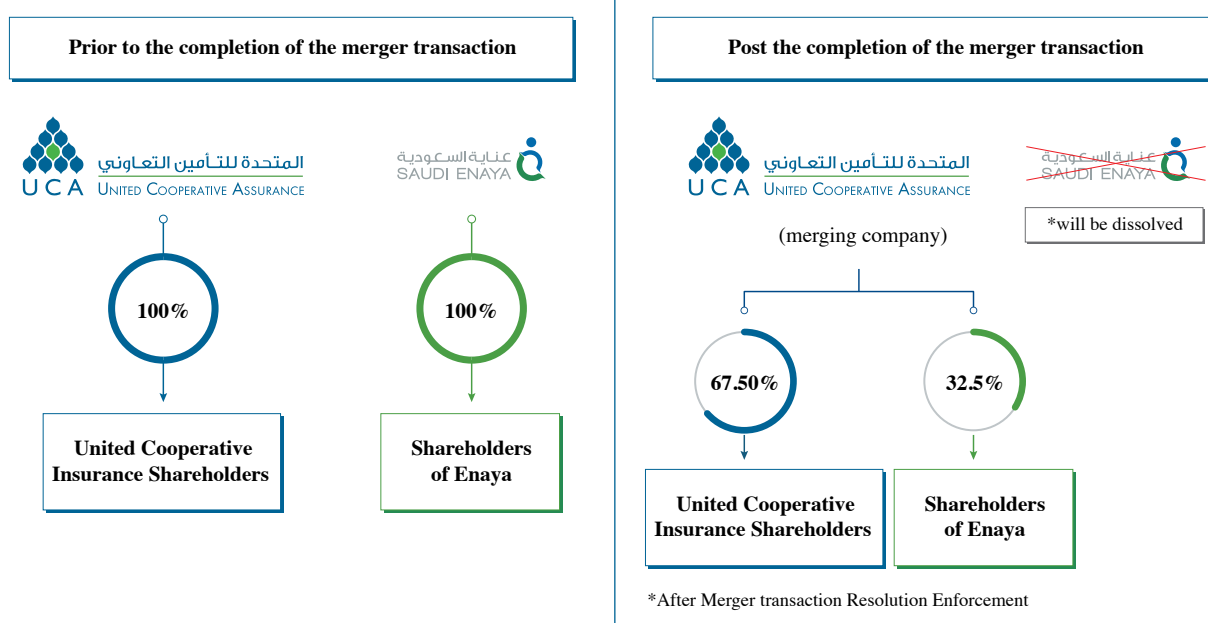
| Shareholder | Prior to the completion of the merger transaction - United Cooperative Assurance | | | | Post the completion of the merger transaction - United Cooperative Assurance | | | |
|--|--|-----------------------------|-------------------------------|--|--|-----------------------------|-------------------------------|--|
| | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) |
| Substantial Shareholders | | | | | | | | |
| United Cooperative Assurance Holdings LLC | 12,532,000 | 31.33% | None | 31.33% | 12,532,000 | 21.15% | None | 21.15% |
| Members of the Board of Directors and Senior Executives of United Cooperative Assurance | | | | | | | | |
| Khaled Hussein Ali Reda* | 270,816 | 0.68% | None | 0.68% | 270,816 | 0.46% | None | 0.46% |
| Relatives of directors** | 100,000 | 0.25% | None | 0.25% | 100,000 | 0.17% | None | 0.17% |
| The Public | 27,097,184 | 67.74% | Not Applicable | | 46,357,351 | 78.23% | Not Applicable | |
| Total | 40,000,000 | 100% | Not Applicable | | 59,260,167 | 100.00% | Not Applicable | |

Source: United Cooperative Assurance

* The direct ownership of the relatives of the BOD members results from the ownership of the wife of Mr. Khaled Hussein Alireza in United Cooperative Assurance by 0.25% before the completion of the merger transaction and by 0.17% after the completion of the merger transaction.

United Cooperative Assurance has appointed Alinma Investment Company as a financial advisor in relation to the merger transaction, and the following is a simplified model of the structure of the merger transaction:

Figure 1.1: Simplified Merger transaction Structure Model



2.4 Evaluation of United Cooperative Assurance and Enaya

It was agreed between United Cooperative Assurance and Enaya on the exchange ratio, which determines the number of shares that Enaya shareholders will receive in the merger entity upon the completion of the merger transaction, after negotiation and discussion between the two companies. During this negotiation phase, United Cooperative Assurance took the advice of its advisors in addition to reviewing the necessary due diligence data for Enaya's business.

The discussions on the exchange ratios were subject to the provisions of the Memorandum of Understanding signed between United Cooperative Assurance and Enaya on 11/05/1444H (corresponding to 05/12/2022G), so that it was agreed between the two companies that if a final resolution is reached on the merger transaction, this will be done by merging Enaya into United Cooperative Assurance through United Cooperative Assurance issuing the new shares to the shareholders of Enaya in exchange for transferring the assets and liabilities of Enaya to United Cooperative Assurance. It was also agreed between the two companies that the evaluation process will be as follows:

- The book value of the equity, after making the amendments that will be agreed upon according to the results of the necessary professional examination and any other amendments, provided that the book value of the equity is based on the declared financial statements of each of the two companies before or on the date of signing the merger agreement. Accordingly, the methodology of the book value of equity (according to the financial results for the financial year ended 31 December 2022) was used, after making the necessary adjustments. Below is an explanation of the valuation method and the calculation of the exchange ratio.

Table 2.2: Evaluation Method and Exchange Ratio Calculation

| In Saudi Riyals, except as otherwise indicated | | | |
|--|------------------------------|-------------|----------------|
| As in the announced financial statements for the financial year ended December 31, 2022 | United Cooperative Assurance | Enaya | Merger Entity |
| A. Book value of equity as of 31 December 2022 | 205,633,000 | 171,577,000 | Not Applicable |
| Adjustments to the Book Value of Equity of United Cooperative Assurance | | | |
| (+) The impact of the revaluation of United Cooperative Assurance investment compared to what was recorded in the financial statements for the year 2022 | 37,780,047 | | |
| (+) Impact of the application of IFRS 17 "Expected Credit Losses" | 23,000,000 | | Not Applicable |
| B. Total Adjustments for the Company (Represented by Due Diligence Adjustments and Inputs of United Cooperative Assurance and Enaya agreed by both parties) | 60,780,047 | | |
| Enaya's Book Value Adjustments | | | |
| (-) Fully depreciated capital expenditures for equipment and computers | | (6,885,000) | |
| (-) Additional provisions against outstanding receivables | | (6,841,000) | |
| (-) Reclassification of outstanding receivables | | (5,290,000) | |
| (-) Impact of the application of IFRS 17 | | (4,300,000) | |
| (-) Furniture CAPEX related to Enaya's new HQ | | (2,640,000) | |
| (-) Impact of the application of IFRS 9 | | (500,000) | |
| (-) Provisions against prepaid amounts to suppliers | | (473,000) | |
| (-) Refundable Deposits | | (185,000) | |
| (-) Fully depreciated vehicle CAPEX | | (140,000) | Not Applicable |
| (-) Differences resulting from Umrah program revenues | | (125,000) | |
| (-) Additional provisions against outstanding receivables resulting from the Umrah program | | (107,000) | |
| (-) Provisions for other fixed asset balances | | (66,000) | |
| (-) An additional zakat provision reflecting the possibility of additional zakat claims for the period between 2015 and 2018 | | (9,100,000) | |
| (-) Potential Tax Claims Resulting from Capital Gains of Munich Re "Former Senior Shareholder of Enaya" | | (8,290,000) | |
| (-) Possible Zakat Claims Related to Enaya Investments | | (7,230,000) | |
| (-) Possible Zakat Claims Related to Enaya's Obligations | | (1,820,000) | |

| In Saudi Riyals, except as otherwise indicated | | | |
|---|------------------------------|------------------------|--------------------|
| As in the announced financial statements for the financial year ended December 31, 2022 | United Cooperative Assurance | Enaya | Merger Entity |
| (-) VAT claims for other revenues resulting from Hajj and Umrah insurance | | (1,820,000) | |
| (-) Possible Zakat Claims Related to the Acquisition Costs of Deferred Documents | | (358,000) | |
| (-) Possible Zakat claims related to salary differences | | (249,000) | |
| (-) Differences in provisions added to the Zakat base | | (212,000) | |
| (-) Recorded revenue calculation differences between trial balance and VAT revenue declaration | | (108,000) | |
| (-) Provision for Change in Ownership of Foreign Founding Shareholders in Enaya | | (48,000) | |
| (-) Possible Zakat claims resulting from an increase in the capital of Enaya | | (47,000) | |
| (-) Net Unreported Medical Claims Incurred | | (895,000) | |
| (-) Provision for cases based on Attention Company | | (29,000) | |
| (+) Provision for Zakat and tax recognized in the financial statements as of 31 December 2022 | | 14,460,000 | |
| C. Total Amendments to Enaya (consisting of Due Diligence Amendments and inputs of United Cooperative Assurance and Enaya agreed upon by both parties) | | (43,298,000) | |
| Final evaluation after due diligence amendments and inputs of United Cooperative Assurance and Enaya agreed by both parties | (A + B) 266,413,047 | (A + C) 128,279,000 | 394,692,047 |
| Ownership in the merger entity (%) | 67.50% | 32.50% | 100.00% |
| Number of shares of United Cooperative Assurance currently issued (share) | 40,000,000 | - | Not Applicable |
| Number of shares of Enaya currently issued (share) | - | 23,000,000 | Not Applicable |
| Number of shares to be issued in favor of the shareholders of Enaya (share) | | | 19,260,167 |
| Exchange ratio for each (1) shares owned in Enaya (number of shares to be issued in favor of Enaya shareholders ÷ number of shares of Enaya currently issued) | | | 0.8373985652173910 |
| Total number of shares of the merger entity (after the completion of the merger transaction) (share) | | | 59,260,167 |

Based on the above exchange ratio, United Cooperative Assurance will increase its capital and issue nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) ordinary shares with a nominal value of ten (10) Saudi riyals per share and registered in favor of the shareholders of Enaya, with a total nominal value of one hundred and ninety-two million six hundred and one thousand six hundred and seventy (192,601,670) Saudi riyals. The total market value of the new shares, based on the exchange ratio and on the closing price of the United Cooperative Assurance Share of (9.99) Saudi Riyals as of 10/11/1444H (corresponding to 30/05/2023) (the last trading day preceding the date of the merger agreement), is one hundred and ninety-two million four hundred and nine thousand and sixty-eight (192,409,068) Saudi Riyals. The total market value of the consideration shares based on the exchange ratio and on the closing price of the United Cooperative Assurance share of SAR (8.84) as of 17/04/1445H (corresponding to 01/11/2023G) (according to the closest trading day before the publication of the document) is an amount of one hundred seventy million two hundred fifty-nine thousand eight hundred and seventy-six SAR (170,259,876). The total value of the consideration shares that will be reflected in the Company's financial statements will be determined at a later date based on the closing price of the United Cooperative Assurance Share on the last trading day preceding the date of completion of the merger transaction.

Table 2.3: The value of the consideration according to the share price of United Cooperative Assurance and its comparison with the market value of Enaya

| | | |
|---|----------------------------|--|
| Number of shares to be issued in favor of the shareholders of Enaya | 19,260,167 Ordinary Shares | |
| The total value of the consideration according to the closing price of United Cooperative Assurance on 10/11/1444H (corresponding to 30/05/2023G) (which is the last trading day preceding the date of conclusion of the merger agreement) | SAR 192,409,068 | United Cooperative Assurance Closing Price: (SAR 9.99). |
| Total value of consideration as per United Cooperative Assurance closing price on 17/04/1445H (corresponding to 01/11/2023G) (as per the earliest trading day before document publication) | SAR 170,259,876 | United Cooperative Assurance Closing Price: (SAR 8.84). |
| The market value of Enaya on 10/11/1444H (corresponding to 30/05/2023G) (which is the last trading day preceding the date of conclusion of the merger agreement) | SAR 318,320,000 | <ul style="list-style-type: none"> - Enaya Closing Price: SAR 13.84. - Number of shares currently issued in Enaya 23,000,000 Ordinary Shares |
| The market value of Enaya on 17/04/1445H (corresponding to 01/11/2023G) (depending on the earliest trading day before the publication of the document) | SAR 250,700,000 | <ul style="list-style-type: none"> - Enaya Closing Price: SAR 10.90. - Number of shares currently issued in Enaya 23,000,000 Ordinary Shares |
| Percentage of the difference between the market value of Enaya and the total value of the consideration on 10/11/1444H (corresponding to 30/05/2023) (which is the last trading day preceding the date of conclusion of the merger agreement) | Decrease by (39.55%) | |
| Percentage of the difference between the market value of Enaya and the total value of the consideration on 17/04/1445H (corresponding to 01/11/2023G) (according to the nearest trading day before the publication of the document) | Decrease by (32.09%) | |

Table 2.4: Method of calculating the exchange ratio

| Item | Clarification |
|--|--|
| Evaluation of the merger entity (after the merger transaction) | United Cooperative Assurance evaluation + Enaya evaluation |
| Ownership percentage of United Cooperative Assurance in the merger entity (after the merger transaction) | $\frac{\text{United Cooperative Assurance evaluation}}{\text{Evaluation of the merger entity "after the merger transaction"}}$ |
| Percentage of ownership of Enaya in the merger entity (after the merger transaction) | $\frac{\text{Enaya Valuation}}{\text{Evaluation of the merger entity "after the merger transaction"}}$ |
| Number of shares of existing United Cooperative Assurance shareholders following the merger transaction | As it is before the completion of the merger transaction, i.e. (40,000,000) shares |
| Number of New Shares for existing Enaya shareholders | $\frac{\text{Number of shares of United Cooperative Assurance shareholders currently issued} \times \text{Percentage of ownership of United Cooperative Assurance in the merger entity after the merger transaction}}{\text{Number of shares for United Cooperative Assurance shareholders currently issued}}$ |
| Exchange ratio for each (1) shares owned in Enaya | $\frac{\text{Number of shares to be issued in favor of the shareholders of Enaya for the purpose of the merger}}{\text{Number of shares in Enaya for the purpose of merger}}$ |

2.5 Financing the Merger Transaction

United Cooperative Assurance will not pay any cash consideration in favor of the shareholders of Enaya for the purpose of merging Enaya into United Cooperative Assurance and will not receive any external financing to complete the merger transaction. Whereas, the offer in the merger transaction will be through the issuance of nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) new ordinary shares fully paid in United Cooperative Assurance in favor of the shareholders of Enaya for the merger of Enaya in United Cooperative Assurance at a nominal value of ten (10) riyals per share in favor of the shareholders of Enaya, that is, 0.8373985652173910 shares will be issued in United Cooperative Assurance for every one share owned in Enaya. These shares will be registered in favor of the eligible Enaya shareholders, and the new shares issued as a result of the United Cooperative Assurance capital increase will be of equal value, classification and rights in all respects with the shares of United Cooperative Assurance currently issued.

