

Offer Document

Amana Cooperative Insurance Company



This Offer Document is issued by Amana Cooperative Insurance Company (referred to as "Amana", "Merging Company", "Issuer" or "Offerer" and addressed to the shareholders of Saudi Enaya Cooperative Insurance Company (referred to as "Enaya" or "Merged Company") on the proposed Merger. This Document Offers a securities exchange to merge Enaya into Amana and transfer all of Enaya's assets and liabilities to Amana by issuing new ordinary shares (referred to as the "Merger" or "Merger") for the benefit of Enaya's shareholders.

This Document ("Offer Document" or "Document") contains important information about the Merger (as defined above), so this Document and all sections should be read in full and reviewed carefully (in particular "Important Notice") as well as the full circular of Enaya's Board of Directors, before you make a resolution in relation to the Merger. If you are in any doubt as to the action you should take at the EGM in connection with the Merger, it is recommended that you seek your own independent financial advice from an independent financial advisor authorized by the Saudi Arabian Capital Market Authority "Authority".

Amana has entered into a Merger Agreement with Enaya on 17/09/1442H (corresponding to 29/04/2021G) (as detailed in section "2.6" of this Offer Document) for the purpose of merging the two entities by way of a Merger whereby all of the assets and liabilities of Enaya will be transferred to Amana. The ordinary shares (15,858,024) with a nominal value of SAR 10 per share will be issued, whereas (1,057,20160) shares in Amana against each share owned in Enaya will be issued in favor of Amana shareholders ("Swap Ratio") in accordance with the terms and conditions of this Offer described in the section (2.6). The securities exchange will be carried out in accordance with an increase in Amana's capital from "SAR 130,000,000" to "SAR 288,580,240" and an increase in the number of shares from (13,000,000) to (28,858,024) shares representing an increase of (121.9848%) of Amana's current capital before the issuance of the new shares, where (15,858,024) new ordinary shares paid in full with a nominal value of (10) Saudi Riyals per share will be issued for the benefit of the shareholders of Enaya ("New Shares" or "Consideration Shares"). If the Merger is approved by both Amana's and Enaya's shareholders, Amana's Articles of Association will be amended to include the new capital (Annex "I" of this Document).

Amana has only one class of shares including those to be issued for Enaya shareholders and no shareholder benefits from any preferential voting rights. All Consideration Shares will be of the same class and will have the same rights as the existing Amana shares.

Noteworthy, In the event that the calculation of the number of shares owned by any Enaya shareholders based on the Swap Ratio resulted in fractional shares, the resulting figure will be rounded down to the nearest share. For example, if Enaya shareholder holds 100 Enaya shares, he or she will receive 52 Consideration Shares on the Effective Date (and not 53 Consideration Shares). All fractional entitlements shall be aggregated and sold on behalf of all Enaya Shareholders who would otherwise have been entitled to receive a fractional share in the market for cash, and subsequently distribute the net cash proceeds to such Enaya Shareholders proportionate to their respective fractional entitlements within a period not more than thirty days from the Merger completion. Any expenses in relation to the sale of fractional shares, will be paid from the proceeds of such sale.

Amana submitted a request to the Authority to increase its capital for the purpose of merging Enaya into Amana and another request to Saudi Stock Exchange (Tadawul) (hereinafter referred to as the "Market" or "Tadawul") to list the new shares issued for the benefit of the shareholders of Enaya. It should be explained that the proposed increase of the capital of Amana for the purpose of the Merger is conditional on the approval of Amana shareholders during the EGM to increase a capital for the purpose of merging Enaya into Amana and transferring all the assets and liabilities of Enaya to Amana, in addition to the approval of Enaya shareholders during the EGM on the Offer made by Amana for the Merger through the Offer of a securities exchange.

Amana will call for an extraordinary general meeting to vote on capital increase for the purpose of merging with Enaya, where Enaya will be merged into Amana and all of Enaya's assets and liabilities will be transferred to Amana in exchange for the issuance of Consideration Shares, where 1,057,20160 shares will be held in Amana for the benefit of Enaya's shareholders for each share owned by them in Enaya, and the EGM call will be announced at Tadawul site.

Enaya will also invite its shareholders to attend an EGM for the purpose of voting on the Offer made by Amana for the Merger by Offering Securities Exchange as mentioned above and based on the conditions specified in this Offer Document, and the EGM call will be announced at Tadawul site.

If the required majority (three quarters "whether first, second or third" of the shares) represented at the EGM of Enaya, approved the Merger (see section 2.8: "Statutory Approvals Required for Merger Completion"), Enaya shareholders will become owners of 55% of the Merging Company's capital and the owners of the new shares will have the right to obtain the distributed dividends that the Merging Company announces after the date of completion of the Merger. A shareholder shall be entitled to his/its share of the dividends in accordance with the resolution adopted by the General Assembly in that regard. Such resolution shall set out the entitlement date and the distribution date. Dividends shall be payable to the Shareholders registered in the Shareholders Register as at the end of the day set for entitlement.

Following the approval of the Merger by the required percentage of Amana's shareholders and the required percentage of Enaya's shareholders, the creditors objection period shall be announced, starting from the next day following Enaya's EGM or Amana's EGM, whichever comes later, and will last for 30 days.

Enaya's creditors will be able to file their objection on the Merger (if any) under registered letters sent to Enaya. The Merger resolution will not take effect until the creditors' objection period has expired without any objection being registered, or creditors have even waived their objection on the Merger (if

any) or until Enaya meets the debt if it is a pressing debt, or provides sufficient security to meet it if it is deferred debt. Following the expiry of the creditors' objection period and after the Merger resolution takes effect, the listing of Enaya's shares will be cancelled and the new shares will be issued to Amana as tradable securities for the benefit of Enaya's eligible shareholders in accordance with the shareholders' register on the Effective Date of the Merger resolution, taking into account the settlement procedures and those registered with the register of Enaya shareholders by the end of the second trading day following the last day of the creditors' objection period, with the shares to be deposited. These new shares will be deposited in the portfolios of Enaya's shareholders during a period of at least the third trading period from the Effective Date and will not exceed the sixth trading period following the Effective Date. Those shares will be deposited in the portfolios of Enaya shareholders with a number of (1,057,20160) shares at Amana for every (1) one share owned in Enaya.

The value of the Merger will be determined based on the nominal value of the Consideration Shares, whereas the total nominal value of the Consideration Shares amounts one hundred fifty-eight million five hundred eight thousand two hundred and forty Saudi Riyals (SAR 158,580,240), and the market value of the Consideration Shares based on the Exchange Rate and the closing rate of Amana shares (64.38) SR as on 28/04/2021G (which is the last trading day prior to date of signing the Merger) is one billion twenty million nine hundred thirty-nine thousand five hundred and eighty-five Saudi Riyals (SAR 1,020,939,585). The total Consideration Shares which will be reversed in Amana's financial records at a later date will be determined based on Amana's closing price on the last trading day prior to the Effective Date of the Merger.

It is noteworthy that after approving the Merger by the shareholders of the merged company and obtaining all approvals related to the Merger (please refer to Section (2.8): "Statutory Approvals Required for Merger Completion"), and, in particular, after the expiry of the creditors' objection to the Merger referred to hereinabove, the listing of Enaya shares in Tadawul will be canceled and all licenses issued will be cancelled, then, its commercial registration will be cancelled and Enaya will be dissolved accordingly.

All Enaya shareholders, including those who did not vote on the proposed resolutions to approve the Merger, or those who voted against it, will receive new shares in Amana in accordance with the terms and conditions of this Document.

It was also agreed that the name for the Merging Company would be "Amana - Enaya Cooperative Insurance Company" or any name to be agreed upon later. All of these procedures are expected to take place according to the anticipated schedule of key events, as clarified in page (iii) of this Document. Furthermore, the shareholders of Enaya will become the owners of 55% of Amana's capital, and they will have the right to receive the dividends announced by Amana after the completion of the Merger.

The Merger is subject to limited terms (explained in full in Section 2.6.6 of this Document), including but not limited to:

1. Obtaining GAC's approval or non-objection to the economic concentration resulting from the Merger.
2. Obtaining the approval or non-objection of Saudi Central Bank to the Merger and to increase Amana's capital.
3. Obtaining the approval of Tadawul in relation to the listing of the Consideration Shares on Tadawul for the benefit of Enaya shareholders.
4. Obtaining the approval of the Capital Market Authority to publish this Offer Document.
5. The approval of the Capital Market Authority on a request to register and Offer shares to increase the capital of Amana.
6. Approval of this Merger and approval of the capital increase by Amana shareholders at the extraordinary general assembly meeting.
7. Approval of the transaction and acceptance of the Offer by the shareholders of Enaya at the extraordinary general assembly meeting (according to the Companies Law and the Merger and Acquisition Regulations).
8. The Merger Agreement, entered into by and between Amana and Enaya on 17/09/1442H (corresponding to 29/04/2021G), shall be valid according to its terms and conditions, as the Merger Agreement ends on 04/29/2022G).
9. The approval of the Ministry of Commerce on the proposed amendments to the Articles of Association of Amana.

This Document is issued by Amana and addressed to Enaya shareholders. This Document has been prepared in accordance with the requirements of Article (38) of the Merger and Acquisition Regulations, and Amana does not bear any responsibility for the correctness and accuracy of the information related to Enaya as contained in this Document. Furthermore, all the information contained in this Document related to Enaya is based on the information provided by Enaya in addition to the information obtained from Enaya during the due diligence exercise conducted by Amana - with the assistance of its advisors - regarding Enaya.