In this context, the Board of Directors of United Cooperative Assurance confirms that no commission, payment of any value or security over any securities in United Cooperative Assurance (whether incidental or not) will be paid in any way in the context of the merger transaction with Enaya.

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

United Cooperative Assurance and Enaya entered into a merger agreement on 11/11/1444H (corresponding to 31/05/2023G), amended on 13/01/1445H (corresponding to 31/07/2023G), which included special conditions for the implementation of the merger transaction in accordance with the steps, procedures and exchange ratios specified in the offer document, in addition to certain undertakings and guarantees by the management of the two companies. The Merger Transaction will therefore be subject to the terms set out in the terms of the Merger Agreement and set out below. The following is a summary of the substantial terms and conditions and preconditions or undertakings contained in the Merger Agreement, which are as follows:

2.7 Substantial Terms and Conditions and Preconditions or Undertakings contained in the Documents or Undertakings contained in the Merger Agreement

2.7.1 Agreement to complete the merger transaction

In accordance with Clause 2 of the Merger Agreement, United Cooperative Assurance and Enaya have agreed to merge in accordance with the Companies Law, the M&A Regulation and other applicable laws and regulations in accordance with the provisions of the Merger Agreement, and subject to the conditions in Section 2.7.2 (“**Precedent Conditions**”) and the following:

1. that Enaya be amalgamated and incorporated into United Cooperative Assurance and that all of its rights, obligations, assets and liabilities be transferred to United Cooperative Assurance under the Companies Law with effect from the effective date of the Merger Transaction Resolution;
2. On the Merger Closing Date, or as soon as reasonably practicable after the Merger Closure, the New Shares will be issued to the Shareholders appearing on the Enaya Shareholder Register on the second trading day following the date of suspension of the Enaya Shares, or on such other day as the Capital Market Authority, Tadawul or the Securities Depository Centre (Edaa) may determine in accordance with the Swap Parameter;
3. On the effective date of the Merger Transaction Resolution, Enaya will cease to exist as an independent company.
4. The “Exchange Ratio” shall be as follows: 0.8373985652173910 shares in United Cooperative Assurance for each share owned in Enaya.
5. In the event that the calculation of the number of shares due to any of the shareholders of Enaya based on the exchange ratio shown above results in fractions of shares, the resulting number will be rounded down to the lowest whole number.
6. In accordance with the applicable laws and regulations, United Cooperative Assurance will collect the partial entitlements and sell the respective United Cooperative Assurance shares on behalf of all Enaya shareholders who are entitled to receive the United Cooperative Assurance partial shares in the market in cash, thereafter, United Cooperative Assurance will distribute the net cash proceeds to the Enaya shareholders in proportion to their partial entitlements.
7. United Cooperative Assurance and Enaya shall cooperate to announce the signing of the Merger Agreement to Tadawul immediately upon its signing (or as soon as reasonably practicable thereafter).
8. The Parties agree that upon completion of the Merger Transaction, 67.50% of the capital of United Cooperative Assurance shall be allocated to the shareholders of United Cooperative Assurance and the remaining 32.50% of the capital of United Cooperative Assurance shall be allocated to the shareholders of Enaya.

2.7.2 Precedent Conditions

In accordance with Clause 3 of the Merger Agreement, United Cooperative Assurance and Enaya shall use reasonable effort (to the best of their respective abilities) to ensure that the following conditions are met as soon as reasonably 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 transaction, or a conditional non-objection regarding the merger (but on acceptable terms for United Cooperative Assurance and Enaya) or the expiry of the applicable legal review period, in accordance with the Competition Law.
2. The Central Bank of Saudi Arabia approves the merger agreement and increases the capital of United Cooperative Insurance.
3. Saudi Tadawul's approval of the request to list the new shares of United Cooperative Assurance on the financial market in accordance with the listing rules.
4. The Capital Market Authority approves the application for registration of shares of the capital increase of United Cooperative Assurance and approves the publication of the offer document.
5. Obtaining the approval of the Ministry of Commerce or the Authority (as applicable) on the proposed amendments to the United Cooperative Assurance Statute, as stipulated in the resolutions of the Extraordinary General Assembly of the United Cooperative Assurance.
6. The approval by the Extraordinary General Assembly of the United Cooperative Assurance by a majority of not less than three-fourths of the voting shares represented at the meeting of the terms of the Merger Transaction and other relevant resolutions, namely approval of the capital increase of the United Cooperative Assurance in accordance with the terms and conditions of the Merger Agreement, approval of the proposed amendments to the Articles of Association of the United Cooperative Assurance for the Merger Transaction and approval of the authorization of the Board of Directors of the United Cooperative Assurance or any person authorized by the Board of Directors of the United Cooperative Assurance to issue any resolution or take any action that may be necessary to implement any of the said resolutions concerning the Merger Transaction;
7. The Extraordinary General Assembly of Enaya approves by a majority of not less than three-fourths of the voting shares represented at the meeting the Merger Transaction and other relevant resolutions, namely to vote on the offer made by United Cooperative Assurance in accordance with the terms and conditions of the Merger Agreement, and authorizes the Board of Directors of Enaya, or any person authorized by the Board of Directors of Enaya, to pass any resolution or take any action that may be necessary to implement any of the resolutions relating to the Merger Transaction;
8. No judicial order, judgment, decree or other action of any governmental body having jurisdiction in the Kingdom of Saudi Arabia shall be valid and shall prohibit the completion of the Merger Transaction in accordance with the terms of the Merger Agreement or render it illegal.

Enaya undertakes that its Board of Directors will issue a letter addressed to United Cooperative Assurance to confirm whether (1) any of Enaya's employees, senior executives or advisors are entitled to remuneration, commission compensation or any other remuneration in connection with the merger and details of such benefits are fully provided; (2) any payments have been or will be made (and the date of such payment); and (3) the amount of any payment has accrued in Enaya's accounts as reflected in the financial statements. To the extent that payments have been made or will be made but have not been accounted for as in the financial statements, this amount will be reduced from Enaya's final evaluation.

United Cooperative Assurance also undertakes that its Board of Directors shall issue a letter addressed to Enaya Insurance Company confirming whether (1) any United Cooperative Assurance employees, senior executives or advisors are entitled to remuneration, commission compensation or any other remuneration in connection with the merger and providing full details of such benefits; (2) any payments have been or will be made (and the date of such payment); and (3) the amount of any payment has accrued in United Cooperative Assurance accounts as in the financial statements. To the extent that payments have been made or will be made but have not been accounted for as in the financial statements, this amount will be reduced from the final valuation of United Cooperative Insurance.

United Cooperative Assurance undertakes to notify Enaya, under the applicable law, immediately upon becoming aware of (1) the fulfillment of any of the above conditions; or (2) the delay in fulfilling any condition, act, omission or event, or any other reason whatsoever, which may lead to the delay or non-fulfilment of the above conditions.

Enaya undertakes to notify United Cooperative Assurance, under the applicable law, immediately upon becoming aware of (1) the fulfillment of any of the above conditions; or (2) the delay in fulfilling any condition, act, omission or event, or any other reason whatsoever, which may lead to the delay or non-fulfilment of the above conditions.

The above conditions and undertakings may not be waived or modified except with the written consent of United Cooperative Assurance and Enaya.

2.7.3 Shareholders' Documents

Pursuant to Clause V of the Merger Agreement, United Cooperative Assurance and Enaya shall take all necessary actions within their respective powers to ensure that the Enaya Board Circular (in the case of Enaya), Proposal Document and United Cooperative Assurance Shareholders Circular (in the case of United Cooperative Assurance) may:

- A. Be completed and approved by the Authority (where applicable);
- B. Be published in accordance with the requirements of the Authority;

In each case, as soon as reasonably practicable after the date of the announcements, and provided that United Cooperative Assurance makes a firm declaration of intent in accordance with the Merger Agreement.

United Cooperative Assurance and Enaya undertake to promptly provide all information relating to each of them, as may be reasonably required, for inclusion in the Enaya Board Circular or in the United Cooperative Assurance Shareholders' Circular and Proposal Document as applicable, and to provide any assistance to each other in completing the Enaya Board Circular or the United Cooperative Assurance Shareholders' Circular and Proposal Document, including ensuring access to relevant professional advisors and ensuring that they provide the required assistance.

If a Supplemental Merger Document is required to be published by one 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 the Document in accordance with the requirements of the Applicable Law.

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

2.7.4 Extraordinary General Assembly of United Cooperative Assurance and Enaya

In accordance with Clause VI of the Merger Agreement, United Cooperative Assurance undertakes to Enaya:

- A. Immediately upon the approval of the Authority to convene the United Cooperative Assurance Extraordinary General Assembly, United Cooperative Assurance will publish the notice of the Extraordinary General Assembly in accordance with its Articles of Association, the Companies Law and the Regulations of the Authority so that the United Cooperative Assurance Extraordinary General Assembly will be held no later than twenty-one (21) days after the date of publication of the Offer Document and the Shareholders Circular (or such later date as may be agreed between United Cooperative Assurance and Enaya). If a quorum for the first convocation of the United Cooperative Assurance Extraordinary General Assembly is not present, the commencement of the meeting will be postponed for one hour. If the quorum for the second United Cooperative Assurance Extraordinary General Assembly is not present, and subject to the approval of the Authority, United Cooperative Assurance will convene the United Cooperative Assurance Extraordinary General Assembly (Third Meeting) within five working days after the date originally proposed for the United Cooperative Assurance Extraordinary General Assembly (or such other date as may be agreed between United Cooperative Assurance and Enaya);
- B. United Cooperative Assurance undertakes to:
 - 1. Include in the Shareholders Circular and the Offer Document a statement that the members of the Board of Directors of United Cooperative Assurance who are entitled to vote on the merger have agreed to the terms of the merger;
 - 2. Include in the United Cooperative Assurance Shareholders Circular a recommendation from the Board of Directors of United Cooperative Assurance to the shareholders of United Cooperative Assurance to approve the merger and each resolution of the Extraordinary General Assembly of United Cooperative Assurance relating to the merger transaction;
 - 3. Not modify, withdraw or make reservations to the approval and recommendation of the Board of Directors referred to in Clauses 6.1 (b) 1 and 6.1 (b) 2 of the Merger Agreement before the Extraordinary General Assembly of United Cooperative Assurance;
- C. If approved by the United Cooperative Assurance Extraordinary General Assembly, United Cooperative Assurance shall arrange for the publication of the United Cooperative Assurance Special Resolutions in accordance with the applicable regulatory requirements as soon as practicable after the United Cooperative Assurance Extraordinary General Assembly;
- D. Prior to the consummation of the Merger Transaction, United Cooperative Assurance shall take all reasonable actions required thereof to prepare for:
 - 1. the issue of the New United Cooperative Assurance Shares upon the completion of the Merger Transaction or as soon as reasonably practicable after the completion of the Merger Transaction;
 - 2. Appointment of new directors in accordance with Clause 9 of the Merger Agreement.

The obligations set out in Clauses 6.1 (a) and (b) of the Merger Agreement shall, in any event, cease to apply if the Board of Directors of United Cooperative Assurance (acting in good faith) decides not to give its recommendation to the shareholders of United Cooperative Assurance (to approve the merger and each of the resolutions of the United Cooperative Assurance Extraordinary General Assembly relating to the merger transaction) (or considers that this recommendation shall be amended, withdrawn or reservations made thereto).

Enaya United Cooperative Assurance undertakes to:

- A. Immediately upon the approval of the Authority to hold the Extraordinary General Assembly of Enaya, the notice of the Extraordinary General Assembly of Enaya shall be published in accordance with its Articles of Association, the Companies Law and the Regulations of the Authority so that the Extraordinary General Assembly of Enaya shall be held no later than twenty-one (21) days after the date of publication of the Transaction Documents (or such later date as may be agreed between United Cooperative Assurance and Enaya). If the quorum for the first Extraordinary General Meeting of Enaya is not present, Enaya shall ensure that the commencement of the meeting is postponed by one hour. If the quorum for the Second Extraordinary General Assembly of Enaya is not present, and subject to the approval of the Capital Market Authority, Enaya shall ensure that the notice of the Third Extraordinary General Assembly of Enaya is published within five working days after the date originally proposed for the Extraordinary General Assembly of Enaya (or on such other date that the meeting can be held on the same day as the Third Extraordinary General Assembly of United Cooperative Assurance or such other date as may be agreed between United Cooperative Assurance and Enaya);
- B. Enaya undertakes to:
 1. Include in the Enaya Board Circular a statement that the directors of Enaya have agreed to the terms of the merger;
 2. Include in the Enaya Board Circular a recommendation from the Enaya Board of Directors to Enaya shareholders for approval of the merger and each Enaya resolution for the merger transaction;
 3. Not modify, withdraw or make reservations to the approval and recommendation of the Board of Directors referred to in Clauses 6.2 (b) 1 and 6.2 (b) 2 of the Merger Agreement prior to the Extraordinary General Meeting of Enaya;
- C. If approved by the Extraordinary General Assembly of Enaya, Enaya shall arrange for Enaya's own resolutions to be published in accordance with applicable regulatory requirements as soon as practicable after the Extraordinary General Assembly of Enaya (such publication date to be the "Enaya Publication Date");
- D. Following the Enaya Publication Date, Enaya shall take all such reasonable actions as may be required thereof (if any) to prepare for the delisting of Enaya Shares and to cease trading in Tadawul on the Merger Closing Date or as soon as reasonably practicable thereafter.

However, the obligations set out in clauses 6.2 (a) and 6.2 (b) of the Merger Agreement shall cease to apply, in any event, 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 of Enaya's own resolutions) (or considers that such recommendation shall be amended, withdrawn or reservations made thereto).

2.7.5 Business Integration

In accordance with Clause 11 of the Merger Agreement, United Cooperative Assurance and Enaya shall appoint two of their senior executives to represent them in connection with the Business Merger and to discuss its affairs after the effective date of the resolution of the merger transaction between United Cooperative Assurance and Enaya. Such representatives may submit their recommendations to the Parties for consideration and adoption.

2.7.6 Warranties

In accordance with Clause XII of the Merger Agreement, each Party warrants to the other Party, as of the date of the Agreement, that:

- A. It has the necessary powers and authorities to enter into and perform its obligations under the Merger Agreement;
- B. That its obligations under the Merger Agreement constitute binding obligations in accordance with its terms;
- C. The signing and delivery of the Merger Agreement and the performance of the obligations arising therefrom will not result in a material breach of any provision of the constituent documents of each Party.