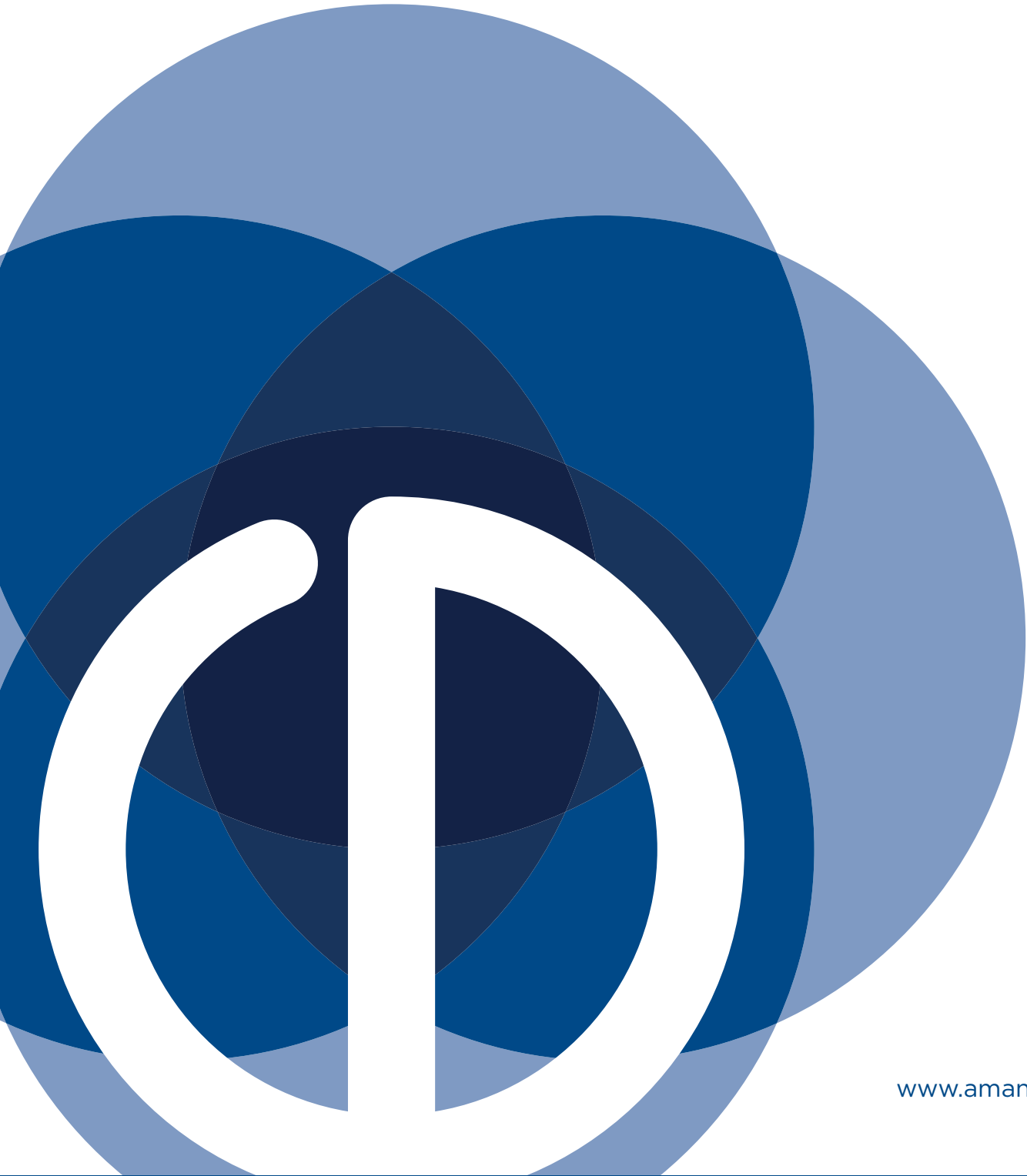
Financial advisor

الإيماء للاستثمار
alinma investment

The CMA and the Saudi Stock Exchange (Tadawul) do not assume any responsibility for the contents of this Offer Document and make no assurances as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from this Offer Document or reliance on any part thereof.

This Document was issued in Arabic and English. Arabic will be the approved language. In case of any discrepancies between the two, the Arabic version shall prevail.

This Offer Document was published on 05/05/1443H (corresponding 09/12/2021G).





Important Notice

This Offer Document has been prepared by Amana in accordance with the requirements of the Merger and Acquisition Regulations issued by the Board of the CMA pursuant to Resolution No. 1-50-2007 dated 09/21/1428H (corresponding to 03/10/2007G) based on the Capital Market Law issued by Royal Decree No. M/30, dated 06/02/1424H (corresponding to 31/07/2003G), as amended by CMA Board Resolution No. 3-45-2018 dated 07/08/1439H (corresponding to 23/04/2018G) based on the Capital Market Law issued By Royal Decree No. M/30 dated 06/02/1424H and the amendments thereto and the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H and its amendments; in order to provide information to the shareholders of Enaya regarding Amana's Offer to merge with Enaya, where all of Enaya's assets and liabilities will be transferred to Amana in exchange for the issue of Consideration Shares. The vote of Enaya shareholders on the Merger will be considered based on the information contained in this Document and on the circular issued by Enaya Board of Directors regarding the Merger.

The data contained in this Document have been prepared on the date of this Document (unless otherwise stated), and the publication of this Offer Document shall not give rise to any implication that there has been no change in the facts or affairs of Amana or Enaya since such date.

Nothing contained in this Offer Document is intended to be or shall be deemed to be a forecast, projection or estimate of the future financial performance of Amana or Enaya. No statement in this Offer Document should be interpreted to mean that earnings per share for current or future financial periods post the Merger will necessarily match or exceed historical published earnings per share of both companies.

No person has been authorized by Amana to provide any information or make any statements or clarifications to Enaya's shareholders on its behalf in connection with this Offer Document and the Merger other than those described in this Document. If given or made, such information or representations must not be relied on as having been authorized by Amana, financial advisor or any of the other advisers or their advisors in connection with the Merger.

No person shall interpret or consider the contents of this Document as legal, financial or tax advice and require the advice of an independent financial advisor licensed by the Capital Market Authority if there is any doubt about an issue related to this Offer. The contents of Amana or Enaya website, or the contents of any other website on which this Document is published, do not form part or supplement of this Document, and neither the Consultants nor Amana and Enaya companies assume any responsibility for the contents of these websites.

Amana has appointed Alinma Investment Company ("Alinma Investment") as its financial advisor in connection with the Merger. Alinma Investment operates in accordance with the laws and regulations in force in the Kingdom of Saudi Arabia, and holds the necessary license from the Capital Market Authority, and shall work for Amana exclusively as an independent financial advisor under this Merger, and shall not work for any other party in connection with the Merger. Alinma Investment shall not provide advice regarding the Merger, or make any other order or arrangement referred to in this Document, to any party other than Amana.

The purpose of this Document is to: (1) Explain the background and reasons for the Merger. (2) Provide Enaya shareholders with details of the Merger. (3) Providing Enaya shareholders with information about the Offer made by Amana to enable them to vote for or against the proposed resolutions to approve the Merger at the Extraordinary General Assembly of Enaya.

Cautionary Note Regarding Forward-Looking Statements

This Offer Document, including its information, contains certain "forward-looking statements" with respect to Amana and Enaya. In general, forward-looking statements often use words such as — but not limited to — "will", "may", "must", "continue", "believe", "expect", "intend", "consider" or other words of similar meaning thereof bearing indication to the future or forward-looking statements. Forward-looking statements in this Offer Document include, without limitation, statements relating to risks and uncertainties factors and circumstances beyond the control of the company concerned, or its ability to make accurate estimates such as future market conditions and the conduct of other market participants. Therefore, statements and future expectations may not be relied upon entirely. Neither Amana nor any other party related to the Merger or their advisors bears any responsibility for forward-looking statements and expectations and none of the above intends to update these statements and future expectations except as required by law.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond Amana's abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Forward-looking statements are not guarantee of future performance for Amana. They have not, unless otherwise indicated, been reviewed by Amana's auditors (Ibrahim Ahmed Al-Bassam and Co. - Chartered Public Accountants, Abdul Majeed Manqal Co. – Chartered Accountants and Auditors, Al-Dar Auditing Co. - Abdullah Al-Basri and Partners, El-Sayed El-Ayouty & Co. - Chartered Accountants and Auditors) except in the cases referred to. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of Amana and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to Amana or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

Publication and Distribution Restrictions Related to this Offer Document

This Offer Document is addressed to all Enaya Shareholders, taking into account any restrictions in the regulations and laws of any restricted country.



Notice to Enaya Shareholders Residing outside Saudi Arabia

Please note that, although all shareholders have the right to vote on the resolutions proposed at Enaya EGM to approve the Merger, shareholders residing outside of Saudi Arabia are hereby made aware that this Offer Document was not filed, notified or registered with any regulatory authority outside Saudi Arabia. Therefore, if a shareholder is based in a country where voting on the Merger requires any steps to be taken by Enaya to lawfully enable such shareholder to vote on the Merger Resolutions, and, if such shareholder has nevertheless voted on the Merger Resolutions, then, his vote shall be considered null and the relevant resolutions are approved without counting the vote of that shareholder.

Presentation of Financial and Other Information

AMANA's financial statements for the financial years ended 31 December 2018G and 31 December 2019G and 31 December 2020G are prepared in accordance with IFRS as adopted in KSA and other mandatory reporting requirements applicable in KSA. Save where expressly stated otherwise, all financial information contained in this Offer Document set out in SAR.

This Offer Document has been prepared in line with the applicable laws and regulations of KSA and the information disclosed may not be the same as that which would have been disclosed if this Offer Document had been prepared in accordance with the laws and/or regulations of jurisdictions outside KSA. The Consideration Shares constitute securities of a Saudi Arabian companies and you should be aware that this Offer Document and any other documents relating to the Merger and the Consideration Shares have been or will be prepared in accordance with Saudi Arabian disclosure requirements, format and style, all of which may differ from those applicable in other jurisdictions.