Each party makes the following representations and warranties to the other party:

- A. It has not been declared bankrupt or bankrupted by any of its affiliates or sister companies (if any) and there are no circumstances known or which may be known when reasonably investigated which would give any person the right to apply for the winding up of a party or the appointment of a receiver over its premises or assets, whether in whole or in part;
- B. Neither has unpaid obligations that include: (i) securities convertible into shares or exchanged for shares of any class with any party (where applicable); (ii) options, warrants or other rights to subscribe for shares or purchase shares of any class with any party (where applicable); or (iii) agreements of any kind relating to the issue of any shares of any class with any party, or any securities convertible into shares or exchanged for shares or any options, warrants or rights (if any);
- C. That its audited financial statements for the financial period ended on the date of the financial statements 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 said period;
- D. That party does not engage in any business or activity other than the insurance activities authorized by the Saudi Central Bank (SAMA);
- E. The execution and delivery of the Merger Agreement and the performance of the obligations thereunder will not result in a material breach or constitute a default or result in default or give rise to any right of termination or any right to make a material change (in price, services or otherwise) under any material agreement to which that Party is a party or by which it is bound, other than as disclosed to the other Party;

- F. That all information provided to the other Party in connection with the merger (including during the due diligence study) about the Party or any of its Group is, as of the date to which it refers, true and accurate in all material respects and is not misleading in any material respect;
- G. That no party conceal any material information in the context of the merger.

Each Party warrants to the other 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 by the other Party or as required by Applicable Law, in each case for the purposes of completing any Transaction Documents) is, as of the date to which it refers, true and accurate in all material respects and is not misleading in any material respect.

2.7.7 Completion of the Merger Transaction and its Effectiveness

On the Merger Closing Date or as soon as reasonably practicable thereafter:

- A. Enaya will take all necessary measures to allow the suspension of trading of its shares in Tadawul, allowing Edaa to prepare a list of shareholders in Enaya who are eligible to receive the new shares of United Cooperative Assurance Company, at the end of the second trading day following the date of such suspension or any other day determined by the Capital Market Authority, Tadawul or Edaa.
- B. United Cooperative Assurance shall take all necessary measures to allow the issuance of the new fully paid-up shares and their delivery to the shareholders of Enaya who are included in the agreed list in accordance with the exchange ratio. United Cooperative Assurance shall also take all necessary measures to allow the acceptance of the listing of the new shares in Tadawul.

Following the publication of United Cooperative Assurance Private Resolutions and Enaya Private Resolutions and prior to the effective date of the Merger Transaction resolution, United Cooperative Assurance shall update the Services Investment License issued by the Ministry of Investment to reflect the changes resulting from the Merger.

On the Merger Closing Date or as soon as reasonably practicable thereafter, United Cooperative Assurance and Enaya shall take all necessary action as may be required to de-list Enaya's shares in Tadawul.

On the effective date of the Merger Transaction Resolution or as soon as reasonably practicable thereafter, Decision shall publish the Merger Resolution on Tadawul.

2.7.8 Governance

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

- A. United Cooperative Assurance and Enaya agree that on the Merger Closing Date, the Board of Directors of Decision shall consist of seven (7) members.
- B. United Cooperative Assurance and Enaya agree that the number of candidates for a position on the board of directors of United Cooperative Assurance by each of them depends on the exchange ratio. Subject to Annex 1 of the Merger Agreement and not later than twenty Business Days prior to the publication of the Shareholders Circular:
 - 1. Enaya shall nominate two (2) out of seven (7) directors, from among Enaya's existing directors or others. Enaya shall give notice to United Cooperative Assurance Company of the proposed individuals nominated by Enaya to serve as members of United Cooperative Assurance Company's Board of Directors, with effect from the date of completion of the Merger Transaction.
 - 2. United Cooperative Assurance shall nominate five (5) out of seven (7) Board members, from among the current members of the Board of Directors of United Cooperative Assurance or others, including Mr. Khaled Hussein Alireza in his capacity as Chairman of the Board. Prior to the Closure, United Cooperative Assurance will notify Enaya of the names of the proposed individuals nominated by United Cooperative Assurance to serve as members of the Board of Directors of United Cooperative Assurance, as of the Merger Closing Date.
- C. The Board of Directors of United Cooperative Assurance appoints Mr. Mohammed bin Mohammed Saeed Basrawi as Chief Executive Officer of United Cooperative Assurance with effect from the date of completion of the merger transaction.
- D. Following the conclusion of the Merger Transaction, the Board shall constitute the United Cooperative Assurance Audit Committee in accordance with the provisions of the Applicable Laws, the United Cooperative Assurance Corporate Governance Policy, the United Cooperative Assurance Board and Committees Selection and Appointment Policy, and the United Cooperative Assurance Audit Committee Working Rules. The members of the Committee shall be selected on the condition of obtaining the non-objection of the Central Bank of Saudi Arabia, and Enaya shall nominate the Chairman of the Audit Committee in agreement with the United Cooperative Assurance Company.
- E. Following the conclusion of the Merger Transaction, the United Cooperative Assurance Executive Committee shall be constituted in accordance with the provisions of the Applicable Laws, United Cooperative Assurance Corporate Governance Policy, United Cooperative Assurance Board and Committees Selection and Appointment Policy, and United Cooperative Assurance Executive Committee Working Rules. The members of the Committee shall be selected on the condition of obtaining the non-objection of the Central Bank of Saudi Arabia, and the Chairman of the Executive Committee shall be selected from among its members.

- F. United Cooperative Assurance and Enaya shall disclose the arrangements set forth in this paragraph in the Enaya Board Circular (in respect of Enaya) and in the United Cooperative Assurance Shareholders Circular and Offer Document (in respect of United Cooperative Assurance), in accordance with the requirements of the Applicable Law.
- G. On the Merger Closing Date or as soon as reasonably practicable thereafter, United Cooperative Assurance shall submit an application to the Department of Commerce to reverse the arrangements set out in this paragraph in its Commercial Registration Certificate (where applicable).

2.7.9 Continuation of Works

Except as required by Applicable Law, each Party covenants with the other that it shall not, and shall procure that the relevant members of its Group shall not, agree or agree to do any of the following before (i) the effective date of the Merger Transaction resolution and (ii) the date of termination of the Merger Agreement in accordance with its terms, whichever is the earlier, without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed):

- A. Continue the Business out of the ordinary course and inconsistent with its previous practices (except where such practices are inconsistent with the Applicable Law) in all material respects;
- B. Alter in any material way the general nature or scope of its business, or enter into any substantial new lines of business;
- C. In respect of the Parties only, declare, make, set aside or pay any dividend or other distribution (whether cash, equity or real estate) for any period;
- D. Purchase or dispose of any material asset, enter into or amend any agreement or incur any liability for that purpose, in each case involving consideration, expenses or liabilities in excess of SAR 500,000 (or equivalent); or
- E. Make any amendments to its capital or to its constitutional documents.

Nothing in the preceding paragraph shall be construed to restrict or prevent United Cooperative Assurance, Enaya or members of their groups from: (a) taking any action which has been publicly announced or communicated to the other party prior to the date of the Merger Agreement; or (b) doing any act contemplated by the Merger Agreement (including incurring any costs or appointing any persons for the purposes of integrating United Cooperative Assurance and Enaya's business).

Any proposed action notified by one Party to the other Party in accordance with the foregoing shall be deemed to have been approved if actually approved, or if the other Party does not object thereto within ten (10) Business Days of receipt of the request for approval.

The Parties acknowledge and agree that a breach of the terms mentioned in this Section constitutes a Material Adverse Event, provided that such breach has a material and adverse effect on the merger as reasonably assessed by the non-breaching Party.

2.7.10 Costs and Expenses

- A. Unless otherwise agreed by United Cooperative Assurance and Enaya, each of them 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 government bodies (except the General Authority for Competition), the Saudi Capital Market or the Securities Depository Center (Edaa) in connection with the Merger Transaction and the documents to be entered into thereunder.
- B. United Cooperative Assurance and Enaya agree to bear equally all costs incurred in connection with the preparation of their respective consolidated preliminary financial statements and all regulatory costs and expenses imposed by the GAC in connection with the Merger Transaction.

2.7.11 Negative Substantial Changes

If a Party considers that a Material Adverse Event has occurred in respect of the other Party prior to the effective date of the Merger Transaction resolution, it shall promptly give written notice to that effect to the other Party (the "Material Adverse Event Notice"). If neither party agrees that a specific event or occurrence has resulted in a Material Adverse Event, the parties shall cooperate to appoint an independent expert from one of the Big Four review firms (e.g. Deloitte, Ernst & Young, KPMG, PricewaterhouseCoopers) (the "Expert"), who will act as an expert and not as an arbitrator to examine the circumstances and issue a final and binding report to the parties indicating whether or not a Material Adverse Event scenario has actually occurred. All fees, costs and expenses for the appointment of such expert shall initially be borne equally by the parties, but if the expert determines that no material adverse event has occurred, the party claiming such event shall be liable to reimburse the other party for its costs for the appointment of such expert. The parties shall agree on the identity of the expert. If the representatives of both parties are unable to meet within ten (10) working days from the date of receipt of the notice of the Material Adverse Event or if they do not agree on the identity of the expert within twenty (20) working days from receipt of the notice of the Material Adverse Event, the party claiming a Material Adverse Event may apply to the Arbitration Center in the Kingdom of Saudi Arabia for the sole purpose of nominating an expert. Such nomination shall be binding on the parties.

Immediately upon the Parties agreeing or the Expert making a binding determination on the occurrence of a Material Adverse Event:

- A. The Parties may complete the Merger Transaction by mutual agreement in accordance with the terms of the Merger Agreement; or
- B. A Party whose business is not affected by a Material Adverse Event may terminate the Merger Agreement and require the other Party to pay the Termination Fee forthwith, but before terminating the Merger Agreement and requiring the immediate payment of the Termination Fee, the Parties shall first seek to negotiate in good faith and review the terms 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 negotiations

in good faith within fourteen (14) Business Days of the Parties' agreement or the Expert issues a binding determination of the occurrence of a Material Adverse Event, the Party whose business is not affected by the Material Adverse Event may immediately terminate the Merger Agreement and require the other Party to promptly pay the termination fees detailed in paragraph (b)2 of Clause 15 of the Merger Agreement.

The right of either Party to terminate the Merger Agreement and demand immediate payment of the Termination Fee under (b) (2) of Clause 15 of the Merger Agreement shall be exercised by written notice within thirty (30) Business Days of receipt of notice of the Material Adverse Event (in the event that neither Party objects to the existence of a Material Adverse Event) or no later than thirty (30) Business Days of the issuance by the Expert of a final and binding resolution in this regard (in the event that one of the Parties objects to the existence of a Material Adverse Event and the Expert confirms the existence of such Event), failing which the right to terminate the Merger Agreement and claim the Termination Fee detailed in Subsection (b) (2) of Clause 15 of the Merger Agreement shall terminate, and the Party giving notice of the Material Adverse Event shall be deemed to have agreed to complete the Merger Transaction in accordance with the terms of the Merger Agreement.

2.7.12 Termination

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

- A. Written notice of termination by one Party to the other Party following a breach by the other Party of the Merger Agreement where said breach constitutes a Material Adverse Event, including a breach by one Party of:
 1. An obligation under Clause 5 of the Merger Agreement, related to the obligations of Enaya and United Cooperative Assurance Company to submit the necessary documents to the Capital Market Authority and obtain the approval of the Authority on all documents necessary to complete the merger agreement, and to cooperate and provide both companies with the necessary information to each other, as is reasonably necessary, in order for both companies to terminate the documents required to be submitted to the Capital Market Authority.
 2. An undertaking pursuant to paragraph 1 of Clause 10 of the Merger Agreement has not been, or is not deemed to be, approved by the other Party.
 3. A warranty under Clauses 12.2 (f) and 12.2 (g) of the Merger Agreement, that all information provided by one Party to the other Party in connection with the Merger (including during due diligence), in relation to the Party or any of its Group, is true and accurate in all material respects and is not misleading in any material respect as of the date such information was provided, and that it has not withheld any material information in the course of the Merger Transaction.
 4. Any undertaking contained in Clause 12.3 of the Merger Agreement, which provides that all information provided by each of the Parties to the Agreement to the other Party about itself and its Group after the date of signature of the Merger Agreement (including all information reasonably required by the other Party or as required by Applicable Laws, in all cases for the purposes of termination of the Merger Agreement Documents), is true and accurate in all material respects and is not misleading in any material respect as of the date such information is provided.
- B. the effective date of the Merger Transaction Resolution has not materialized on or before the Termination Date, and the Termination Date falls nine (9) months after the date of execution of the Transaction, or such other date as the Parties may agree in writing;
- C. The preconditions have not been fulfilled or waived, in part or in full, prior to the date of termination;
- D. By either Party in accordance with Sub-Clause 2 of Clause 15 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 either party prior to such termination. The terms of the Agreement relating to confidentiality, termination, non-assignment of the Merger Agreement to any third party, and the fact that the Merger Agreement represents the entire agreement of the Parties with respect to the Merger, the Expenses and Expenses, the Settlement of Disputes and the Governing Law, shall remain in effect even after the termination of the Merger Agreement.

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

- A. For the purpose of paying the Termination Fee in accordance with Clauses 15 and 16 of the Merger Agreement, or
- B. In respect of any rights or obligations accrued to any Party prior to such termination, or
- C. Under any of the provisions which shall continue in full force and effect as set out in paragraph 2 of Clause 14 of the Merger Agreement.

2.7.13 Termination Fee

In consideration of Enaya agreeing to allocate resources and incurring expenses, attorneys' fees, due diligence costs and other costs to achieve Enaya's interest in the merger, United Cooperative Assurance undertakes under the Merger Agreement to pay the termination fee of SAR 3,500,000 immediately to Enaya or the entity designated by Enaya (in any case not later than five (5) business days after Enaya's first request) in the event that, after the date of signing the Merger Agreement, the Merger Transaction is cancelled, withdrawn, or terminated prior to the effective date of the Merger Transaction Resolution, as a result of any of the following:

- A. the inability of the United Cooperative Assurance Board of Directors to make a merger recommendation to the United Cooperative Assurance Shareholders, or if the United Cooperative Assurance Board of Directors withdraws from the merger

transaction, or makes a material adverse adjustment to its recommendation to complete the merger transaction as described in the United Cooperative Assurance Shareholders Circular or if it recommends another offer to the United Cooperative Assurance Shareholders other than the offer contained in the United Cooperative Assurance Offer Document;

- B. The failure of United Cooperative Assurance to take all actions that are reasonably appropriate and necessary and within its authority to complete the merger as required pursuant to the Merger Agreement, to achieve the effective date of the Merger Transaction resolution prior to the Termination Date (except for actions that Enaya has expressly agreed in writing not to oblige or require United Cooperative Assurance to take pursuant to the terms of the Merger Agreement); or
- C. Save for the Parties agreeing in writing to terminate the Merger Agreement, United Cooperative Assurance shall cause the offer contained herein to be cancelled or withdrawn or United Cooperative Assurance Shareholders to circulate, as the case may be.