KEY DATES AND MILESTONES

Below is the expected schedule of key events related to the Merger, and any changes to the dates below will be announced on Tadawul and/or Amana's website:

Event	Schedule/Expected Date
1) Actions required in relation to EGM	
Submission of the final draft of the Offer Document to the CMA.	26/04/1443H (corresponding to 01/12/2021G).
CMA's approval of capital increase and the publication of the Offer Document.	02/05/1443H (corresponding to 06/12/2021G).
Publication of Amana's shareholders circular, Offer Document, Enaya's board circular	05/05/1443H (corresponding to 09/12/2021G).
Provide available documents for inspection	From 05/05/1443H (corresponding to 09/12/2021G) to the expiry of the Offer period (from Sunday to Thursday – 9:00 a.m to 5:00 p.m, excluding public holidays in the kingdom).
CMA approval of convening Amana EGM and Enaya EGM on the Merger	15/05/1443H (corresponding to 19/12/2021G).
Publication of the invitation to Amana EGM on the Merger on Tadawul website (to refer to the possibility of holding a second meeting within an hour after the end of the first meeting if the first meeting was not quorate).	15/05/1443H (corresponding to 19/12/2021G).
Publication of the invitation to Enaya EGM on the Merger on Tadawul website (to refer to the possibility of holding a second meeting within an hour after the end of the first meeting if the first meeting was not quorate).	15/05/1443H (corresponding to 19/12/2021G).
Electronic voting period for Amana EGM.	01/06/1443H (corresponding to 04/01/2022G).
Electronic voting period for Enaya EGM	01/06/1443H (corresponding to 04/01/2022G).
Amana EGM (first meeting) – quorum required is shareholders representing at least 50% of the share capital.	06/06/1443H (corresponding to 09/01/2022G).
Amana EGM (second meeting) (if quorum for first meeting is not attained) – quorum required for the second meeting is shareholders representing at least 25% of the share capital.	After one hour from the end of the first inquorate EGM meeting.
Enaya EGM (first meeting) – quorum required is shareholders representing at least 50% of the share capital.	06/06/1443H (corresponding to 09/01/2022G).
Enaya EGM (second meeting) (if quorum for first meeting is not attained) – quorum required for the second meeting is shareholders representing at least 25% of the share capital.	After one hour from the end of the first inquorate EGM meeting.
Announcement on the Tadawul website of the Merger Resolutions passed at the Amana EGM (first or second meeting) (or, if the EGM was not quorate, the announcement of such fact).	07/06/1443H (corresponding to 10/01/2022G).
Announcement on the Tadawul website of the Merger Resolutions passed at the Enaya EGM (first or second meeting) (or, if the EGM was not quorate, the announcement of such fact).	07/06/1443H (corresponding to 10/01/2022G).
(2) Actions Required in the event that the first and second EGM are not quorate	
CMA approval to convene a third Amana EGM and/or CMA approval to convene a third Enaya EGM on the Merger	13/06/1443H (corresponding to 16/01/2022G) (in the event that the first or second meeting of the EGM is not held for either companies).
Publication of the invitation to Amana EGM (third meeting) and/or Publication of the invitation to Enaya EGM (third meeting)	13/06/1443H (corresponding to 16/01/2022G)
Electronic voting period for the Amana EGM (third meeting) and/or Enaya EGM (third meeting).	01/07/1443H (corresponding to 02/02/2022G).



Event	Schedule/Expected Date
Third Amana EGM and/or Enaya EGM – the third meeting will be valid irrespective of the number of shares represented in the meeting.	06/07/1443H (corresponding to 07/02/2022G).
Publication and Announcement on the Tadawul website by Amana and/or Enaya of the Merger Resolutions passed at the third EGM (as applicable).	07/07/1443H (corresponding to 08/02/2022G).
3) Creditors Objection Period	
Commencement of Creditors Objection Period	07/06/1443H (corresponding to 10/01/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 07/07/1443H (corresponding to 08/02/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM). Creditors Objection Period will last for thirty (30) days.
Enaya to publish a reminder announcement at the end of the creditor objection period.	06/07/1443H (corresponding to 07/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 07/08/1443H (corresponding to 08/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM).
End of Creditors Objection Period	08/07/1443H (corresponding to 09/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 07/08/1443H (corresponding to 10/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM).
Enaya to announce that no creditors objected	09/07/1443H (corresponding to 10/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 10/08/1443H (corresponding to 13/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM).
4) completion of the Merger	
Effective Date of the Merger.	The later of (i) expiry of creditors objection period; or (ii) the resolution of all objections that have been raised during the creditor objection period. The Effective Date is expected to occur on: 09/07/1443H (corresponding to 10/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 09/08/1443H (corresponding to 12/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).
Enaya Shares Suspension	The first trading period following the Effective Date which is expected to occur on: 09/07/1443H (corresponding to 10/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 10/08/1443H (corresponding to 13/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).
Amana and enaya to announce the Effective Date	09/07/1443H (corresponding to 10/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 10/08/1443H (corresponding to 13/03/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).
Cancellation of the listing of Enaya's shares on Tadawul.	Within a period of not less than the third trading period and not exceeding the sixth trading period after the Effective Date.
Listing of the Consideration Shares and deposit of the same in the accounts of Enaya's Shareholders who appear in the shareholder register of Enaya by the end of the second trading period after the Effective Date	Within a period of not less than the third trading period and not exceeding the sixth trading period after the Effective Date.
Amendment of Amana's commercial registration certificate.	18/07/1443H (corresponding to 19/02/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 08/09/1443H (corresponding to 09/04/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).
Cancellation of Enaya's commercial registration certificate.	Within a period not exceeding thirty (30) days from the Effective Date. This is expected to occur on: 10/08/1443H (corresponding to 13/03/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 08/09/1443H (corresponding to 09/04/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).



Event	Schedule/Expected Date
Deadline for distribution of proceeds of fractional shares which have been sold.	Within a period not exceeding thirty (30) days from the Effective Date. This is expected to occur on: 09/08/1443H (corresponding to 12/03/2022G) (if approval is obtained in the first or second meeting of Amana EGM and Enaya EGM). 08/09/1443H (corresponding to 09/04/2022G) (if approval is obtained in the third meeting of Amana EGM and Enaya EGM, as applicable).

* Note: any changes to these dates will be announced on Tadawul website (www.Saudiexchange.sa)



Company's Directory

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Issuer's Authorized Representatives				
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Capacity	Chairman		Chief Executive Officer (CEO)	
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Source: Amana Company



Amana's Financial Advisor

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الإنماء للاستثمار
alinma investment



Amana's Legal Advisor

Mohammed Aldhabaan Law Firm

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مكتب محمد أحمد الصبعان للاستشارات القانونية

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Amana and Enaya's auditor of hypothetical financial statements

BAKER TILLY MKM & CO.

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Amana's auditors for the year ending on 31 December 2018G

Ibrahim Ahmed Al-Bassam & Partners Chartered Accountants - Al Bassam & Co.

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Amana's auditors for the year ending on 31 December 2019G

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Amana's auditors for the year ending on 31 December 2020G

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Note: The above advisors have given and, as at the date of this Circular, have not withdrawn their written consent to the publication of their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this Circular, and do not themselves, have any shareholding or interest of any kind in Amana as of the date of this Circular.



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1. Terms & Definitions

The following definitions - wherever they are contained in this Document - have the meanings set out in front of them, unless the context requires otherwise:

Term or abbreviation	Definition
“Amana”, “Merging Company”, “Issuer” or “Offerer”	Amana Cooperative Insurance Company
Board of Directors of Amana, or members of the Board of Directors of Amana	The Board of Directors of Amana, whose names are contained on page 19.
Offer	The Offer made by Amana to Enaya shareholders for the purpose of merging Enaya into an Amana and transferring all the assets and liabilities of Enaya to Amana by issuing new ordinary shares in accordance with the provisions of Articles (191) to (193) of the Companies Law and the provisions of subparagraph (1)) from Paragraph (a) of Article (49) of the Merger and Acquisition Regulations.
Enaya or the Merged Company	Enaya, a listed Saudi joint stock company, was established pursuant to Royal Decree No. (M/49) issued on 27/07/1432H (corresponding to 06/28/2011G), its head office is located in Jeddah, enrolled in the Commercial Register No. (4030223528) dated 27/03/1433H (corresponding to 19/02/2012G) and licensed by the Saudi Central Bank to practice insurance activity in the health insurance branch and is subject to its supervision.
Shareholders Circular	It is the Shareholders’ Circular related to increasing Amana’s capital by issuing new shares for the purpose of merging Enaya into Amana. The circular is prepared by Amana pursuant to the provisions of Article (57) of Offer of Securities and Continuing Obligations “OSCO”, directed and available to Amana shareholders in relation to the Merger and capital increase for the purpose of Merger with Enaya.
Amana EGM relating the Merger	Amana’s extraordinary General Assembly Meeting, which will be held to vote on the Merger and a number of other relevant resolutions. These resolutions are as follows: 1- Approval of the terms and conditions of the Merger Agreement concluded between Amana and Enaya on 17/09/1442H (corresponding to 29/04/2021G). 2- Approval to increase the capital of Amana from one hundred thirty million Saudi Riyals (SAR 130,000,000) to two hundred eighty-eight million five hundred eighty thousand two hundred forty Saudi Riyals (SAR 288,580,240), and increasing the number of shares from thirteen million (13,000,000) shares to twenty-eight million eight hundred fifty-eight thousand and twenty-four (28,858,024) shares in accordance with the provisions of the Merger Agreement as of the Effective Date in accordance with the Companies Law and the Merger Agreement. 3- Approval of the proposed amendments to Amana’s Articles of Association in accordance with the form described in Annex (1) entitled (Amendments to Amana’s Articles of Association related to the Merger) and in accordance with the form described in Annex (1) entitled (General Amendments to Amana’s Articles of Association) of this Document. 4- Authorize Amana’s Board of Directors to adopt any resolution or take any action that may be necessary to implement any of the above resolutions. The agenda items of Amana EGM will be voting on the capital increase, the provisions of the Merger Agreement, the proposed amendments to Amana’s articles of association in the Merger (please refer to Section No. (8) “Annexes” of this Document), and voting on other proposed amendments to Amana’s articles of association (please refer to Section No. (8) “Annexes” of this Document), authorizing Amana’s Board of Directors or any person authorized by Amana’s Board of Directors to issue any Resolution or take any action that may be necessary to implement any of the Resolutions mentioned in the Merger.
Amana Shares	The ordinary shares in Amana with a nominal value of SAR 10 per share.
Listing	It is the listing of Amana’s Consideration Shares in the market in accordance with the listing rules, to be traded on “Tadawul”, or where the context permits, submitting the registration with the CMA and/or Tadawul to accept the listing.
Request to increase Amana’s capital for the purpose of Merger	It is a request to increase Amana’s capital from one hundred thirty million Saudi Riyals (SAR 130,000,000) to two hundred eighty-eight million five hundred eighty thousand two hundred forty Saudi Riyals (SAR 288,580,240) and increase the number of its shares from thirteen million (13,000,000) shares to twenty-eight million eight hundred and fifty-eight thousand Twenty-four (28,858,024) shares, which represent an increase of (121.9848%) of the existing capital of Amana before issuing the Consideration Shares, for the purpose of merging Enaya into an Amana and transferring all the assets and liabilities of Enaya to Amana by issuing new ordinary shares for the benefit of Enaya shareholders, in accordance with the provisions of Articles (191) to (193) of the Companies Law and the provisions of sub-paragraph (1) of paragraph (a) of Article (49) of the Merger and Acquisition Regulations.
Listing Date	Is the date on which the listing of Amana’s Consideration Shares will become valid.
Alternative Offer or Competitive Offer	It means any Merger Offer or potential Merger Offer made by any third party other than Amana. The Merger Agreement provides for refraining from taking any action (either directly or indirectly) to encourage or initiate or seek to enter into discussions or negotiations with any other entity in connection with any Offer of a Merger or other similar transaction, or to take any action otherwise of any kind (including but not limited to the relevant party’s board of directors’ recommendation to that party’s shareholders of a higher Offer or a competing Offer in conflict with the terms of this Offer Document) that would prejudice the parties’ ability to fulfill the terms and conditions under the Merger Agreement to achieve the Merger.



Term or abbreviation	Definition
Force Majeure	It means an event or circumstance that neither party to the Merger Agreement can reasonably control, and has a material effect on the execution of the Merger, (including but not limited to, wars, revolutions, labor strikes, riots, terrorist attacks, sieges, embargoes, acts of sabotage, threats of war, severance of diplomatic relations, fires, explosions, storms, hurricanes, floods, earthquakes, epidemics, and other physical natural disasters and power outages). For the avoidance of doubt, the coronavirus pandemic and the measures taken by any governmental authority in response to it are not an event of force majeure.
Announcement or Announcement of Firm Intention	It is the announcement of the signing of the Merger Agreement between Amana and Enaya, which was concluded on 20/09/1442H (corresponding to 02/05/2021G) in accordance with Article 17 (e) of the Merger and Acquisition Regulations.
Board of Directors Annual Report	Annual Report of Amana or Enaya's Board of Directors
Working day	Any working day except Friday, Saturday and any day that is a public holiday in Saudi Arabia or any day when banking institutions are closed under applicable regulations and other government procedures.
Increasing Amana's Capital	It is the proposed increase in Amana's capital from one hundred and thirty million Saudi Riyals (SAR 130,000,000) to two hundred eighty-eight million five hundred eighty thousand two hundred and forty Saudi Riyals (SAR 288,580,240), through the issuance of fifteen million eight hundred fifty-eight thousand twenty-four (15,858,024) new ordinary shares for the benefit of Enaya shareholders for the purpose of merging Enaya in Amana and transferring all the assets and liabilities of Enaya to Amana.
Companies Law	The Companies Law issued pursuant to Royal Decree No. M/3 dated 28/01/1437H (corresponding to 11/11/2015G) as amended pursuant to the Royal Decree No. M/79 dated 25/07/1439H (corresponding to 11 April 2018G).
Affiliate	A person who controls another person or is controlled by that other person, or who is under common Control with that person by a third person. In any of the preceding, control could be direct or indirect.
Dividends	Any form of dividend, or distributions (whether in cash or in kind).
Acting in Concert	It means, at the sole discretion of the CMA, actively cooperating, pursuant to an agreement (whether binding or non-binding) or an understanding (whether formal or informal) between persons, to be controllers (whether directly or indirectly, excluding indirect ownership of shares through swap agreements or through an investment fund whose unit owner have no discretion in its investment Resolutions) of a company, through the acquisition by any of them (through direct or indirect ownership) of voting shares in that company. The term "Person acting In Concert" shall be implemented pursuant to this. Without prejudice to the general application of this definition, the following persons, shall be presumed to be acting in concert with other persons of the same class unless the contrary is established, including but not be limited to: 1- Members of the same group; 2- A person's relatives; 3- Person(s) who provided financial assistance to NCB or members of their respective groups (other than a bank in the ordinary course of business) in order to purchase shares that carry voting rights or convertible debt instruments.
Enaya's EGM regarding the Merger	Enaya EGM, which will be held to vote on the Offer submitted by Amana and a number of other relevant resolutions, as follows: 1- Approval of the provisions of the Merger Agreement between Amana and Enaya on 17/09/1442H (corresponding to 29/04/2021G). 2- Authorize Enaya's Board of Directors or any person authorized by Enaya's Board of Directors to adopt any resolution or take any action that may be necessary to implement any of the above resolutions. Enaya EGM will vote on the provisions of the Merger Agreement, and to authorize Enaya's Board of Directors or any person authorized by Enaya's Board of Directors to adopt any resolution or take any action that may be necessary to implement any resolution relating to the Merger.
Shares	Ordinary shares with a nominal value of 10 Saudi Riyals per share in Amana or Enaya's capital.
New Shares or Consideration Shares	The new Amana shares that will be issued to Enaya shareholders as a result of the Merger, which number fifteen million eight hundred fifty-eight thousand twenty-four (15,858,024) new ordinary shares with a nominal value of ten (10) Saudi Riyals per share (these new shares do not differ from the current shares issued to Amana in any way).
Saudi Central Bank License	License to carry out insurance and reinsurance work (where applicable issued by the Central Bank of Saudi Arabia).
Insurance policy or Certificate of Insurance	A contract under which the insurance company undertakes to compensate the insured in the event of damage or loss covered by the policy or certificate, in exchange for the contribution paid by the insured to the insurance company.
Insurance	Transferring the burden of risk from the insured to the insurer (or the insurance company) and compensating those who suffered damage or loss by the insurer (or the insurance company).
Brokers	Insurance brokers who negotiate with insurance companies to complete the insurance process for the benefit of the insured in exchange for money.
Regulatory Deposit	It is a percentage of the paid-up capital of the insurance company that must be deducted as a deposit in support of the executive regulations of the Cooperative Insurance Companies Control Law.
Reinsurance	Transferring the burdens of insured risks from the insurer to the reinsurer and compensating the insured by the reinsurer for what is paid to the insured if they suffer damage or loss.



Term or abbreviation	Definition
Insurance Claims Settlement Specialist	The legal person who manages, reviews and settles insurance claims on behalf of the insurance company.
Portfolio	The company's investment portfolio is a composite investment tool with two or more assets.
stable	A rating that is not likely to change.
CMA or Authority	Capital Market Authority in Saudi Arabia
Competition Authority	General Authority for Competition in Saudi Arabia
Tadawul or Market	It is the Saudi Tadawul Company (formerly the Saudi Stock Exchange Company) one of the Saudi Tadawul Group companies, established in accordance with the Council of Ministers Resolution on 29/02/1428H (corresponding to 19/03/2007G) in implementation of the Capital Market Law. It is a Saudi closed joint stock company and the only entity authorized to operate as a stock exchange in the Kingdom where it lists and trades securities. It was established in the Kingdom of Saudi Arabia according to the Capital Market Law.
Capital Market Law	The Capital Market Law was issued by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G).
Cooperative Insurance Companies Control Law	Cooperative Insurance Companies Control Law in the Kingdom was issued by Royal Decree No. M/32 dated 06/02/1424H (corresponding to 07/31/2003G).
The Executive Regulation of the Cooperative Insurance Companies Control Law or Executive Regulation	The Executive Regulation of the Cooperative Insurance Companies Control Law or Executive Regulation was issued by the Saudi Central Bank on 01/03/1425H (corresponding to 20/04/2004G).
Completion	It is the day on which the Consideration Shares of Enaya shareholders are listed in Amana in Tadawul in accordance with the terms and conditions of the Merger Agreement.
Merger Resolutions	Resolutions in relation to the Merger, which will be presented to Amana and Enaya shareholders, as follows: With respect to Amana: the approval of the Merger of Enaya into Amana pursuant to Articles 190 to 193 of the Companies Law, through the issuance of (15,858,024) new Amana shares based on the issuance of (1,05720160) shares in Amana against each (1) share in Enaya, and subject to the terms and conditions of the Merger Agreement including the approval of the following matters relating to the Merger: - a- The approval of the terms of the Merger Agreement entered into between Amana and Enaya on 17/09/1442G (corresponding to 29/04/2021G). - b- Approval of the increase in the share capital of Amana from SAR 130,000,000 to SAR 288,580,240 subject to the terms and conditions of the Merger Agreement and with effect from the Effective Date in accordance with the Companies Law and the Merger Agreement. - c- Approval of the amendments to Amana's articles of association in the form set out in Annex (8) with effect from the Effective Date. - d- The authorization of Amana Board of Directors, or any person authorized by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions. With respect to Enaya: the approval of Amana's Offer to merge Enaya into Amana to be effected pursuant to Articles 190 to 193 of the Companies Law, through the issuance of (1.05720160) new Amana shares for every share in Enaya and the dissolution of Enaya accordingly, and in accordance with the relevant regulatory requirements and the terms and conditions of the Merger Agreement. In addition, the approval of the following matters relating to the Merger: - a- Approval of the terms of the Merger Agreement entered into between AMANA and Enaya on 17/09/1442G (corresponding to 29/04/2021G). - b- The authorization of Enaya Board of Directors, or any person so authorized by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions.
GCC	Gulf Cooperation Council
Government	Government of Saudi Arabia
Kingdom	Kingdom of Saudi Arabia.
Labor Law	It means the Labor Law issued pursuant to Royal Decree No. M/51 dated 23/08/1426H (corresponding to 26/09/2009G) as amended pursuant to the Royal Decree No. M/5 dated 07/01/1442H (corresponding to 26/08/2020G).
"MARS" or "the Merger and Acquisition Regulations"	the Merger and Acquisition Regulations issued by the board of the CMA pursuant to its resolution no. 1-50-2007, dated 21/9/1428H (corresponding to 03/10/2007G), amended by resolution no. 3-45-2018, dated 07/08/1439H (corresponding to 23/04/2018G).
MOC	Ministry of Commerce of Saudi Arabia.