In consideration of United Cooperative Assurance agreeing to allocate resources and incurring expenses, attorneys' fees and other costs to achieve United Cooperative Insurance's interest in the Merger, Enaya undertakes under the Merger Agreement to pay the Termination Fee immediately to United Cooperative Assurance or the entity determined by United Cooperative Assurance (in any case not later than five (5) business days after the first application by United Cooperative Insurance) in the event that, after the date of signing the Merger Agreement, the Merger Transaction is cancelled, withdrawn, or terminated prior to the effective date of the Merger Transaction Resolution, as a result of any of the following:

- A. The inability of the Board of Directors of Enaya to make a merger recommendation to the shareholders of Enaya, or if the Board of Directors of Enaya withdraws from the merger transaction, or makes a negative and material modification to its recommendation to complete the merger transaction as described in the Enaya Shareholders Circular, or if it recommends another offer to the shareholders of Enaya other than the offer contained in the United Cooperative Assurance Offer Document;
- B. Enaya fails to take all actions that are reasonably appropriate and necessary and within its authority to complete the Merger as required pursuant to the Merger Agreement, to achieve the effective date of the Merger Transaction Resolution prior to the Termination Date (except for actions that United Cooperative Assurance has expressly agreed in writing not to bind or require Enaya to take in accordance with the terms of the Merger Agreement); or
- C. Except for the Parties agreeing in writing to terminate the Merger Agreement, Enaya shall cause the Offer contained in the United Cooperative Assurance Offer Document to be cancelled or withdrawn or Enaya's shareholders to circulate, as the case may be.

2.7.14 Dispute Resolution 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 of written notice by one Party to the other Party of the relevant dispute, and both Parties shall use their best efforts and good faith to that end. 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 unresolved dispute may be referred by either Party to the Saudi Arbitration Center for final resolution and settlement.
3. Any dispute that the parties are unable to settle amicably in accordance with the provisions of the above paragraph shall be referred to arbitration, and the final resolution thereon shall be in accordance with the arbitration law that applies the rules of the Saudi Arbitration Center.
4. The number of arbitrators shall be three (3).
5. The seat of arbitration shall be Riyadh in the Kingdom of Saudi Arabia, and the language of arbitration shall be Arabic.
6. The arbitral award shall be binding on the parties, and the parties hereby waive their right to request reconsideration of the arbitral award, except as permitted by the Rules.
7. The resolution of the arbitrators shall be in writing and reasoned and shall indicate whether one party shall bear the costs of the arbitration or the costs incurred by the other party.

2.8 Legal Approvals Necessary to Complete the Merger Transaction

In order to complete the merger transaction, a number of legal procedures are required and approvals shall be obtained from the legal authorities as follows:

- A. Obtaining the non-objection of the General Authority for Competition to the economic concentration resulting from the merger transaction. The non-objection of the General Authority for Competition was obtained on 07/08/1444H (corresponding to 27/02/2023G).
- B. Obtaining the approval of the Central Bank of Saudi Arabia for the merger transaction and increase the capital of United Cooperative Assurance. The approval of the Central Bank of Saudi Arabia was obtained on 30/03/1445H (corresponding to 15/10/2023G).
- C. Obtaining Tadawul approval to list the issued shares in favor of the shareholders of Enaya following the capital increase of United Cooperative Assurance. Trading approval was obtained on [01/04/1445H (corresponding to 16/10/2023G).

- D. Obtaining the approval of the Capital Market Authority for the request to increase the capital of United Cooperative Assurance and publish the offer document. CMA approval was obtained on 15/04/1445H (corresponding 30/10/2023G).
- E. Obtaining the approval of the Capital Market Authority to invite the Extraordinary General Assembly of both United Cooperative Assurance and Enaya - each separately - for the merger transaction.

2.9 Extraordinary General Meetings

In addition to the statutory approvals mentioned in Clause 6 of the Merger Agreement, the completion of the merger transaction is subject to obtaining a number of approvals from the shareholders of United Cooperative Assurance and the shareholders of Enaya within the extraordinary general assembly meetings of the two companies, as follows:

2.9.1 Extraordinary General Assembly Meetings of United Cooperative Assurance

First meeting:

The extraordinary general meeting shall not be valid unless attended by shareholders representing at least half of the shares with voting rights present or represented at the meeting.

Second meeting:

In the event that the necessary quorum for the first extraordinary general meeting is not met, a call shall be sent to a second meeting, in the same conditions stipulated in Article 30 of the United Cooperative Assurance Articles of Association. The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes a statement about the possibility of holding this second meeting. In all cases, the second meeting shall be valid if it is attended by a number of shareholders representing at least one quarter of the shares that have voting rights present or represented at the meeting.

Third meeting:

In the event that the necessary quorum for holding the second extraordinary general meeting is not met, a call shall be sent to a third extraordinary general meeting to be held under the same conditions stipulated in Article 30 of the United Cooperative Assurance Articles of Association. A quorum shall be achieved at this meeting, regardless of the number of shares represented therein, after the approval of the Capital Market Authority.

2.9.2 Extraordinary General Assembly of Enaya

First meeting:

The extraordinary general meeting shall not be valid unless attended by shareholders representing at least half of the shares with voting rights present or represented at the meeting.

Second meeting:

In the event that the necessary quorum for the first extraordinary general meeting is not met, a call shall be sent to a second meeting, in the same conditions stipulated in Article 30 of the Enaya Articles of Association. The second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes a statement about the possibility of holding this second meeting. In all cases, the second meeting shall be valid if attended by a number of shareholders representing at least the voting shares of Enaya.

Third meeting:

In the event that the quorum necessary for the holding of the second extraordinary general meeting is not met, a call shall be sent to the third extraordinary general meeting, which shall be held under the same conditions stipulated in Article 30 of the Articles of Association of Enaya. A quorum shall be achieved at this meeting, regardless of the number of shares represented therein, after the approval of the Capital Market Authority.

2.9.3 Remote Voting

According to the requirements of the Capital Market Authority regarding voting in the Extraordinary General Assemblies, including the resolution to increase the capital of United Cooperative Assurance for the purpose of the merger and the resolution to vote on the offer of United Cooperative Assurance to approve the merger transaction by the shareholders of Enaya, and according to the instructions of the Capital Market Authority, the shareholders of United Cooperative Assurance and Enaya can vote remotely on the agenda items through the Tadawulaty service that allows shareholders to vote electronically. Registration for this service is through the Tadawulaty website directly or by visiting the brokerage company in which the shareholder has an active portfolio that allows him to apply for registration in the Tadawulaty system.

The following are the terms and conditions of remote voting, which shall be taken into account before proceeding to remote voting:

1. Remote voting will be counted within the quorum of the General Assembly held in this regard and when taking the relevant resolutions.
2. The option voted on by the Shareholder will be circulated to all Shares held by it.
3. The last vote cancels previous votes.

All necessary measures shall also be taken to ensure that all those who voted remotely own the shares subject to the vote on the date of the extraordinary general meeting held in this regard, including the exclusion of (1) votes related to shares that were sold or part of them during the remote voting period, and (2) votes related to shareholders who own shares in the two companies and were voted by them on the merger transaction resolution in the extraordinary general meeting of all companies (voting by them on the merger transaction resolution will be counted in the extraordinary general meeting of one of the two companies only).

If the merger transaction is approved by the shareholders of Enaya and by the shareholders of United Cooperative Assurance and after the merger transaction resolution takes effect, the shares of Enaya will be de-listed from Tadawul. All shareholders of Enaya, including those who did not vote on the proposed resolutions to approve the merger transaction, or those who voted against it, will receive new shares in United Cooperative Assurance in accordance with the terms and conditions of this offer.

2.10 Creditor Objection Period

Each of Enaya and United Cooperative Assurance shall announce the merger transaction at least thirty (30) days before the date specified for deciding on and voting on the merger proposal, in accordance with the provisions of Article 227 of the Companies Law.

Enaya's announcement will indicate the right of any Enaya creditor to object to a merger transaction by sending a registered letter to Enaya's head office or by any other means specified by the announcement within fifteen (15) days from the date of the announcement of the merger. According to the Companies Law, in the event that any of the creditors submits their objection to Enaya during the aforementioned period, Enaya shall pay the debt of the objecting creditor if it is current or provide sufficient security to meet it if it is deferred.

In accordance with Article 227 of the Companies Law, the creditor who has notified Enaya of his objection to the merger and Enaya has not fulfilled the debt if it is current, or has not provided him with a sufficient guarantee to fulfill it if it is deferred, may apply to the competent judicial authority within a period of not less than ten (10) days before the date specified for taking the merger resolution. In this case, the competent judicial authority may order the payment of the debt if it is current or provide a guarantee to fulfill it if it is deferred, and if it deems that the merger will result in serious damages to the objecting creditor without the merger entity or the merger entity being able to fulfill the debt or provide the guarantee, it may order the suspension or postponement of the merger, provided that its resolution to do so is issued before the merger resolution is effective. If the competent judicial authority does not decide on the creditor's objection before the entry into force of the merger resolution and thereafter establishes the validity of the claim of the objecting creditor, it may issue a resolution to compensate him for the damages caused to him as a result of this merger.

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

- That no objections were received during that period, or that objections were received but were withdrawn or settled or that the competent court rejected the creditor's request to suspend the merger transaction, or
- By clarifying the details of the objections received that have not yet been settled and are still in place as agreed with United Cooperative Assurance. In this case, Enaya, after settling all the received objections, will announce the same on the Tadawul website.

2.11 Details of Shareholders after the Merger Completion

Upon completion of the procedures to write off the commercial register of Enaya, Enaya will become a company directly owned by United Cooperative Assurance. All its assets and liabilities will be transferred to United Cooperative Assurance. In addition, there is no special agreement, arrangement or understanding with any party holding shares in Enaya that would affect the transfer of shares. After the completion of the merger transaction, the merger entity will not have controlling shareholders, that is, those who own or control 30% of the merger entity or are able to control its resolutions. As a result of the completion of the merger transaction, the increase of the capital of United Cooperative Assurance and the registration of the issued shares in favor of the shareholders of Enaya, the number of shares of United Cooperative Assurance, and the ownership ratios of the shareholders of United Cooperative Assurance, will change as follows:

Table 2.5: Ownership Ratios of United Cooperative Assurance Shareholders as of the date of this document

| Shareholder | Prior to the completion of the merger transaction | | | | Post the completion of the merger transaction | | | |
|--|---|-----------------------------|-------------------------------|--|---|-----------------------------|-------------------------------|--|
| | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) |
| Substantial Shareholders | | | | | | | | |
| United Cooperative Assurance Holdings LLC | 12,532,000 | 31.33% | None | 31.33% | 12,532,000 | 21.15% | None | 21.15% |
| Members of the Board of Directors and Senior Executives of United Cooperative Assurance | | | | | | | | |
| Khaled Hussein Ali Reda* | 270,816 | 0.68% | None | 0.68% | 270,816 | 0.46% | None | 0.46% |

| Shareholder | Prior to the completion of the merger transaction | | | | Post the completion of the merger transaction | | | |
|---------------------------------------|---|-----------------------------|-------------------------------|--|---|-----------------------------|-------------------------------|--|
| | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) | Number of Directly Owned Shares | Direct Ownership Percentage | Indirect Ownership Percentage | Total Ownership Percentage (Direct and Indirect) |
| Relatives of directors ^{* *} | 100,000 | 0.25% | None | 0.25% | 100,000 | 0.17% | None | 0.17% |
| Audience | 27,097,184 | 67.74% | Not Applicable | | 46,357,351 | 78.23% | Not Applicable | |
| Total | 40,000,000 | 100.00% | Not Applicable | | 59,260,167 | 100.00% | Not Applicable | |

Source: United Cooperative Assurance

^{*} The direct ownership of the relatives of the BOD members results from the ownership of the wife of Mr. Khaled Hussein Alireza in United Cooperative Assurance by 0.25% before the completion of the merger transaction and by 0.17% after the completion of the merger transaction.

2.12 Completion of the Merger Transaction

The completion of the merger transaction shall be after the end of the creditor objection period and after the publication of the resolution of the approval of the Extraordinary General Assembly of the United Cooperative Assurance on the merger transaction and the resolution of the Extraordinary General Assembly of the Enaya on the merger transaction. The United Cooperative Assurance will then list the new shares in Tadawul and allocate them to the shareholders of the Enaya registered in the register of shareholders on the second trading day following the date of suspension of the shares of the Enaya, within a period not less than the third trading period after the publication of the resolution of approval of the merger transaction during the meeting of the Extraordinary General Assembly of the United Cooperative Assurance and the meeting of the Extraordinary General Assembly of Enaya and not more than the sixth trading period after the publication of the resolution of approval of the merger transaction during the meeting of the Extraordinary General Assembly of the United Cooperative Assurance and the meeting of the Extraordinary General Assembly of the Enaya. Those shares will be deposited in the Enaya shareholders' portfolios of 0.8373985652173910 shares in United Cooperative Assurance for each one share owned in Enaya. The shareholders of Enaya will become the owners of 32.50% of the share capital of the merger entity. The owners of the new shares shall have the right to receive the dividends declared by the merger entity after the date of completion of the merger transaction. The shareholder shall be entitled to his share in the dividends in accordance with the resolution of the General Assembly issued in this regard. The resolution shall indicate the due date and the date of distribution. The entitlement to dividends of the shareholders registered in the shareholders' registers shall be at the end of the day fixed for entitlement. After the merger is completed, Enaya's shares will be de-listed from Tadawul.

2.13 Effectiveness of Merger Transaction Resolution

The merger transaction resolution shall take effect from the date of issuance of the amended commercial register of the United Cooperative Assurance 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 resolution takes effect, all rights, obligations, assets and contracts of Enaya will be transferred to United Cooperative Assurance in accordance with Article 229 of the Companies Law. Thereafter, the commercial registration of Enaya will be cancelled, and Enaya will be dissolved.

2.14 Management and Personnel

United Cooperative Assurance's human resources policy is based on the proper selection, training, development and maintenance of its employees and ensuring fair treatment and equal opportunities for them within an appropriate work environment, in order to allow all employees to advance in their positions and career. This policy contributes to the productivity and effectiveness of the work, which reflects positively on the work of United Cooperative Assurance and on achieving better returns to shareholders. Following the merger, United Cooperative Assurance intends to present its future plans regarding its human resources and the human resources that will be transferred from Enaya. The merger agreement stipulated that United Cooperative Assurance and Enaya would each appoint two of their senior executives to represent them regarding the merger and discuss their affairs after the effective date of the merger transaction resolution between United Cooperative Assurance and Enaya. Such representatives may submit their recommendations to the Parties for consideration and adoption.

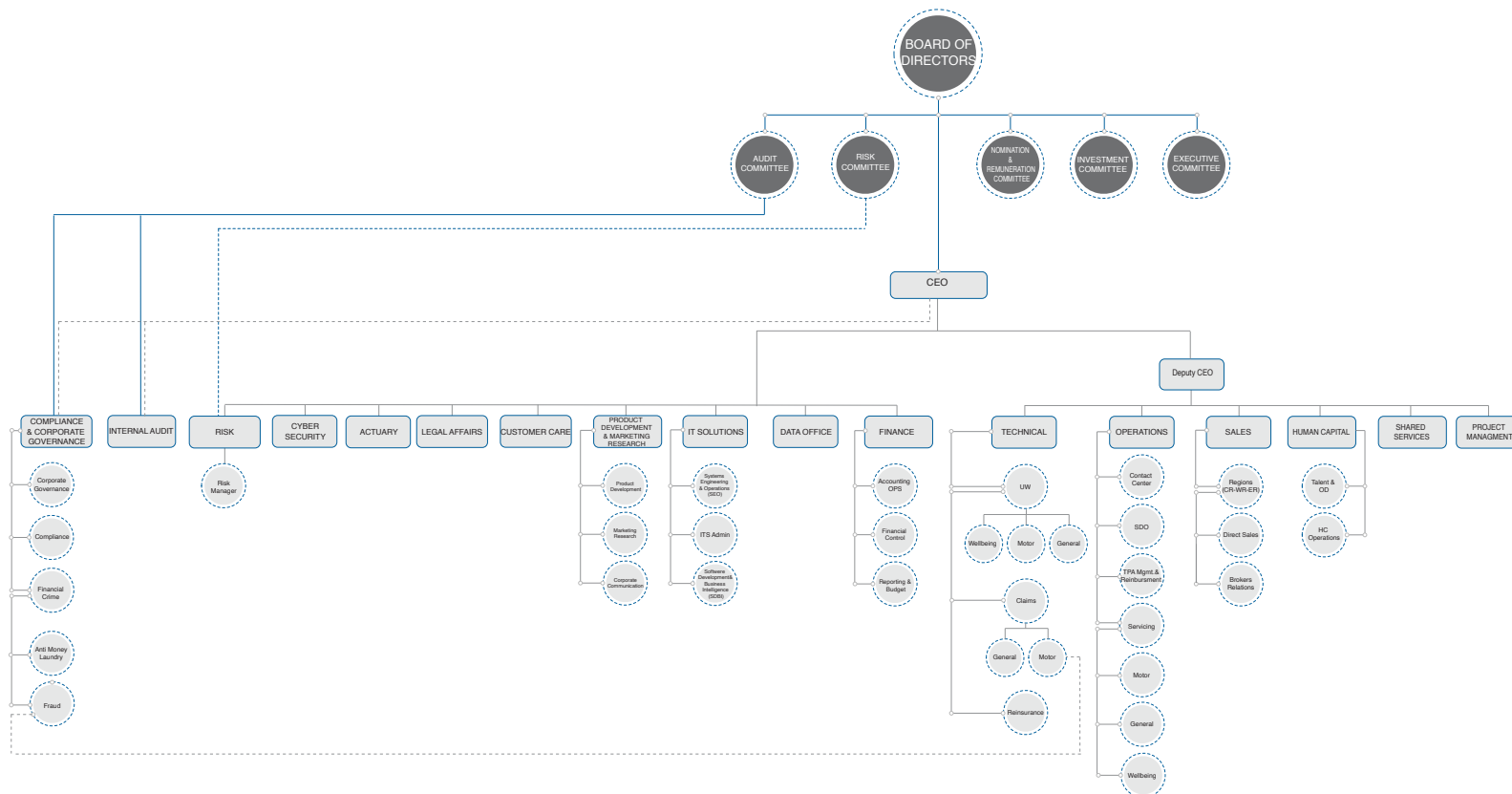
2.15 Special Arrangements or Conditions

There are no agreements, arrangements or understandings including any indemnity arrangement (of whatsoever nature) between United Cooperative Assurance (or any person acting on its behalf or in agreement with it), and any of the directors or existing shareholders of Enaya or any other person who was a member of or a shareholder in its Board of Directors during the twelve months prior to the date of publication of this document.

2.16 Confirming Cash Adequacy

The full value of the offer will be paid through the issuance of shares in favor of the shareholders of Enaya. Therefore, the value of the offer or any part of it will not be paid in cash. For further details, please see Section 2.4 ("Evaluation of United Cooperative Assurance and Enaya") of this document.

2.17 The Organizational Structure of United Cooperative Assurance in the event of Completion the Merger Transaction



3. Financial Information

3.1 Closing Price of Shares

The following table shows the following:

- The closing price of the shares of United Cooperative Assurance on the first day of trading of each of the six months immediately preceding the date of publication of this document.
- The closing price of the United Cooperative Assurance share for the last trading day prior to the date of conclusion of the merger agreement
- The closing price of the shares of United Cooperative Assurance on the last day preceding the start of the offer period (the last day of trading before the announcement of the confirmed intention)
- The closing price of the United Cooperative Assurance share for the last available day before the publication of the offer document

Table 3.1: United Cooperative Assurance Share Closing Price

| Date | Closing Rate (SAR) |
|--|--------------------|
| 01/11/2023G (Last day available before the offer document is published) | 8.84 |
| 01/10/2023G | 9.65 |
| 03/09/2023G | 9.59 |
| 01/08/2023G | 9.91 |
| 27/07/2023 G on the last day before the start of the offer period (the last day of trading before the announcement of the confirmed intention) | 10.06 |
| 20/07/2023G | 9.33 |
| 01/06/2023 | 9.90 |
| 30/05/2023G (Last trading day before the date of conclusion of the merger agreement) | 9.99 |
| 01/05/2023G | 8.60 |

Source: Tadawul.

The following table shows the following:

- The closing price of Enaya's share on the first day of trading of each of the six months immediately preceding the date of publication of this document
- The closing price of Enaya's share for the last trading day prior to the date of entering into the Merger Agreement
- The closing price of Enaya's shares on the last day preceding the start of the offer period (the last day of trading before the announcement of the confirmed intention)
- The closing price of the Enaya share for the last available day prior to the publication of the Offer Document

Table 3.2: Enaya Share Closing Price

| Date | Closing Price (SAR) |
|--|---------------------|
| 01/11/2023G (Last day available before the offer document is published) | 10.90 |
| 03/09/2023G | 11.26 |
| 01/08/2023G | 11.30 |
| 27/07/2023AD on the last day before the start of the offer period (the last day of trading before the announcement of the confirmed intention) | 11.86 |
| 20/07/2023G | 11.10 |
| 01/06/2023G | 12.42 |
| 30/05/2023G (Last trading day before the date of conclusion of the merger agreement) | 13.84 |
| 01/05/2023G | 10.96 |

Source: Tadawul.

3.2 Distributions and Dividend Policy

The consideration shares to be issued in favor of the shareholders of Enaya in the event of the completion of the merger transaction, are ordinary shares similar to the shares currently issued to the shareholders of United Cooperative Assurance and of equal value and classification in rights. There will be no priority or preferential rights for the existing shareholders of United Cooperative Assurance as compared to the shareholders of Enaya to whom the new shares will be issued. Accordingly, the aforementioned consideration shares grant their holders - from the date of their listing - the right to receive any dividends due from the date of issuance of the consideration shares, in accordance with the profits policy of the United Cooperative Assurance as stipulated in the Articles of Association of the United Cooperative Assurance, as well as the rest of the shareholders of the United Cooperative Assurance. The entitlement to dividends of the shareholders registered in the shareholders' registers shall be at the end of the day fixed for entitlement. The United Cooperative Assurance shall inform the Capital Market Authority without delay of any decisions to distribute or recommend profits. The profits to be distributed to shareholders shall be paid at the place and dates determined by the Board of Directors of the United Cooperative Assurance, in accordance with the instructions issued by the competent authority, taking into account the prior written approval of the Central Bank of Saudi Arabia. Article 45 of United Cooperative Assurance's Articles of Association also stipulates that United Cooperative Assurance shall (1) avoid Zakat and prescribed income tax, (2) avoid 20% of the net profits to form a statutory reserve, and the United Cooperative Assurance Ordinary General Assembly may stop this set aside when the total reserve reaches 100% of the paid-up capital, and (3) the Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form other reserves, to the extent that achieves the interest of United Cooperative Assurance or ensures the distribution of fixed profits as much as possible to shareholders, and (4) distribute the annual net profits of the United Cooperative Assurance Company, which it determines after deducting all general expenses and other costs, and form the necessary reserves to meet doubtful debts, investment losses and contingent liabilities that the Board of Directors deems necessary in accordance with the provisions of the Cooperative Insurance Companies Control Law and the provisions issued by the Central Bank of Saudi Arabia, and allocate from the rest of the profits after deducting the reserves prescribed under the relevant regulations and Zakat a percentage of not less than 5% of the paid-up capital for distribution to shareholders as proposed by the Board of Directors and decided by the General Assembly. If the remaining percentage of the profits due to the shareholders is not sufficient to pay this percentage, the shareholders may not claim to pay them in the following year or years. The General Assembly may not decide to distribute a percentage of the profits in excess of what the Board of Directors has proposed. It shall also be noted that United Cooperative Assurance has not distributed cash dividends to its shareholders since its listing with Tadawul, and there are no restrictions imposed on United Cooperative Assurance regarding the distribution of dividends to its shareholders.

3.3 Effect of the Termination of the Offer

In the event that the merger transaction is not approved by both United Cooperative Assurance and Enaya, during the extraordinary general meeting of the two companies, separately (including any date after the extraordinary meeting and cannot be extended after that), the current offer shall be considered expired and there will be no possibility of accepting it later, or in the event that the Merger Agreement is terminated in accordance with its provisions prior to the date of the Extraordinary General Meeting of Enaya for the merger transaction and in the event of this happening, the shareholders of Enaya shall not have the right to accept the offer and United Cooperative Assurance or its shareholders shall not be obliged to proceed with the offer based on any previous approval issued by them.

4. Information related to United Cooperative Assurance Company

4.1 Overview

4.1.1 Incorporation

It is a Saudi joint stock company, established by virtue of 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). It is registered in the Commercial Register No. 1010269076 issued in Riyadh on 10/06/1430H (corresponding to 03/06/2009G) and holds a license to practice insurance activity from the Saudi Central Bank No. (TN /19/200812) dated 02/01/1430H (corresponding to 29/12/2008G) and a service investment license from the Ministry of Investment No. 11203001661 dated 26/01/1426AH (corresponding to 07/03/2005G). Its head office located in Riyadh, Saudi Arabia.

The current capital of United Cooperative Assurance is four hundred million (400,000,000) Saudi riyals divided into forty million (40,000,000) shares with a nominal value of ten (10) Saudi riyals per share. United Cooperative Assurance was listed in Tadawul on 17/06/1429H (corresponding to 21/06/2008G) and the number of employees in United Cooperative Assurance is 205 employees.

4.1.2 Financial year and auditors of the United Cooperative Assurance

The financial year of United Cooperative Assurance begins on January 1 and ends on December 31 in the same year of each calendar year. The General Assembly of United Cooperative Assurance has appointed M/S. PricewaterhouseCoopers Chartered Accountants (PwC) and Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants (PKF) as its auditors for the financial year ended on December 31, 2020. While the General Assembly for United Cooperative Assurance appointed M/S. Al-Azm, Al-Sudairy, Al-Sheikh and their partners as chartered accountants and auditors (Crowe) and KPMG Professional Consultants (KPMG) as its auditors for the financial years ended 31 December 2021 and 31 December 2022.

4.1.3 Capital and Shareholder Structure

The current capital of United Cooperative Assurance is four hundred million (400,000,000) Saudi riyals divided into forty million (40,000,000) shares with a nominal value of ten (10) Saudi riyals per share. The following table shows the ownership structure of United Cooperative Assurance prior to the completion of the merger transaction at the date of this document.

Table 4.1: Ownership Structure of United Cooperative Assurance prior to the completion of the Merger Transaction as of the date of this document

| Shareholder | Prior to the completion of the merger transaction - United Cooperative Assurance | |
|--|--|-----------------------------|
| | Number of shares (directly owned) | Direct Ownership Percentage |
| United Cooperative Assurance Holdings LLC | 12,532,000 | 31.33% |
| Members of the Board of Directors and Senior Executives of United Cooperative Assurance (Direct) * | 270,816 | 0.68% |
| Relatives of directors* * | 100,000 | 0.25% |
| The Public | 27,097,184 | 67.74% |
| Total | 40,000,000 | 100% |

Source: United Cooperative Assurance

* The direct ownership of the BOD members of the United Cooperative Assurance results from the direct ownership of Mr. Khaled Hussein Alireza by 0.68% before the completion of the merger transaction.

* The direct ownership of the relatives of the members of the Board of Directors results from the ownership of the wife of Mr. Khaled Hussein Alireza in United Cooperative Assurance is 0.25% before the completion of the merger transaction.

4.2 Historical Highlights

The following table shows the most prominent historical stations that United Cooperative Assurance has gone through since its incorporation until now:

Table 4.2: The most prominent historical stations that United Cooperative Assurance has gone through since its incorporation until now

| Event | Date |
|---|--|
| The issuance of Ministerial Decision No. (94) regarding the incorporation of United Cooperative Assurance. | 14/03/1428H (corresponding to 01/04/2007G) |
| Royal Decree No. M/24 on the incorporation of United Cooperative Assurance was issued. | 15/03/1428H (02/04/2007G) |
| Listing of shares of United Cooperative Assurance in Tadawul. | 17/06/1429H (corresponding to 21/06/2008G) |
| United Cooperative Assurance has obtained the license of the Central Bank of Saudi Arabia No. TN/19/200812 to practice insurance activity. | 02/01/1430H (corresponding to 29/12/2008G) |
| United Cooperative Assurance started the insurance business. | 04/01/1430H (corresponding to 01/01/2009G) |
| The approval of the Extraordinary General Assembly to increase the capital of United Cooperative Assurance to SAR 200,000,000 to SAR 280,000,000 through a share grant of eight million (8,000,000) shares, by granting two free shares for every five shares. | 17/08/1434H (corresponding to 26/06/2013G) |
| Increase the capital of United Cooperative Assurance from two hundred and ninety million (290,000,000) Saudi riyals to four hundred and ninety million (490,000,000) Saudi riyals through the offering of priority rights shares of twenty-one million (21,000,000) shares. | 29/04/1436H (corresponding to 18/02/2015G) |
| The Extraordinary General Assembly approved the recommendation of the Board of Directors to reduce the capital of United Cooperative Assurance from four hundred and ninety million (490,000,000) Saudi riyals to four hundred million (400,000,000) Saudi riyals, by canceling nine million (9,000,000) shares, by reducing one share for every 5.44 shares. | 29/09/1439H (07/06/2018G) |

Source: United Cooperative Assurance

4.3 Vision

United Cooperative Assurance has a desire and determination to compete and succeed in an area that serves national industries and society as a whole.