Term or abbreviation	Definition
“OSCO” Or “OSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA pursuant to its resolution no. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G) as amended by the board of the CMA pursuant to its resolution no. 1-7-2021, dated 01/06/1442H (corresponding to 14/01/2021G).
Related Party	A person (whether or not Acting in Concert with Amana, Enaya, or with any of their respective Subsidiaries) who directly or indirectly owns, or deals in, the shares of Enaya or Amana in an acquisition (whether through a private sale and purchase transaction or an Offer) or any person who have (in addition to their normal interests as shareholders) an interest or potential interest, whether commercial, financial or personal, in the outcome of the Merger or a person who is a Related Party with in respect of both Enaya and Amana. Without prejudice to the general application of this definition, the term “Related Party” includes - but shall not be limited to – the following: 1- any person who has provided financial assistance (other than a bank in the ordinary course of business) to Amana or Enaya; 2- the board members of Amana or Enaya or any of their respective Affiliates; 3- a person owning 20 % or more of Amana or Enaya (whether individually or by Acting in Concert with other(s)); and 4- a Substantial Shareholder of Amana who at the same time is a board member of Enaya, or vice versa.
Relative	It is intended for the purposes of the Merger and Acquisition Regulations of husband, wife, children and parents.
Restricted Jurisdiction	Any jurisdiction where the Offer of the Consideration Shares would or may violate the law of, or regulation applicable to, that jurisdiction.
EGM	The Extraordinary General Assembly meeting of the shareholders of the relevant company, which is held in accordance with its articles of association.
Circular of Enaya’s Board of Directors	It is the circular of the Board of Directors of Enaya, which is directed, available to the shareholders of Enaya in connection with the Merger, which contains, inter alia, the opinion of the Board of Directors of Enaya on the Merger and Amana’s plans regarding Enaya and its employees, in addition to other information related to ownership interests, transactions and material contracts pursuant to Article 39 of the Merger and Acquisition Regulations, which also includes the invitation to attend Enaya EGM and the voting on resolutions, in addition to any other documents related to the Merger as the context may require and the Merger and Acquisition Regulations.
Alinma Investment	Alinma Investment, the financial advisor of Amana in connection with the Merger.
Insurance Company	It is an insurance company subject to the supervision of Saudi Central Bank and the Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 dated 06/02/1424H (corresponding to 07/31/2003G), and the Executive Regulations of the Cooperative Insurance Companies Control System issued by Ministerial Order No. 1/561 dated 01/03/1425H (corresponding to 20/04/2004G).
Enaya Shares	Enaya’s Ordinary Shares with a nominal value of SAR 10 per share.
Listed	It means the shares or securities that have been accepted to be listed in Tadawul.
Ministry of Investment	Ministry of Investment in Saudi Arabia.
Central Bank	Saudi Central Bank (formerly Saudi Arabian Monetary Agency).
Saudi Riyal	The official currency of Saudi Arabia.
Subsidiary	In relation to a company, another company which it Controls.
Substantial Shareholder	A person owning five per cent or more of the shares in Amana or in Enaya (as applicable).
Restricted Shareholders	Shareholders owning shares at the end of the day of the extraordinary general assembly meeting of the Merger.
Control	As intended in the M&A regulation, it is the ability to influence the actions or Resolutions of another person through, whether directly or indirectly (except the indirect ownership through a swap agreement or through an investment fund if the owner of the units of the fund does not have any investment Resolutions rights), alone or with one or more person acting in concert with that person, through holding (directly or indirectly) 30% or more of the voting rights in a company. “Controller” shall be interpreted pursuant to the aforementioned.
Creditor Objection Period	The period during which Enaya creditors may submit their objections on the Merger pursuant to Article (193) of the Companies Law, which will commence from publishing the approval by Amana EGM and Enaya EGM of the Merger Resolutions and continue for (30) days.
Enforcement of Merger Resolution	It will be after the end of the creditors’ objection period or the settlement of all creditors objections to the Merger (whichever comes later) in accordance with the provisions of Article (193) of the Companies Law.
Closing Price	Last trading price for the shares according to the mechanism set by Tadawul.
Listing rules	Listing rules approved by the resolution of the Board of the Capital Market Authority No. (3- 123 - 2017) dated 09/04/1439H (corresponding to 27/12/2017G) and amended by its resolution No. (1-104-2019) on 1/2/1441H (corresponding to 30 /09/2019G) and amended by Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G)



Term or abbreviation	Definition
Corporate Governance Regulations	Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 12/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/ 1437H, as amended by resolution of the Board of the Capital Market Authority No. 1-7-2021 dated 06/01/1442H (corresponding to 01/14/2021G).
Saudization	The employment regulations in Saudi Arabia imposed on companies operating in the Kingdom to employ a certain percentage of Saudis.
Zakat, Tax and Customs Authority	Zakat, Tax and Customs Authority in the Kingdom.
General Authority for Statistics	The General Authority for Statistics in the Kingdom.
Ministry of Finance	Ministry of Finance in the Kingdom.
Ministry of Human Resources and Social Development	Ministry of Human Resources and Social Development in Saudi Arabia.
GOSI	The General Organization for Social Insurance in the Kingdom.
Financial Year	The year ending on December 31st of each calendar year.
Articles of Association	The company's relevant articles of association
Income Tax Law	Income tax law issued by Royal Decree No. M/1 on 15 January 1425H.
Senior Executives	Any natural person who manages and is responsible for setting and implementing the strategic Resolutions of the company, including the CEO, his deputies and the Chief Financial Officer.
H	Hijri history.
G	Gregorian history.
Shareholders	The relevant company shareholders.
The Public	In the rules on the Offer of Securities and Continuing Obligations, persons not mentioned below: 1- Issuer's affiliate. 2- Major shareholders in the Issuer. 3- Board members and senior executives of the Issuer. 4- Board members and senior executives of Issuer's affiliates. 5- Board members and senior executives with the Issuer's major shareholders. 6- Any relatives of the persons referred to in (5,4,3,2,1) above 7- Any company controlled by any of the persons referred to in (6,5,4,3,2,1) above. 8- Persons who Act in Concert together and own together (5%) or more of the shares category to be listed.
Amana Legal Advisor	Mohammed Ahmed Al-Dhabaan Law Firm and Legal Consultancy
Financial, Actuarial & Zakat Professional Due Diligence Consultant for Amana	KPMG Professional Consulting
Actuarial Consultant and Insurance Portfolio Evaluation Advisor for Amana	Badri Management Consultancy
Auditor of Amana	Ibrahim Ahmed Al-Bassam & Co. - Chartered Public Accountants, El-Sayed El-Ayouty & Co. - Chartered Accountants and Auditors
Virtual Financial Statements Auditor	Baker Tilly JFC & Co. - Chartered Accountants.
Advisers	The financial advisor, legal advisor, financial professional due diligence advisor, actuarial advisor, insurance portfolio valuation advisor, virtual financial statement accountant and auditor collectively.
Offering	Issuing securities or inviting the public to subscribe or promote securities directly or indirectly, or any declaration, statement or communication that is causing a sale, issuance or Offer of securities.
Dollar	U.S. Dollar
Person	Any natural or legal person.
Financial Statements	Amana's audited financial statements for the financial years ended on December 31, 2018G, 2019G and 2020G and the audited financial statements of Enaya for the financial years ended on 2018G, 2019G and 2020G.
Trading Pperiod	Times when shares can be sold and bought on the market as stipulated in trading from time to time.



Term or abbreviation	Definition
Plan to Regulate Integration after the completion of the Merger	The plan to be developed under the supervision of the Board of Directors of the Merging Company to integrate works after the completion of the Merger (Detailed Transition Plan).
Integration	Integrating Amana and Enaya businesses (including the integration of administrative functions, organizational structure, IT systems, and other aspects of the business) to ensure smooth and robust operation of the Combined company following Completion.
Offer Period	The period from Amana's firm intention announcement to make an Offer to Enaya Shareholders until the publication of Amana and Enaya EGM resolutions or until the Merger Agreement is terminated in accordance with its provisions.
Negative Fundamental Change(s)	Any of the cases set forth in paragraph (2.6.2) in this Document, the occurrence of which is proven to lead to the termination of the Merger Agreement and the payment of the termination fee (except for the case of force majeure, the fulfillment of its conditions which results in the termination of the Merger Agreement but without payment of the termination fee).
Offer Document	This Document, which is prepared by Amana pursuant to Article (38) of the MARs in relation to the Offer made by Amana to Enaya Shareholders in exchange for the transfer of Enaya's assets and liabilities to Amana.
Termination date	It is the date that falls six months after the date of signing the Merger Agreement (i.e. on 29/10/2021G) (or any later date agreed upon by the two companies in writing). The two companies have agreed in writing to extend the termination date to 29/04/2022G.
The two companies or both companies	Amana and Enaya
Amana Gulf Insurance Company J.S.C	Amana Gulf Insurance Company "Joint Stock Co." was incorporated in 1992 in the Kingdom of Bahrain as a closed Bahraini joint stock company. Amana Gulf Insurance Company (J.S.C) is engaged in all insurance operations, guarantee and compensation operations, and investing money and assets.
Munich Re Company	Munich Re, which was established in 1870 in the reinsurance sector. Munich Re is active in the insurance sector through its subsidiary Ergo Insurance Group, and in the asset management sector through its subsidiary Munich Ergo Asset Management. Munich Re is headquartered in Munich, Germany.
National Health Insurance Company (DAMAN)	Founded in Abu Dhabi, UAE in 2005G as a public joint stock company owned by the Government of Abu Dhabi, The National Health Insurance Company owns 20% shares in Munich Re. The National Health Insurance Company specializes in the health insurance sector.
Restructure	Means any change in Amana's capital due to a matter related to the capitalization of Amana or a matter relating to rights by issuing any shares, dividends, reducing the number of shares or any other modification in the rights relating to any part of Aman's issued capital.
Credit Rating	It is an opinion of independent credit rating agencies on the level of credit eligibility of a securities authority or level of credit eligibility in terms of the ability to meet financial obligations, using codes, letters, numbers or any other form. The rating entities are as follows: Standard & Poor's (S&P) and Moody's.
MOU	A non-binding memorandum of understanding concluded between Amana and Enaya on 29/03/1442H (corresponding to 15/11/2020G).
Person	Is any natural, or legal person to be recognized by the Kingdom's regulations as such.
A related person	He is the Managing Director and a board member, senior executive, any major shareholder of Amana, Enaya, Financial Advisor or Legal Advisor of Amana or Enaya, or any person associated with a person to whom this definition applies.
Other Jurisdiction.	It is any jurisdiction outside the Kingdom of Saudi Arabia in which it is prohibited to distribute the Offer Document , or to create, extend, or accept any other Offers related to the Merger that would violate the law or the legislation in force in the said jurisdiction.
Swap Ratio	It is a number of (1,05720160) shares in Aman for the benefit of Enaya shareholders for every (1) share owned by Enaya. It is the basis upon which the number of Consideration Shares due to Enaya shareholders will be determined in connection with the Merger, which will result in a number of (1,05720160) shares in Amana for every (1) share in Enaya.
Termination Fees	The termination fee under the Merger and Acquisition Regulations means the arrangements that can be agreed upon (after approval by the Authority) between the Offerer (or potential Offerer) and the Offeree company under which the Offeree company is obligated to pay a specified amount of money upon the occurrence of a certain event that would stop the Offer or cause its failure. This includes, but is not limited to, a recommendation by the Offeree company's board of directors to accept a higher competitive Offer. The two companies agreed under the Merger Agreement that the amount of Termination Fees will be SAR 3,500,000 (three million five hundred thousand Saudi Riyals), which represents approximately the total expected costs and expenses incurred by each of the parties of the Agreement. For more details on Termination Fees, please see Subsection No. (2.6.4) "Termination Fees" of this Document).
SOCPA	Saudi Organization for Chartered & Professional Accountants
SOCPA Standards	These are the standards applied by Saudi Organization for Chartered & Professional Accountants



Term or abbreviation	Definition
IFRS	A set of accounting standards and their interpretations issued by the International Accounting Standards Board. (International Financial Reporting Standards).
Regulatory controls and procedures	Regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies issued by the Board of the Capital Market Authority by virtue of its Resolution No. (8-127 -2016) dated 16/01/1438H (corresponding to 10/17/2016G) and amended by its Resolution No. (3-57-2019) dated 15/09/1440H (corresponding to 20/05/2019G).
Transaction or Merger	It is the proposed Merger between Amana and Enaya in accordance with the provisions of Articles (191) to (193) of the Companies Law and the provisions of Subparagraph (1) of Paragraph (a) of Article (49) of the Merger and Acquisition Regulations, which will result in the transfer of all assets of Enaya and its liabilities to Amana against issuing the Consideration Shares by Amana in favor of Enaya shareholders by increasing its paid-in capital from one hundred and thirty million (130,000,000) Saudi Riyals to two hundred eighty-eight million five hundred and eighty thousand two hundred and forty (288,580,240) Saudi Riyals.
S &P	Standard & Poors, a U.S. agency specializing in classification Credit.
Moody's	Moody is a U.S. agency specializing in economic research, financial analysis and evaluation of private and government institutions in terms of financial and credit power.
Fitch	Fitch, a U.S. agency specializing in credit ratings.
"A" Rating	A credit rating by Standard & Poor's means that the rated entity is somewhat exposed to the adverse effects of changes in economic conditions, but has a high capacity to meet its financial obligations. It should be noted that a positive sign (+) has been added to the rating score to show the relative position within the rating categories, where the positive sign (+) indicates the upper limit in the "A" (low risk) group.
"-AA" Rating	A credit rating by Standard & Poor's means that the rated entity has a very high ability to meet its financial obligations. It should be noted that a negative sign (-) has been added to the rating score to show the relative position within the rating categories.
"-A" Rating	A credit rating by Standard & Poor's means that the rated entity has sufficient capacity to meet its financial obligations. It should be noted that a negative sign (-) has been added to the rating score to show the relative position within the rating categories, as the negative sign (-) indicates the minimum in the "A" group.



2. Merger Overview

2.1 Introduction

On 29/03/1442H (corresponding to 15/11/2020G), Amana announced the signing of a non-binding memorandum of understanding “MOU” with Enaya to assess the feasibility of the Merger of the two companies, in addition to initiating a reciprocal due diligence process and examination studies of technical, financial, legal and actuarial aspects, taxation and non-binding discussions regarding the details of the terms and conditions of the proposed Merger.

Amana and Enaya have agreed under the memorandum of understanding that if the Merger is successful, the Merger will be completed through a securities swap Offer through which Enaya's assets and liabilities will be transferred to Amana in exchange for the issuance of Consideration Shares to Enaya's shareholders in Amana.

The two companies also agreed that the basis of the evaluation will be using the equity book value in accordance with the financial statements announced by both companies as of September 30, 2020G after the adjustments agreed upon according to the results of the professional examination (financial, legal and actuarial) and the verification process.

The Swap Ratio between Amana and Enaya's shareholders was calculated using the equity book value of both companies and adjusted by the results of the professional examination studies (financial, legal, and actuarial). For more details, see the subsection No. (2.4) “Valuation of Enaya” of Section 2 “Merger Overview” of this Document.

On 17/09/1442H (corresponding to 29/04/2021G) Amana and Enaya signed the Merger Agreement which also included the announcement of its firm intention to proceed with the Merger and to make an Offer to the shareholders of Enaya for this purpose. The Merger Agreement included all the provisions and steps necessary to implement and complete the Merger between the two companies in accordance with the rules and regulations issued by the Capital Market Authority, particularly the Merger and Acquisition Regulations, the Rules for Offering Securities, Continuing Obligations and the Companies Law, (for more information on the provisions of the Merger Agreement, please refer to Section (2.6) (“Merger Agreement and summary of the terms of completion of the Merger”) of this Offer Document).

Under the Merger, Enaya will be merged into Amana and all its assets and liabilities will be transferred to Amana. Upon the implementation of the Merger resolution, Amana will continue to exist, while Enaya will cease to exist as a legal entity pursuant to the law and all its shares will be canceled from Tadawul and its commercial register will be deleted. A trading period after the Merger resolution becomes effective.

It was agreed between the two boards of directors that the only consideration for the Merger would be the fact that Amana shall issue Consideration Shares on the Effective Date of the Merger resolution (taking into account the settlement procedures) exclusively for the benefit of the eligible shareholders of Enaya in return for merging Enaya into an Amana, whereby Amana will issue (1.05720160) shares in Amana against every one (1) share owned by Enaya.

2.2 Rationale of The Merger

As per the Financial Stability Report for the year 2020G issued by Saudi Central Bank, five insurance companies accounted for 67.5% of the total subscribed premiums of the insurance market in the Kingdom for the year 2020G. While the micro-enterprise insurance sector took up 3.5%, small enterprises took up 5.9% and medium enterprises took up 12.2% of the total insurance subscribed premiums, according to the Insurance Market Report for the year 2020G issued by Saudi Central Bank.

Amana's proposed Merger with Enaya is an important step to help Amana to acquire a larger market share by Offering a wide range of general insurance and health insurance products in addition to increasing Amana's customer base, improving the insurance services provided to customers and the ability to bear greater risks. The Merger is expected to contribute to achieving a number of objectives and economic matters that will benefit Amana's existing and new shareholders.

The objectives for the Merger are including but not limited to:

- 1- Improving the efficiency of the Merging Company's capital: As a result of the Merger, the Merging Company will enjoy stronger capital and a stronger level of solvency, and therefore will be more able to bear a higher level of risks, provide better insurance services and the ability to invest its money better, and it is expected that the new capital will contribute to getting a better rating by international financial rating agencies.
- 2- Improving the competitive position of the Merging Company in the insurance market: As a result of the Merger, it is expected to increase the market share of the Merging Company with a larger and more diversified customer base, and thus, this will lead to an improvement in the position of the Merging Company and the results of its operational and financial operations compared to the current positions of Amana and Enaya.
- 3- Reducing operating expenses and increasing the ability to Offer products at competitive prices: As a result of the Merger, the Merging Company will be able to reduce the operating expenses and general and administrative expenses of the Merging Company in proportion to its new business volume, and thus, will be able to provide insurance products at more competitive prices in the long term.
- 4- Benefiting from the administrative and technical expertise and the technical structure: As a result of the Merger, it is expected that the Merging Company will benefit from the cumulative experiences regarding the administrative and technical aspects and the technical structure owned by both companies.
- 5- Benefiting from strategic partners: As a result of the Merger, it is expected that the Merging Company will benefit from the presence of Amana Gulf Insurance Company J.S.C., Munich Re, and National Health Insurance Company (Daman) as strategic partners of the Merging Company. Moreover, the Merging Company will benefit from the cumulative experiences owned by the strategic partners in terms of regional and global best practices and the cumulative technical expertise in the insurance sector owned by the strategic partners through their geographical spread in the Middle East.
- 6- Improving the company's ability to negotiate prices with the reinsurers.

It is noteworthy that the Merger is supported and recommended by the boards of directors of Amana and Enaya.



2.3 About the Merger

The Offer submitted by Amana includes merging Enaya with Amana and transferring all the assets and liabilities of Enaya to Amana in return for issuing Consideration Shares for Enaya shareholders, in accordance with the rules and regulations issued by the Capital Market Authority (including the Merger and Acquisition Regulations and the rules of Offering Securities and Continuing Obligations) and the Companies Law issued by the Ministry of Commerce.

If the Merger is approved by the required percentage of the shareholders of Amana and the shareholders of Enaya during the extraordinary general assembly meeting of both companies respectively, and, in accordance with the conditions set out in this Offer Document, all shareholders of Enaya will become new shareholders in Amana and they will own 55% of the total capital of Amana. All licenses issued to Enaya will be canceled until the procedures for deletion from the commercial register of Enaya are completed.

Based on the terms and conditions of the Offer set forth in this Document and the terms and conditions of the Merger agreement signed on 17/09/1442H (corresponding to 29/04/2021G) between Amana and Enaya, Amana Offered to merge with Enaya by transferring all of Enaya's assets and liabilities to Enaya in exchange for issuing shares for the benefit of the shareholders of Enaya. It has been agreed between the two boards of directors that the Merger will take place on the basis of exchanging the shares of the two companies without any cash charges, and that the total Consideration Shares that Amana will issue to the shareholders of Enaya is fifteen million eight hundred fifty-eight thousand and twenty-four (15,858,024) Consideration Shares of Amana's shares, which constitutes (55%) of the total shares of Amana after the capital increase. Note that the current capital of Amana is one hundred thirty million Saudi Riyals (SAR 130,000,000) divided into thirteen million (13,000,000) ordinary shares with a nominal value of (10) ten Saudi Riyals per share.