United Cooperative Assurance's vision is to create a more innovative, professional and sustainable insurance company in the Kingdom, by focusing its strengths and resources in:

- Creating an environment that promotes the development of young Saudi insurance professionals in the insurance industry.
- Developing leading smart platforms designed around their customers and their needs.
- Strengthening its partnerships with globally renowned regulators, insurance brokers and reinsurers.
- Establishing sustainable and transparent business practices.

United Cooperative Assurance seeks to better improve its competitive position by focusing heavily on the service offering and overall customer experience as well as enhancing its underwriting risk targeting. The company management also seeks to provide optimal technical prices in various production sectors by taking into account the recommendations of actuaries, and to ensure the recruitment of technicians with experience and competence in the field of insurance and reinsurance to increase production targets and market share.

4.4 Message

- Satisfying customers as a priority by paying attention to providing value-added services.
- Raising the solvency of United Cooperative Assurance and increasing its profits.
- To be among the leading companies in the insurance market in the Kingdom of Saudi Arabia.
- Achieving a high degree of efficiency and good management of its operations.

4.5 Competitive Advantages

United Cooperative Assurance has many competitive advantages, including:

- Historical business base in the Saudi market.
- A work team distinguished by the necessary experience and competence in the field of insurance.
- Effective and advanced policies and procedures for the Management of United Cooperative Assurance.
- Reinsurance agreements concluded with first class rated reinsurers.
- Effective claims management.
- Outstanding customer service.
- Adequate reserves to control expected risks.
- Diversity of insurance services and products.
- Advanced systems in information technology and technical support.

4.6 Strategy

United Cooperative Assurance's strategy is based on driving organic growth through:

- Capacity enhancement.
- Digital transformation.
- Financial restructuring.

The management of United Cooperative Assurance has taken key strategic initiatives in line with its strategy to ensure healthy market penetration and retention levels, while adhering to applicable regulatory requirements.

The initiatives have been meticulously planned, with a forward-looking approach, to prepare United Cooperative Assurance for the eventual transformation of the regulatory landscape of the insurance sector in the Kingdom of Saudi Arabia. The resulting mix of businesses during FY2022 was the deliberate result of careful planning to ensure United Cooperative Assurance's long-term growth goals. As a result, management has strengthened its future prospects by seeking to increase its capital.

4.7 Sales

Table 4.3: Analysis of United Cooperative Assurance Sales by Insurance Products

| Written premiums according to insurance products | Financial year ended December 31 (thousands of Saudi riyals) | | | Percentage of Gross Written Premiums |
|--|--|---------|---------|--------------------------------------|
| | 2020G | 2021G | 2022G | |
| Medical | 41,509 | 100,968 | 80,861 | 9.84% |
| Vehicles | 234,595 | 103,182 | 321,940 | 39.17% |
| Energy | 121,539 | 97,922 | 142,103 | 17.29% |
| Geometric | 120,102 | 37,722 | 247,142 | 30.07% |
| Other | 99,116 | 69,962 | 29,798 | 3.63% |
| Total | 616,861 | 409,756 | 821,844 | 100% |

Source: The audited financial statements of the United Cooperative Assurance for the financial years ended 31 December 2020, 2021 and 2022.

4.8 Products

Table 4.4: United Cooperative Assurance Products for which United Cooperative Assurance has received final approval from the Central Bank of Saudi Arabia

| No. | Insurance Product Name | Insurance Product Description |
|-----|--|--|
| 1 | All Contractors Risks | Contractors' document "Against All Hazards" is specially designed for engineering projects such as building construction, bridge construction and road works. Whereas it provides comprehensive protection for the interests of contractors and project owners as well as subcontractors against all risks that they may be exposed to except for what is specifically excluded, and insurance coverage can be expanded to cover additional risks such as third-party liability. |
| 2 | Installation Risks | This insurance covers the risks associated with the storage, assembly or installation of machinery and equipment. It also covers the period of testing and putting the machinery into operation at the factory. The policy grants comprehensive coverage against all risks unless specifically excluded. The insurance coverage can also be expanded to cover additional risks such as third-party liability. |
| 3 | Contractors' Equipment and Machinery | This insurance covers sudden and unforeseen physical loss or damage to construction machinery and equipment used by the Contractor in the workplaces either by repair or replacement, whether such machinery or equipment is in operation, discontinued or being dismantled for the purpose of cleaning, installation or restoration or in the course of any of the said operations, or in the course of subsequent re-installation thereof after having been successfully tested for operation. |
| 4 | Machinery Malfunctions | This policy covers sudden and unforeseen physical loss or damage to the machinery hereby insured necessitating repair or replacement (as the case may be) due to defects in casting, defective materials, errors in design, faulty workmanship, incorrect installation or operation, lack of skills, lack of water within the boilers, natural explosion, rupture due to centrifugal force, short circuit, storms or any other causes not specifically excluded. |
| 5 | Extended Warranty | An extended warranty, sometimes called a service agreement, service contract, or maintenance agreement, is an extended warranty provided to the consumer in addition to the warranty on new items, and the extended warranty is to cover electrical or mechanical failures. |
| 6 | Breach of Trust | This type of insurance covers the financial losses that the insured may suffer as a result of any act of fraud or dishonesty committed by any employee in the course of his work for the insured. This policy is appropriate to cover dishonesty, especially for some categories of users such as cashiers, financial accountants and storekeepers. Given what their job responsibilities impose on them in handling cash or inventory. |
| 7 | Insurance against fire and additional perils | The policy compensates the insured for emergency damage to his property that may result from multiple hazards such as fire, lightning, explosion above ground or underground, collision damage, aircraft damage. |
| 8 | Individual Medical Insurance | Insurance for medical costs, medicines and all medical services and supplies. |
| 9 | Public Liability | This policy indemnifies the insured against legal liability for all amounts that the insured becomes legally liable to pay for accidents that occur within the Kingdom of Saudi Arabia and result in death, bodily injury or illness to any person, or loss or damage to property in connection with the work of the insured or through defects in facilities. |
| 10 | Product Liability | Provides business coverage for bodily injury, personal injury and property damage caused by the Company's business, products or injuries occurring on the Company's premises. |
| 11 | Credit Insurance | It covers the risk of non-payment of credit facilities by the commercial creditor of the secured person, in addition to other coverage such as the collection of commercial debts, protection against fraud or the provision of guarantees, including export guarantees. |

| No. | Insurance Product Name | Insurance Product Description |
|-----|---|--|
| 12 | Securing Funds | <p>This policy covers the loss of money, money orders, cheques or securities, while at your work site or organization.</p> <p>During transportation (excluding postal mailings) between pre-agreed destinations, while in the Insured's premises specified in the Policy Schedule.</p> <p>whilst at the residence of the Employer or any director or employee of the Insured.</p> <p>While they are at night in locked vaults inside the bank and until they are transported by a bank official.</p> |
| 13 | Vehicle insurance against third parties | It covers third party civil liability resulting from motor vehicle accidents causing material damage, subject to the conditions and exclusions described in the policy. |
| 14 | Comprehensive Vehicle Insurance | Comprehensive coverage of the insured vehicle and its accessories to include third party liability, loss or damage to commercial vehicles mentioned in the insurance policy, according to the conditions and exclusions described in the policy. |
| 15 | Comprehensive and Third-Party Vehicle Insurance | Comprehensive coverage of the insured vehicle and its accessories to include third party liability, loss or damage to commercial vehicles mentioned in the insurance policy, according to the conditions and exclusions described in the policy. |
| 16 | Professional Liability Insurance | It covers all sums for which the Insured becomes legally liable, such as damages to third party in respect of faults or negligence on the part of the Insured in the course of his professional performance and arising out of claims initially brought in writing against the Insured during the policy period and includes legal expenses and costs incurred after obtaining the prior approval of the Insurer, but within the limits of indemnity and other terms and conditions of the policy. |
| 17 | Land Insurance | <p>The perils covered by this policy or damage resulting from fire, collision, overturning, falling, derailment include the breaking of bridges or accidents of a similar nature while transporting the subject matter of insurance (hereinafter referred to as property) by cars or trains.</p> <p>The risk insurance shall commence upon loading each package or unit in the vehicle (s) owned, used, operated or contracted by the Insured within the limits of the area mentioned in the Insurance Policy Schedule and shall end immediately with the unloading of any package at the place of arrival or twenty-four hours after the time of arrival of the vehicle at the final arrival station, whichever occurs first.</p> |
| 18 | Land Insurance – Single Shipment | It includes covering loss or damage that may be caused to the shipments during their transportation by land to and from the customer's warehouses. |
| 19 | Marine Insurance | It provides coverage for all specified cargo shipments for specified journeys /transit stations within the specified period in accordance with the specified conditions. |
| 20 | Sea Transport – 1 Shipment | The policy is issued for a specific trip declared to cover freight under one shipment. |
| 21 | Hull | Covers against loss and/or damage to the ship's/ vessel's hull, machinery, materials and other equipment. |
| 22 | Work Injury Insurance | It covers the legal liability of employers to compensate their employees in the event of death, disability or injury due to an accident at work during the period of the employment contract. |
| 23 | Property Insurance | This policy covers all damages to any of the insured property described in the policy from accidental loss, destruction or damage. During the insurance period, the company is obligated to pay the insured the value of the property at the time of accidental actual loss or destruction or the value of such accidental actual damage, unless it is among the exceptions agreed upon in the insurance policy, provided that the company restores those property or any part thereof to what it was before the damage or replacement, provided that it does not exceed the company's liability under the insurance policy. |
| 24 | Liability of Airport Operators | Insurance to compensate owners and operators of airport complexes for material or non-material damages occurring on the territory of the airport or on board an aircraft to which they provide catering services. |
| 25 | Liability of Airport Contractors | Insurance to compensate owners and operators of airport complexes for material or non-material damages occurring on the territory of the airport or on board an aircraft to which they provide catering services. |
| 26 | Securing packages | It covers against all risks of material loss or damage to the Insured's materials from any external cause, including from old mines, bombs or unexploded ordnance. |

| No. | Insurance Product Name | Insurance Product Description |
|-----|-------------------------------|---|
| 27 | Terrorism Insurance | This insurance covers the premises and their contents against direct physical loss or direct physical damage as a result of a terrorist act (subject to the exclusions, limitations and conditions contained in the policy contract at the time of issuance). |
| 28 | Medical Expenses Insurance | Healthcare coverage that includes, but is not limited to, prescription medications, medical consultations, and surgery. Private companies offer medical expense insurance. |
| 29 | Personal Accident Insurance | The personal accident policy is designed to compensate the insured person (or his legal heirs) in the event that he suffers during the insurance period from an accident that led to his injury or a case of permanent disability, temporary disability or death. |
| 30 | Public Liability Insurance | This policy indemnifies the insured against legal liability for all amounts that the insured becomes legally liable to pay for accidents that occur within the Kingdom of Saudi Arabia and result in death, bodily injury or illness to any person, or loss or damage to property in connection with the work of the insured or through defects in facilities. |
| 31 | Medical Professions Insurance | An insurance policy that covers errors in the practice of medical professions and provides protection for any medical practitioner against responsibilities that may be questioned by a system by mistake, negligence, omission or omission committed during the practice of his work. From this point of view, when designing the policy, it was taken into account that its coverage is not limited to doctors or surgeons only, but extended to include paramedics, nurses, medical technicians and pharmacists. |

Source: United Cooperative Assurance

4.9 Reinsurance

For the purpose of minimizing the risks of the insurance business and ensuring the stability of operations and sources of capital and for the purpose of minimizing the risks of losses and for the purpose of contributing to the stability of profitability, United Cooperative Assurance reinsures part of the risks it insures under its insurance operations. This is in line with the executive regulations issued by the Central Bank of Saudi Arabia. To reduce the risk of reinsurance concentration, United Cooperative Assurance has established reinsurance programs with several well-known global reinsurers. Whereas, United Cooperative Assurance deals with many reinsurance insurance companies whose classification is not less than the minimum, as stipulated in the regulation of reinsurance business issued by the Central Bank of Saudi Arabia as follows:

Table 4.5: Minimum Credit Rating Companies

| No. | Rated Company | Minimum Rating |
|-----|-------------------------------------|----------------|
| 1 | AM Best | B+ |
| 2 | Fitch Ratings | BBB |
| 3 | Moody's Investor Service (Moody's) | Baa |
| 4 | Standard & Poor's Corporation (S&P) | BBB |

The ratings mainly indicate the strength of the reinsurance company's financial position and its efficiency in covering claims, in addition to the quality of its service and the strength of its reinsurance programs. United Cooperative Assurance deals with more than 20 reinsurers rated by rating agencies.

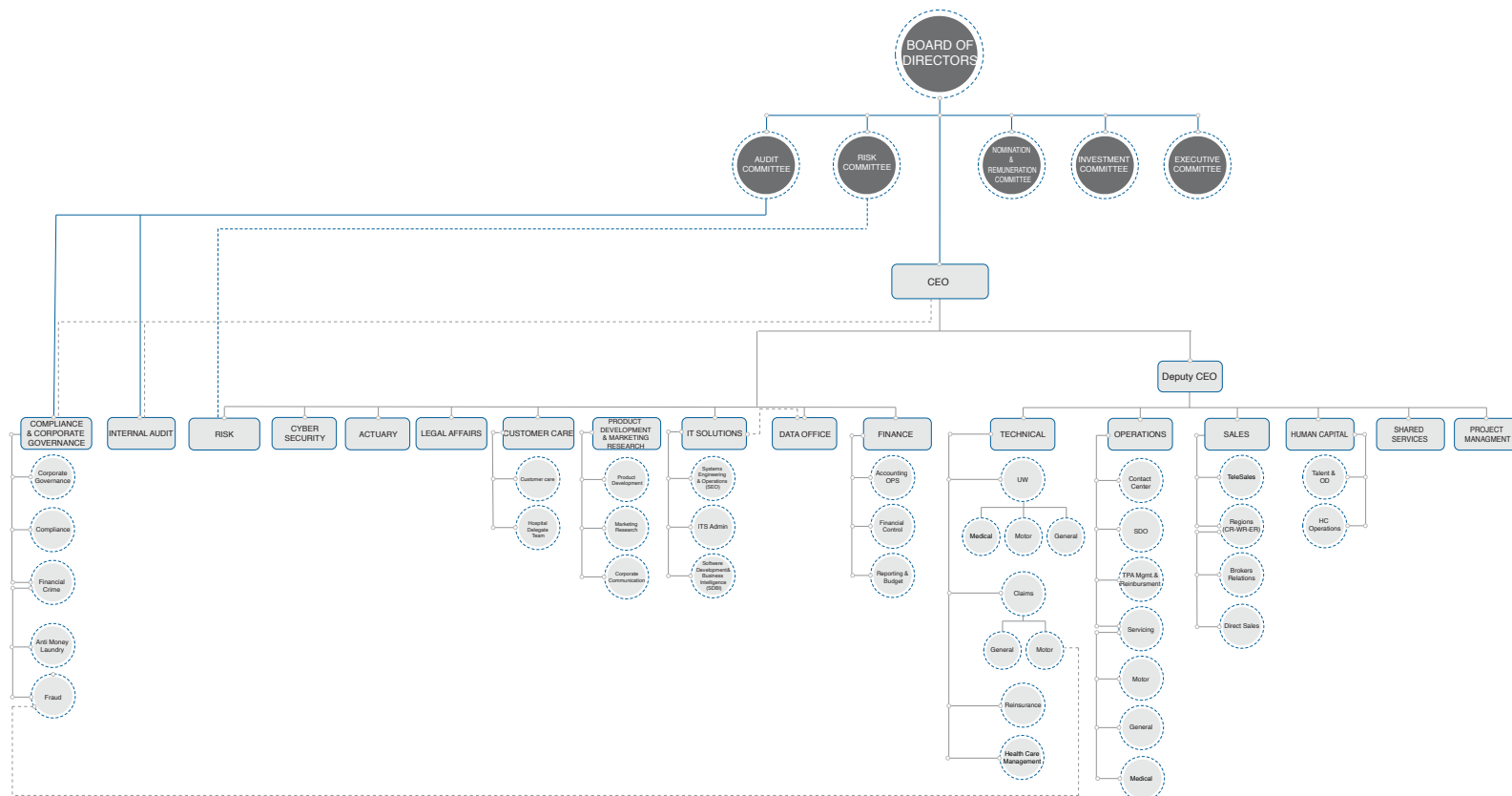
The following table shows the reinsurers that United Cooperative Assurance deals with and the rating of each reinsurer.

Table 4.6: Reinsurers handled by United Cooperative Assurance and rating of each reinsurer

| No. | Reinsurer | Country | Rating | Rated Company |
|-----|--|----------------------|--------|----------------------|
| 1 | Abu Dhabi National Insurance Company | United Arab Emirates | A | S&P |
| 2 | African Reinsurance Company | United Arab Emirates | A- | S&P |
| 3 | Allianz Risk Transfer AG | Germany | AA- | S&P |
| 4 | Arab Union for War Risks Insurance | Bahrain | B++ | AM Best (AM Best) |
| 5 | Argo Global (Dubai) Limited | United Arab Emirates | A+ | S&P |
| 6 | Aspen Reinsurance Company | Bermuda | A- | S&P |
| 7 | CCR | France | A- | S&P |
| 8 | Deutsche RAK AG | Germany | A+ | S&P |
| 9 | Echo Reinsurance Co., Ltd. | Switzerland | A- | S&P |
| 10 | Hannover Re-Takaful PSC | Bahrain | A+ | S&P |
| 11 | Helvetia Swiss Insurance Company Limited | Switzerland | A+ | S&P |
| 12 | International General Insurance Company | United Arab Emirates | A- | S&P |
| 13 | Korean Reinsurance Company | South Korea | A | S&P |
| 14 | Kuwait Reinsurance Company | Kuwait | A- | S&P |
| 15 | Odyssey Reinsurance Company | France | A | S&P |
| 16 | PartnerRe Reinsurance SE Europe | Bermuda | A+ | S&P |
| 17 | QPE Insurance Middle East | United Arab Emirates | A+ | S&P |
| 18 | Reinsurance Group of America (RGA) - Middle East | United Arab Emirates | AA- | S&P |
| 19 | Royal & Sun Alliance - DIFC Branch | United Arab Emirates | A | AM Best (AM Best) |
| 20 | Saudi Cooperative Reinsurance Company "Re" | Saudi Arabia | A- | S&P |
| 21 | SCOR French Reinsurance Company | France | A+ | S&P |
| 22 | Swiss Reinsurance Company | Switzerland | AA- | S&P |
| 23 | Tawuniya Insurance Company | Saudi Arabia | A- | S&P |
| 24 | Zurich Insurance Company Limited (DIFC Branch) | United Arab Emirates | AA | S&P |

Source: United Cooperative Assurance

4.10 The Current Organizational Structure of United Cooperative Assurance



4.11 Directors

The Board of Directors of United Cooperative Assurance as of the date of this document consists of five members as follows:

Table 4.7: Board of Directors of United Cooperative Assurance as of the date of this document

| No. | Name | Position | Title |
|-----|-------------------------------------|----------------------------------|---------------|
| 1 | Khaled Hussein Ali Ali Reda | Chairman | Non-executive |
| 2 | Khaled Ahmed Abdulaziz Al-Hamdan | Vice Chairman | Independent |
| 3 | Bahauddin Omar Bahauddin Khashoggi | Member of the Board of Directors | Non-executive |
| 4 | Mansour Abdulaziz Mansour Al-Saghir | Member of the Board of Directors | Independent |
| 5 | Mohammed Abdullah Hamad Al-Yahya | Member of the Board of Directors | Independent |

Source: United Cooperative Assurance

5. Additional information

5.1 Liability Statements Regarding the Content of this Offer

The directors of United Cooperative Assurance, whose names are set forth in Section 4.10 (“**The Current Organizational Structure of United Cooperative Assurance**”) of this document, are responsible for all information contained herein except that provided by Enaya. The information contained in this document, for which the members of the Board of Directors of United Cooperative Assurance are responsible based on what has been provided to them by the management of Enaya (having made reasonable and possible inquiries to ensure its correctness and accuracy) and the members of the Board of Directors of United Cooperative Assurance are of the opinion that such information is consistent with the facts and does not overlook any part that is likely to affect the accuracy and relevance of such information.

5.2 Statement of Ownership Interests and Transactions in United Cooperative Assurance Shares

As of the date of this document, neither United Cooperative Assurance nor any of its directors or persons acting in agreement with United Cooperative Assurance (as defined in the M&A Regulation), hold any direct or indirect shares in Enaya. The following table shows the ownership details at United Cooperative Assurance for both board members and senior executives at United Cooperative Assurance prior to the completion of the merger transaction.

Table 5.1: Ownership details at United Cooperative Assurance for both directors and senior executives of United Cooperative Assurance prior to the completion of the merger transaction

| Name | Position | Number of shares (directly owned) | Direct Ownership Percentage | Proportion of indirect ownership | Total Ownership Percentage |
|---|--------------------------|-----------------------------------|-----------------------------|----------------------------------|----------------------------|
| Khaled Hussein Ali Reda* | Chairman – Non-Executive | 270,816 | 0.68% | None | 0.68% |
| Total – Directors | | 270,816 | 0.68% | None | 0.68% |
| Total - Senior Executives | | | None | | |
| Total - Directors and Senior Executives | | 270,816 | 0.68% | None | 0.68% |
| Relatives of directors* * | | 100,000 | 0.25% | None | 0.25% |

Source: United Cooperative Assurance

* The direct ownership of the relatives of the members of the Board of Directors results from the ownership of the wife of Mr. Khaled Hussein Alireza in United Cooperative Assurance by 0.25% before the completion of the merger transaction.

5.3 Statement of Ownership Shares and Dealings in Enaya Shares

As of the date of this document, neither Enaya nor any of its directors and persons acting in concert with Enaya (as defined in the M&A Regulation) hold any direct or indirect shares in United Cooperative Assurance. The following are the number of shares owned by the directors of Enaya, and senior executives in the capital of Enaya.

Table 5.2: Number of Shares Owned by the Directors of Enaya, and Senior Executives in the Capital of Enaya

| Name | Position | Number of shares (directly owned) | Direct Ownership Percentage | Proportion of indirect ownership | Total Ownership Percentage |
|---|------------------------------|-----------------------------------|-----------------------------|----------------------------------|----------------------------|
| Faisal Farouk Mohammed Tamr | Vice Chairman - Independent | 83 | 0.0003609% | None | 0.0003609% |
| Al-Dana Khaled Ahmed Al-Jafari* | Board Member – Non-Executive | 153,331 | 0.6666565% | 0.0316174% | 0.6982739% |
| Total – Directors | | 153,414 | 0.66701739% | 0.0316174% | 0.6986348% |
| Total - Senior Executives | | | None | | |
| Total - Directors and Senior Executives | - | 153,414 | 0.66701739% | 0.0316174% | 0.6986348% |

Source: Enaya

* Mrs. Al-Dana Khaled Al-Jafari owns an indirect ownership of 0.0316174% in Enaya, as a result of her 1% ownership in Khaled Ahmed Al-Jafari Holding Company, which in turn owns 3.1619% of the shares of Enaya.

There is no ownership or controlling interests of United Cooperative Assurance in Enaya and no controlling interest in Enaya in which any member of the Board of Directors of United Cooperative Assurance has an interest, is owned or controlled by persons acting in agreement with United Cooperative Assurance or persons who have committed to accept the current offer irrevocably prior to the publication of the current Offer Document. None of the directors named above, whose ownership interests are required to be disclosed under Article 38 of the Mergers and Acquisitions Regulations, has dealt in the shares of United Cooperative Assurance and the shares of Enaya during the twelve months preceding and up to the day preceding the publication of this document.

No arrangements have been made for the payment of any kind of indemnity in respect of the shares of Enaya by United Cooperative Assurance, Enaya, or any other person acting in agreement with United Cooperative Assurance Company or Enaya. There are no special arrangements relating to the shares of Enaya by United Cooperative Assurance or Enaya, or by any other person acting in agreement with United Cooperative Assurance or Enaya.

Neither United Cooperative Assurance nor any person acting in agreement with it has made any commitment or agreement involving an arrangement of indemnity, option, agreement or understanding of whatsoever nature (formal or informal) that would be an incentive for any person to hold, deal or refrain from dealing in Enaya Shares.

5.4 Shares Trading Statement

Neither United Cooperative Assurance nor any of its directors nor any of the persons acting in concert with it has dealt in the shares of Enaya nor has Enaya nor any of its directors or any of the persons acting in concert with it dealt in the shares of United Cooperative Assurance during the twelve months preceding the Offer Period and up to the day preceding the publication of this document.

5.5 Taxes and Zakat

United Cooperative Assurance is subject to the laws and regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. Zakat and tax are calculated in accordance with the income tax, zakat and value added tax regulations in force at the Zakat, Tax and Customs Authority. Zakat and tax are calculated on an accrual basis of accounting. Zakat amounts are calculated based on the Zakat base or adjusted net income. Any difference in estimates is recorded when the final assessment is approved, in which the provision is settled.

5.6 Re-adherence

The directors of United Insurance Company whose names are set out in Section 4.11 (“**Directors**”) of this document confirm that they have complied with and complied with all the required conditions, described in Articles 3 and 18 of the M&A Regulations. These provisions are as follows:

Article (3): General Provisions:

- A. With the exception of private purchase and sale transactions, the offeror and the offeree company, shall appoint their financial advisors to be independent and licensed by the Authority, as well as their legal advisors to be independent and licensed to practice law in the Kingdom. The financial advisors of the offeror and the offeree company shall be the liaison officer to coordinate with the Authority on behalf of each of them in connection with a potential acquisition or merger.
- B. The parties involved in the acquisition or merger shall exercise due diligence so that the data is not prepared in a manner that may mislead the shareholders or the Saudi Stock Exchange.
- C. In the case of an offer, the offeror shall treat all shareholders of the offeree company of the same class equally.
- D. Any document or declaration relating to the Proposal or Potential Proposal made by the Offeror, the Board of Directors of the offeree company or any of their respective advisors to the Shareholders shall be true, fair and not misleading.
- E. Neither the offeror nor the offeree company nor any of its advisers shall, during the period of the offer or during its consideration, provide information to certain shareholders without making it available to all other Shareholders. This principle does not apply in either of the following cases:
 1. Provide the information confidentially by the offeree company to a potential bona fide offeror or vice versa in the context of the offer.
 2. Provide the confidential information by the selling shareholder or the offeree company to the offeror in the context of a private sale and purchase transaction.
- F. It is not permitted for the offeror to announce the offer except after taking the necessary measures in accordance with the provisions of this regulation and ensuring his ability and intention to continue implementing the offer. The responsibility of advising the offeror and taking all necessary steps in this regard lies with his financial advisor.
- G. In the event of a merger or acquisition by offering a securities exchange related to securities to be listed on the Saudi Stock Exchange, the offeror shall comply with the relevant provisions contained in the Capital Market Law and its executive regulations.
- H. In the case of an offer, the offeror and the board of directors of the offeree company shall provide the shareholders of the offeree with sufficient information and recommendations to enable them to reach a sound decision on whether to accept or reject the offer, to allow them sufficient time to make that decision, and not to withhold any relevant information from them.

- I. All persons acquainted with confidential information, especially that which affects the price of a security, relating to an acquisition or any potential transaction of this kind, shall treat such information confidentially and may not provide it to another person unless it is necessary, and that is the person knows the need to adhere to confidentiality. All these persons shall act in a way that limits the chances of leakage of confidential information or information that affects the price of the security.
- J. In the event that the Board of Directors of the offeree company is satisfied that a bona fide offer is about to be submitted to the offeree company, the Board of Directors may not take any action related to the offeree company - which would result in the non-acceptance of the offer or deprive the shareholders of the opportunity to take a decision on it - except after obtaining the approval of the shareholders in the general assembly of the offeree company.
- K. When there are related parties in the acquisition to which the provisions of this regulation apply, the interests of those parties in the acquisition transaction shall be fully disclosed to the relevant shareholders before it is completed, and it shall be on terms equal to those applicable to any transaction in which other persons have participated in similar circumstances.
- L. The board of directors of the offeree company shall always act in accordance with the interests of the shareholders.
- M. The members of the Board of Directors of the offeree company shall, when making recommendations to their shareholders, act in their capacity as members of the Board of Directors, without any regard to the size of the shares held by them personally or through their relatives, or by the shareholders they represent on the Board, or to any personal relationship with the offeror or the offeree company (as applicable). In all cases, they shall make such recommendations in accordance with Article Eighteen of the Mergers and Acquisitions Regulations. They shall also take into account the interests of all shareholders, as well as the interests of employees and creditors, which shall be taken into account when making such recommendations. The members of the board of directors of the offeree company shall exercise due diligence before entering into any commitment with the offeror, or with any entity, that would restrict their freedom to make the recommendation to their shareholders in the future.
- N. A shareholder who owns shares in the offeror (or the merger entity) and the offeree company (or the merger entity) shall not be entitled to vote in the general assembly of shareholders on resolutions relating to offers to which these regulations apply except in one of the two companies.
- O. No director may, at a meeting of the board, any of the committees, or at the general assembly, vote on a resolution relating to a proposal to which the provisions of this regulation apply, or on any related matter involving a conflict of interest for that director or any relative of that director. A conflict-of-interest situation arises in any of the following cases:
 1. Where there is an interest of the director, directly or indirectly, relating to the offer or potential offer.
 2. To be a shareholder in the offeror and at the same time a member of the board of directors of the offeree company or vice versa.
 3. To be a member of the board of directors of the offeror and at the same time a member of the board of directors or a director of the offeree company or vice versa.
- P. For the purposes of the application of the provisions of these Regulations, the interest of any relative or subordinate of a director shall be deemed to be the interest of the director himself.
- Q. A person intending to enter into an acquisition pursuant to which an obligation arises to submit an offer to all shareholders shall ensure, before completing the process, that he is able to execute and continue the offer before making the acquisition.
- R. It is not permitted to create an unreal market in which the prices of the securities of the offeree company, the merger entity, any company related to the acquisition or merger, or any other company related to the offer fluctuate in a way that the rise or fall in the prices of the relevant securities is fictitious and disrupts the normal function of the market.
- S. The business of the company to which the offer is made shall not be affected more than a reasonable term as a result of the acquisition or merger.