After the completion of the Merger, the capital of Amana Company will become two hundred and eighty-eight million five hundred and eighty thousand two hundred forty Saudi Riyals (SAR 288,580,240), and the number of its shares will be twenty-eight million eight hundred fifty-eight thousand twenty-four (28,858,024) shares.

The terms of the Merger were approved by the Board of Directors of each of Amana and Enaya, including the agreed Swap Ratio, whereby Amana will issue (1,057,201,60) new shares in Amana for the benefit of the shareholders of Enaya for every (1) one share owned in Enaya. In the event that Amana announces dividends, or distributes or issues any other shares (in return for capitalization of profits, issuance of preferred shares, reduction of capital or any other modification of rights related to any part of the capital shares issued by it) or in the event that its capital shares are reorganized prior to the completion of the Merger, then, the return to be provided by Amana to Enaya shareholders will be adjusted to the appropriate extent to ensure that the shareholders of Enaya receive the same economic value as the shares of Enaya without affecting Enaya shareholders as a result of Amana's operations in the event of dividends distribution, or Amana distributing or issuing any other shares (in exchange for capitalization of profits, issuance of rights shares, capital reduction or any other modification of rights related to any part of the shares capital issued by it) prior to the completion of the Merger.

The proposed increase in the capital of Amana for the purpose of the Merger is conditional on the approval of the shareholders of Amana during the extraordinary general assembly of Amana for increasing its capital for the purpose of merging Enaya into Amana, in addition to the approval of the shareholders of Enaya during the extraordinary general assembly meeting of the Offer submitted from Amana. Where the new shares will be issued in Amana Company in implementation of the Merger as fully paid-up shares. These shares will be equal to Amana's currently issued shares with all related rights. In addition, Enaya shareholders will receive all rights arising from owning those shares, including the right to receive any profits announced by Amana after the completion of the Merger.

If the Merger was approved by the shareholders of Amana during the extraordinary general assembly meeting by their approval of the capital increase for the purpose of merging with Enaya, and approved by the shareholders of Enaya during the extraordinary general assembly meeting by their approval of the Offer submitted by Amana related to the Merger, and once the Merger resolution becomes in force, then, Amana will issue the new shares for the benefit of the shareholders of Enaya who own the shares of the merged company and who are registered in the shareholder register of Enaya at the end of the second trading day period from the Effective Date of the Merger, with a number of (1,057,201,60) shares in Amana for every (1) share owned in Enaya. Accordingly, the ownership percentage of the shareholders of Enaya will become (55%) of the capital of Amana after the completion of the Merger and the increase in the capital of Amana, which will have a total nominal value of two hundred eighty-eight million five hundred eighty thousand two hundred forty Saudi Riyals (SAR 288,580,240), to include Amana currently issued capital shares which are thirteen million (13,000,000) shares with a nominal value of (10) Saudi Riyals per share, in addition to the new shares issued for the benefit of the shareholders of Enaya with a number of fifteen million, eight hundred fifty-eight thousand twenty-four (15,858,024) shares with a nominal value of ten (10) Saudi Riyals per share.

After approving the Merger by the shareholders of Enaya during the company's extraordinary general assembly meeting to approve the Offer submitted by Amana related to the Merger, and after the implementation of the Merger resolution and the issuance of shares to the shareholders of Enaya in Amana, then, the listing of Enaya's shares in Tadawul will be cancelled. All licenses and commercial registration issued to Enaya will be canceled, thereupon, Enaya will be dissolved.

All this is expected to be done in accordance with the expected schedule of key events, shown on page (iii). It should be noted that the two companies will continue to use their names and trademarks during the implementation of the Merger.



The following table shows Amana's ownership prior to and following the increase in the company's capital and the completion of the Merger:

Table No. (1): Shareholder ownership structure before and after the completion of the Merger

Shareholder	Pre-Merger		Post-Merger	
	No. of shares	Ownership ratio	No. of shares	Ownership ratio
Amana Gulf Insurance Company "JSC"	1,772,975	13.64%	1,772,975	6.14%
Munich Re	NA		2,378,704	8.24%
National Health Insurance Company (DAMAN)	NA		1,585,802	5.50%
The Public	11,227,025	86.36%	23,120,543	80.12%
Total	13,000,000	100%	28,858,024	100%

Source: Tadawul, Amana, Financial Advisor

The below diagram is a simplified description of the Merger structure:

Figure 1: Merger Structure



Source: Financial Advisor, Amana, Enaya

2.4 Valuation of Enaya

The Swap Ratio (which determines the number of shares that will be issued to Enaya shareholders in the merged company as a result of the Merger) was agreed between Amana and Enaya following detailed commercial negotiations between the two companies. During this negotiation stage, Amana adopted the advice of its advisors, in addition to reviewing the data of the necessary professional due diligence studies related to Enaya's business.

The discussions between the two companies about the Swap Ratio were subject to the provisions of the non-binding memorandum of understanding concluded between Amana and Enaya, dated 29/03/1442H (corresponding to 15/11/2020G). It was agreed between the two companies that, in the event of reaching a final Resolution regarding the Merger, this will be done by merging Enaya into Amana through issuing Consideration Shares by Amana to the shareholders of Enaya, in return for transferring Enaya's assets and liabilities to Amana. In addition, it was also agreed between the two companies that the evaluation would be based on the book value of equity, modified by the results of the necessary professional examination, according to the financial statements announced by the two companies as on September 30, 2020G (according to MOU indicated hereinabove, it was agreed to approve the audited financial statements for the period ending on 30/09/2020G, given that they are the latest financial statements that precede signing the Memorandum of Understanding).

Both companies reviewed and discussed the adjustments and exclusions to the equity of each of the two companies resulting from the professional due diligence studies, and it was agreed on a number of adjustments described below in this section.



The table below shows the valuation method used to calculate the Swap Ratio for the Merger:

Table No. (2): Valuation of Enaya and Amana

As in the financial statements ended on September 30, 2020G	Amana	Enaya	Merging Company
Equity book value	133,654,000	125,441,000	259,095,000
Adjustments agreed between the two companies extracted from the due diligence professional examination reports'	(33,362,000)	(3,100,000)	It doesn't apply.
Adjusted equity book value	100,292,000	122,341,000	It doesn't apply.
Ownership in the Merging Company	45%	55%	100%
Number of shares of Amana			13,000,000
Number of shares of Enaya			15,000,000
Swap Ratio for every (1) shares owned by Enaya			1.05720160
Number of shares to be issued for Enaya shareholders (Consideration Shares)			15,858,024
Total number of shares of the company (after the completion of the Merger)			28,858,024

Both Amana and Enaya managements have reviewed all the proposed adjustments to the equity book value of Amana and Enaya (shown below in Table (4) and Table (5)). The two companies discussed these adjustments to reach an agreement regarding acceptance or rejection of the adjustments (by additions or exclusions) proposed by the due diligence professional examination consultants of both companies, thereafter, it was agreed to accept a number of adjustments to the equity book value of each of Amana and Enaya, as follows:

Table No. (3): Adjustments agreed between the two companies extracted from professional due diligence examination reports

Amana		Enaya	
Adjustment	Value	Adjustment	Value
Additional allocations for outstanding receivables due by reinsurance companies for a period exceeding 360 days	(20,523,000)	Additional provisions for doubtful debts	(3,100,000)
Additional allocations for outstanding receivables due between 90 and 360 days	(2,041,000)		
Allocations for outstanding receivables for more than 360 days	(10,558,000)		
Allocation for receivables related to legal expenses.	(240,000)		
Total adjustments agreed between the two companies extracted from the professional due diligence reports	(33,362,000)	Total adjustments agreed between the two companies extracted from the professional due diligence reports	(3,100,000)

Source: Professional Due Diligence Reports and Discussions between two Companies' managements



The following table shows all the proposed adjustments by Professional due diligence advisors on the equity book value of Enaya as of September 30, 2020G:

Table No. (4): Proposed adjustments to the equity book value of Enaya as of 30/09/2020G

Number	Subject	Value of the proposed adjustments Additions / (exclusions)	Statement
1	Reduced book value of bonds investments	(3,782,000)	Enaya did not test the impairment of the book value of the bonds it owns under the investment item compared to its fair value. The financial advisor for due diligence conducted this test and it was found that there is a decrease amounted (3.78 million Saudi Riyals) and it was proposed to reduce the book value of equity (as of the end of September 2020G) to Enaya to reverse this decrease in the value of these Bonds.
2	Additional allocations for doubtful debt	(4,748,000)	This adjustment relates to: - An additional allocation against doubtful debts, amounting (748,000) Saudi Riyals, regarding the balance of receivables belonging to one of Enaya customers (Electronic Company for International Communications Group), as this balance is related to an expired insurance policy, and Enaya is still collecting. - Additional allocation against doubtful debts amounting (4,000,000) Saudi Riyals regarding the excess of loss agreement signed with Reinsurance Company, the American Reinsurance Group.
3	Exclusions related to financial fines imposed by regulatory authorities	(220,000)	These proposed exclusions are due to a number of financial fines imposed by the regulatory authorities, which were imposed on Enaya after the issuance of the financial statements for the period ending on September 30, 2020G, therefore, they were not calculated as expenses during the mentioned period, which are as follows: - On 11/2020G, Saudi Central Bank imposed a financial penalty of SAR 200,000 on Enaya for a number of violations of SCB Regulations. - On 11/2020G, the Ministry of Human Resources and Social Development imposed a fine on Enaya with the amount of SAR 20,000 for laying off a number of its employees during the COVID-19 pandemic.
4	Additional provision for VAT (reflects the possibility of additional VAT claims)	(26,000)	As a result of the tax examination, the financial due diligence advisor recommended adding an adjustment to the book value of equity to reflect potential additional VAT claims on Enaya.
5	Allocations for outstanding lawsuits	(1,703,000)	As in September 2020G, the financial due diligence examination showed that there are two cases filed against Enaya and no allocations were made against the potential claims arising from those cases, which are as follows: - The first case: Claims related to the main building of Enaya, which were filed by the owner of the building against Enaya, and the value of the claims is (1,648,000 Saudi Riyals). - The second case: It was a claim sued by Enaya employee as a result of the termination of his services, the claim value is (55,000 Saudi Riyals).
6	Advance payment (Guarantee) related to Enaya main building lease contract	(185,000)	At the beginning of Enaya main building lease contract (during the year 2017G), Enaya paid a security or insurance payment for the owner of the building, and according to the opinion of the financial due diligence consultant, this amount may not be recovered.
7	Expected impact as a result of vacancies at Enaya	(804,000)	According to the financial due diligence report, there are a number of vacant administrative positions at Enaya, including the position of Technical Director (vacant since December 2019G) and Compliance Manager (vacancy since August 2020G), where other administrative staff perform the tasks of these positions. The financial due diligence advisor accepted the adjustment of the equity book value in Enaya with the total expected expenses for the monthly salaries of the two positions for the periods in which they were vacant.
8	The expected impact as a result of the lack of an insurance policy with Enaya on its property (premises, buildings and equipment) against losses or damages.	(2,004,000)	It was proposed by the financial due diligence consultant to reduce the equity book value (as of end of September 2020G) for Enaya to reverse an expense related to the expected insurance cost on Enaya's property of buildings and equipment against losses or damage.