Article (18): Independent Consultation:

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

5.7 The impact of accepting the offer on the capital and income of the shareholders of the offeree company

If the offer is fully accepted and the shareholders of United Cooperative Assurance agree to the merger transaction, United Cooperative Assurance for the purpose of the merger transaction will issue the new shares or consideration shares in favor of the shareholders of Enaya, in the number of nineteen million two hundred and sixty thousand one hundred and sixty-seven (19,260,167) new ordinary shares representing 48.15% of the current capital of United Cooperative Assurance. The shareholders of Enaya will become entitled to 32.50% of the business and profits of the merger entity (while their interest in the business and profits of Enaya is currently 100%). The new shares to be issued in favor of the shareholders of Enaya and listed on the Saudi Stock Exchange will have the same rights as the shares currently issued in United Cooperative Assurance, including voting rights, rights to dividends, repurchase rights or rights to refund assets upon liquidation or dissolution and other rights. Noting that all issued shares and shares to be issued for the purpose of the merger transaction in United Cooperative Assurance are of one class and no share shall give its holder any preferential or priority rights of any kind. If the offer is accepted, the shareholders of

Enaya will become the owners of 32.50% of the capital of the merger entity. With respect to the income earned for the shareholders of Enaya, the owners of the new shares will have the right to receive the first installment of the distributed profits that the merger entity announces after the date of completion of the merger transaction. The shareholder shall be entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall indicate the due date and the date of distribution. The entitlement to dividends of the shareholders registered in the shareholders' registers shall be at the end of the day fixed for entitlement.

5.8 Effect of Acceptance of Offer (in full) for the Purpose of Control in United Cooperative Assurance's Assets, Profits and Business which could be important for the proper valuation of the Offer

If the offer is accepted in full, the shareholders of Enaya will become owners of 32.50% of the capital and assets of the merger entity (while their current ownership in the capital and assets of Enaya is 100%), and the shareholders of Enaya will become entitled to 32.50% of the business and profits of the merger entity (while their interest in the business and profits of Enaya is currently 100%).

5.9 The ultimate owners of the shares of Enaya and the controlling shareholders of United Cooperative Assurance and the Merger Entity

Table 5.3: Major shareholders of United Cooperative Assurance, shareholders who own or have control over 30% or more of the share capital or persons capable of directing the decisions and management of the merger entity (prior to the completion of the merger transaction):

| United Cooperative Assurance | | | | |
|------------------------------|---|------------------|----------------------|--|
| | Shareholders | Number of Shares | Ownership Percentage | Description |
| 1 | United Cooperative Assurance Holdings LLC | 12,532,000 | 31.33% | United Cooperative Assurance Holdings LLC is an exempted Bahraini joint stock company that has been in the insurance business for over thirty years. |

Merger entity (after the completion of the merger transaction)

There will be no shareholders controlling 30% or more of the share capital of the merger entity or able to direct the decisions and management of the merger entity after the completion of the merger transaction.

Source: United Cooperative Assurance

United Cooperative Assurance confirms that there is no transfer of any shares acquired under the current offer for the benefit of other persons or parties, nor is there any related agreement, arrangement or understanding in that manner. It is also worth mentioning that no person or group of persons in United Cooperative Assurance owns or controls 30% of the capital in Enaya or is able to direct the decisions and management of Enaya.

5.10 Statement of Redemption of Securities with the Offeror

United Cooperative Assurance has not redeemed or purchased any shares in United Cooperative Assurance during the twelve months preceding the Offer Period and up to the day preceding the publication of this document.

6.

United Cooperative Assurance Financial Statements

The following tables summarize the financial statements of the United Cooperative Assurance for the period ended 31 December 2020, 2021 and 2022:

Table 6.1: United Cooperative Assurance Financial Statements for the period ended 31 December 2020, 2021 and 2022 (Income Statement)

| Income Statement - All Amounts in SAR '000 | 2020G | 2021G | 2022G |
|---|----------------|----------------|----------------|
| Revenue | | | |
| Gross Written Premiums | 616,861 | 409,756 | 821,844 |
| Assigned Reinsurance Premiums: | | | |
| - Local | (30,604) | (26,743) | (62,929) |
| -Foreigner | (380,697) | (198,526) | (441,036) |
| Reinsurance Loss Refund Expenses: | | | |
| - Local | (818) | (1,874) | (2,213) |
| - Foreigner | (4,635) | (7,333) | (9,789) |
| Net Written Premiums | 200,107 | 175,280 | 305,877 |
| Changes in Unearned Premiums – Net | (67,675) | (607) | (44,974) |
| Net Premium Earned | 132,432 | 174,673 | 260,903 |
| Reinsurance commissions earned | 39,872 | 44,202 | 50,002 |
| Total Revenue | 172,304 | 218,875 | 310,905 |
| Subscription Costs and Expenses | | | |
| Total Claims Paid | 151,457 | 264,721 | 356,370 |
| Reinsurers Share of Paid Claims | (59,581) | (90,807) | (99,699) |
| Net claims and other benefits paid | 91,876 | 173,914 | 256,671 |
| Changes in Claims Under Settlement – Net | 130 | 26,257 | (4,822) |
| Changes in Incurred and Unreported Claims - Net | 6,307 | (17,735) | 80 |
| Net claims and other benefits incurred | 85,699 | 182,436 | 251,929 |
| Cost of Acquisition of Insurance Policies | 16,521 | 23,082 | 37,052 |
| Premium deficit reserve | 6,988 | (370) | (3,127) |
| Other Technical Reserves | 3,774 | 2,798 | (1,321) |
| Other Subscription Expenses | 2,790 | 3,296 | 4,074 |
| Total Subscription Costs and Expenses | 115,772 | 211,242 | 288,607 |
| Net Underwriting Results | 56,532 | 7,633 | 23,298 |
| (Expenses)/ Other Operating Revenues | | | |
| Reversal of provision for doubtful debts | (5,823) | 9,158 | 3,321 |
| General and administrative expenses | (86,806) | (92,657) | (87,362) |
| Investment income | 10,382 | 9,356 | 8,623 |
| Other Revenues | 7,030 | 3,659 | 15,356 |
| Remuneration of the Board of Directors | (1,441) | (1,972) | (2,097) |

| Income Statement - All Amounts in SAR '000 | 2020G | 2021G | 2022G |
|---|-----------------|-----------------|-----------------|
| Realized gain / (loss) from investments | 4,246 | (848) | - |
| Total Other Operating Expenses – Net | (72,412) | (73,304) | (62,159) |
| Loss for the year before allocation | (15,880) | (65,671) | (39,861) |
| Net loss for the year attributable to shareholders before Zakat and income tax | (15,880) | (65,671) | (39,861) |
| Zakat | (27,900) | (7,600) | (3,000) |
| Income tax | (100) | (400) | - |
| Net loss for the year attributable to shareholders | | (73,671) | (42,861) |
| Weighted average number of shares issued (in thousands of shares) | 40,000 | 40,000 | 40,000 |

Source: The audited financial statements of the United Cooperative Assurance Company for the financial years ended 31 December 2020, 2021 and 2022.

Table 6.2: United Cooperative Assurance Financial Statements for the period ended 31 December 2020, 2021 and 2022 (Statement of Financial Position)

| Statement of Financial Position - All Amounts in SAR | 2020G | 2021G | 2022G |
|--|------------------|----------------|------------------|
| Assets | | | |
| Cash and cash equivalents | 61,735 | 87,769 | 83,980 |
| Short-term deposits | 22,656 | - | - |
| Debit Insurance and Reinsurance Premiums – Net | 239,606 | 156,051 | 181,570 |
| Reinsurers' share of unearned premiums | 209,598 | 91,978 | 229,048 |
| Reinsurers' share of pending claims | 41,720 | 36,506 | 19,744 |
| Reinsurers' share of claims incurred and unreported | 126,264 | 114,849 | 33,408 |
| Deferred Policy Acquisition Costs | 12,645 | 10,571 | 23,824 |
| Investments | 288,366 | 250,526 | 234,227 |
| Prepaid expenses and other assets | 68,487 | 60,335 | 80,604 |
| Property and Equipment – Net | 10,346 | 9,122 | 10,482 |
| Intangible Assets | 4,598 | 9,813 | 12,715 |
| Right-of-use assets – Net | 7,556 | 7,089 | 6,178 |
| Goodwill | 78,400 | 78,400 | 78,400 |
| Statutory Deposit | 60,000 | 60,000 | 60,000 |
| Commission income due on a regular deposit | 4,904 | 5,396 | 6,712 |
| Total Assets | 1,236,881 | 978,405 | 1,060,892 |
| Liabilities | | | |
| Policyholders Receivables | 5,396 | 24,100 | 20,703 |
| Accruals and other liabilities | 46,614 | 68,985 | 97,320 |
| Reinsurers' Payables | 156,440 | 95,067 | 106,206 |
| Unearned Premiums | 302,452 | 185,439 | 367,483 |
| Unearned Reinsurance Commission | 34,994 | 15,683 | 46,723 |
| Outstanding Claims | 62,921 | 83,964 | 62,380 |
| Unreported Incurred Claims | 169,749 | 140,599 | 59,238 |

| Statement of Financial Position - All Amounts in SAR | 2020G | 2021G | 2022G |
|--|------------------|----------------|------------------|
| Premium Deficit Reserves | 25,748 | 25,378 | 22,250 |
| Other Technical Precautions | 13,378 | 16,176 | 14,855 |
| Specific Employee Benefit Obligations | 10,288 | 10,029 | 9,686 |
| Lease Liabilities | 6,397 | 6,187 | 5,841 |
| Refund from Insurance Operations | 37,053 | 37,053 | 37,053 |
| Zakat and income tax due | 21,750 | 14,846 | 12,808 |
| Commission income accrued on regular deposit payable to SAMA | 4,904 | 5,396 | 6,712 |
| Total Liabilities | 898,084 | 728,902 | 869,258 |
| Fair Value Reserve for Investments – Insurance Operations | 3,734 | (3,546) | (13,999) |
| Total Liabilities and Insurance Operations Reserve | 901,818 | 725,356 | 855,259 |
| Equity | | | |
| Capital | 400,000 | 400,000 | 400,000 |
| Statutory reserve | 31,944 | - | - |
| Accumulated losses | (108,025) | (149,752) | (192,613) |
| Fair Value Reserve for Investments | 9,020 | (133) | (5,979) |
| Reserve for Re-measurement of Defined Employee Benefit Liabilities | 2,124 | 2,934 | 4,225 |
| Total Equity | 335,063 | 253,049 | 205,633 |
| Total Liabilities and Equity Insurance Operations Reserve | 1,236,881 | 978,405 | 1,060,892 |

Source: The audited financial statements of the United Cooperative Assurance Company for the financial years ended 31 December 2020, 2021 and 2022.

7. Documents available for Inspection

Copies of the following documents will be available for inspection at United Cooperative Assurance Headquarters, Building No. 9059, King Fahd Road, Sub No. 2363, Al Murooj District, Postal Code 12264, Riyadh, from Sunday to Thursday from 9:00 am to 5:00 pm excluding public holidays in the Kingdom of Saudi Arabia from the date of publication of the offer document until the end of the offer period:

- Articles of Association and Memorandum of Association of United Cooperative Assurance and any amendments thereto.
- The Articles of Association and Memorandum of Association of Enaya and any amendments thereto.
- The audited financial statements of United Cooperative Assurance for the financial years ended on 31 December 2020, 2021 and 2022.
- The audited financial statements of Enaya for the financial years ended on 31 December 2020, 2021 and 2022.
- Audited proforma financial statements that reflect the financial position of the United Cooperative Assurance after the merger for the financial year ended 31 December 2022.
- Merger agreement signed between United Cooperative Assurance and Enaya on 11/11/1444H (corresponding to 31/05/2023G), and amended on 13/01/1445H (corresponding to 31/07/2023G).
- Letters of Consent of United Cooperative Assurance Advisors to the use of their names, logos and statements in this document, which are as follows:
 - A. Financial Advisor (Alinma Investment Company).
 - B. Legal Consultant (Abdulaziz Al Ajlan & Partners Lawyers and Legal Consultants).
 - C. Financial, tax, zakat and actuarial professional due diligence advisor (PricewaterhouseCoopers Chartered Accountants (PwC)).
 - D. The auditors of the United Cooperative Insurance Company (PricewaterhouseCoopers Chartered Accountants (PwC), Ibrahim Ahmed Al-Bassam and Partners Chartered Accountants (PKF), Al-Azm, Al-Sudairy, Al-Sheikh and Partners Chartered Accountants and Auditors (Crowe) and KPMG Professional Consultants (KPMG)).
 - E. Proforma Financial Statements Accountant (Baker Tele MKM & Co. Chartered Accountants).
- Evaluation report issued by the United Financial Advisor for United Cooperative Assurance (Alinma Investment Company).
- Termination Fee Documents.

8.

Annexes

This section includes the following annexes to the circular:

- Amendments related to the United Cooperative Assurance's Articles of Association and related to the Merger Transaction (please refer to Annex No. 1 of this document).

Annex No. 1 Amendments to the Articles of Association of the United Cooperative Assurance in relation with the Merger Transaction

| Subject | Current Articles of Association | | Modified Articles of Association | |
|---------|---------------------------------|--|----------------------------------|--|
| | Article No. | Text | Article No. | Text |
| Capital | 8 | The capital of the company is (400,000,000) four hundred million Saudi riyals, divided into (40,000,000) forty million shares of equal value with a nominal value of (10) ten Saudi riyals per share, all of which are ordinary cash shares. | 8 | The capital of the company is (592,601,670) five hundred and ninety-two million six hundred and one thousand six hundred and seventy Saudi riyals, divided into (59,260,167) fifty-nine million two hundred and sixty thousand one hundred and sixty-seven shares of equal value with a nominal value of (10) ten Saudi riyals per share, all of which are ordinary cash shares. |



المتحدة للتأمين التعاوني
UNITED COOPERATIVE ASSURANCE