Number	Subject	Value of the proposed adjustments Additions / (exclusions)	Statement
9	Due expenses related to tickets of Enaya employees	(111,000)	It is related to the non-recording of due expenses of the travel tickets for Enaya employees during the periods (2017G, 2018G, 2019G, and the nine months of 2020G), where Enaya records the expense at the time of cash payment. The financial due diligence consultant believes that the best practices in dealing with these expenses are by recording them as accrued expenses for each period, and accordingly, it was suggested by the financial due diligence consultant to reduce the equity book value (as of the end of September 2020G) for Enaya to reverse those due expenses.
10	Accrued expenses against current consultancy contracts	(515,000)	Consultancy contracts based on Enaya related to the application of international accounting standards (No. 9 and 17). It was proposed by the financial due diligence consultant to adjust the equity book value (as of the end of September 2020G) for Enaya to reflect those accrued expenses related to the services provided under these advisory contracts.
11	Unearned premium reserve	(235,000)	According to the opinion of the due diligence actuarial consultant, the reserve for unearned insurance premiums recorded in the financial statements of Enaya for the period ending on September 30, 2020G, is less than what was shown by the actuarial study by a law percentage estimated at 0.3%.
12	Insurance premiums deficit reserve	(1,949,000)	The actuarial due diligence examination report showed that there are differences in the estimation of the reserve allocated for the deficit in insurance premiums between what was calculated under the actuarial examination report and what was prepared by the actuarial expert for Enaya, due to the different methods used in calculation.
13	Reserve for outstanding claims	(53,000)	The due diligence actuarial report showed that the reserve for claims under settlement of existing losses was lower in the lists of Enaya compared to what was calculated under the actuarial due diligence due to the different methods used in its calculation between the two companies.
14	Reserve for incurred but not reported claims	(6,577,000)	The actuarial due diligence consultant noted that the incurred and unreported claims reserve registered with Enaya was less than the required, according to its estimates.
15	Allocation for claims settlement fees	(2,013,000)	The actuarial due diligence consultant noted that the allocated claims settlement expenses are less than the required according to its estimates, and this difference is due to the fact that the actuarial expert of Enaya calculates this provision at the rate of (5%) of the total outstanding claims in addition to the reserve for incurred and unreported claims. Whereas the actuarial due diligence consultant deems it is necessary to calculate it at the rate of (10%) of the total reserve for incurred but not reported claims in addition to 50% of the total outstanding claims.
Total proposed adjustments to the book value of Enaya's equity as of September 30, 2020G			(24,925,000) Saudi Riyals
The value of the adjustments to the equity book value of Enaya, as agreed upon by Amana and Enaya			(3,100,000) Saudi Riyals

Source: Professional Due Diligence Reports



The outputs of the professional care reports from the technical and operational aspects were discussed between the two companies, and it was agreed to adjust the equity book value of Enaya by reducing it according to the amounts referred to above in Table No. (4). The lack of full adjustment of Enaya's book value as per proposed adjustments by professional due diligence consultants are due to a number of matters, the most important of which is the difference in methodologies or assumptions used by each company in calculating some technical or other allocations.

The following table shows all the proposed adjustments by the professional due diligence advisors to the book value of Amana equity as of September 30, 2020G:

Table No. (5): Proposed adjustments to the book value of Amana's equity as of 30/09/2020G

Number	Subject	Value of the proposed adjustment Additions / (exclusions)	Statement
1	Reinsurance allocations	(530,000)	The financial due diligence consultant appointed by Enaya considers that the mechanism used by Amana in calculating the re-insurance provisions/allocations should be modified. It should be calculated based on the total balances of receivables for reinsurers instead of calculating it on the net receivables of reinsurers.
2	Additional allocations for outstanding due receivables from reinsurance companies for more than 360 days	(20,523,000)	The financial due diligence consultant appointed by Enaya recommended creating an additional allocation of (20.5) million Saudi Riyals to meet the losses incurred from the inability of Amana to collect these receivables from the reinsurance companies.
3	Additional allocations for outstanding receivables with a period between 90 and 360 days	(2,041,000)	The financial due diligence consultant appointed by Enaya recommended creating an additional provision of (2.04) million Saudi Riyals to meet the losses incurred from the inability of Amana to collect these receivables from its clients.
4	Additional allocations for outstanding receivables that are due for more than 360 days	(10,558,000)	The financial due diligence consultant appointed by Enaya recommended creating an additional allocation for outstanding receivables that are due for a period of more than 360 days, as Enaya calculates the allocation at a rate of (100%) for outstanding receivables (with a lifespan of more than 360 days). Yet, the actual percentage of Amana reaches (79.6%) for the same lifespan of the receivables. By applying the same percentage (100%) to the accounts receivable, this will result in a recommendation to add an allocation amounting to (10,558) million Saudi Riyals
5	Additional allocation reflecting the possibility of additional tax and zakat claims	(7,926,000)	As a result of the tax examination, the financial due diligence consultant appointed by Enaya recommended the formation of an additional allocation that reflects the possibility of additional tax and zakat claims that may be imposed by the Zakat, Tax and Customs Authority on Amana.
6	An additional provision reflecting the VAT paid by Amana and not collected from customers	(4,727,000)	The financial due diligence consultant appointed by Enaya has determined the total amounts that represent the portion of the due and unpaid VAT from insurance policy holders (Amana clients) (during the period from 2018G to 2019G). Whereas, Amana submitted and paid all VAT amounts to Zakat, Tax and Customs Authority, but was not able to collect those amounts from insurance policy holders, and Amana did not make any allocation for these amounts against failure to collect them, as Amana believes these amounts can be returned from the Zakat, Tax and Customs Authority as a deduction for bad debts. The financial due diligence consultant appointed by Enaya believes that the equity book value (as of the end of September 2020G) for Amana should be reduced into an amount with all of these amounts due to the difficulty of collecting them from customers or obtaining the approval of the Zakat, Tax and Customs Authority to deduct them as bad debts.
7	Allocations for accounts receivable related to legal expenses	(240,000)	The financial due diligence consultant appointed by Enaya recommended creating an allocation against debit amounts estimated (240) thousand Saudi Riyals related to debit balances that are expected to be collected in connection with legal expenses incurred by Amana, and since this balance has not changed, the recommendation was to form an additional allocation thereto.
8	Technical allocation differences	(15,626,000)	The actuarial due diligence consultant appointed by Enaya, noted that Amana keeps technical allocations less than the required as per its estimates, with regard to the allocation for costs of acquiring deferred insurance policies and the allocation of unearned reinsurance commissions, due to the different methods used in calculating these allocations by the two companies.



Number	Subject	Value of the proposed adjustment Additions / (exclusions)	Statement
	The total proposed adjustments to Amana equity book value as of September 30, 2020G		(62,171,000) Saudi Riyals
	The value of the adjustments to the equity book value of Amana as agreed by Amana and Enaya		(33,362,000) Saudi Riyals

Source: Professional Due Diligence Reports

The outputs of professional due diligence reports from the technical and operational aspects were discussed between the two companies, and it was agreed to adjust the equity book value of Amana by reducing it according to the amounts referred to above in Table No. (5). The lack of full adjustment of Amana's book value as per proposed adjustments by professional due diligence consultants are due to a number of matters, the most important of which is the difference in methodologies or assumptions used by each company in calculating some technical or other provisions related to accounts receivable and tax settlements..

Table No. (6): Method of calculation of Swap Ratio

Item	Note
Valuation of the Merging Company "after the Merger transaction"	Valuation of Amana + Valuation of Enaya
Percentage of Amana's ownership of the Merging Company "after the Merger transaction"	$\frac{\text{Valuation of Amana}}{\text{Valuation of the Merging Company "after the Merger transaction"}}$
Percentage of Enaya's ownership of the Merging Company "after the Merger transaction"	$\frac{\text{Valuation of Enaya}}{\text{Valuation of the Merging Company "after the Merger transaction"}}$
Number of new shares issued for Amana's existing shareholders after the Merger transaction	As before the capital increase, thirteen million (13,000,000) ordinary shares.
Number of new shares issued for Enaya's shareholders	$\frac{\text{Number of shares of Amana's shareholders after the Merger transaction}}{\text{Percentage of Amana's ownership of the Merging Company after the Merger transaction}} - \text{Number of shares of Amana's existing shareholders after the Merger transaction}$
Swap ratio per each share owned in Enaya	$\frac{\text{Number of shares to be issued for Enaya's shareholders for the purpose of the Merger}}{\text{Number of Enaya's shares for the purpose of Merger}}$

Based on the Swap Ratio mentioned above, Amana will increase its capital and issue fifteen million eight hundred fifty-eight thousand twenty-four (15,858,024) ordinary shares with a nominal value of (10) ten Saudi Riyals per share and will register them for the benefit of Enaya shareholders. The total market value of the Consideration Shares, based on the Swap Ratio and the closing price of Amana share, is (64.38) Saudi Riyals as of (28/04/2021G), which is the last trading day prior to the Effective Date of the Merger agreement, an amount of one billion twenty million nine hundred thirty-nine thousand five hundred eighty-five (1,020,939,585) Saudi Riyals. The total value of the Consideration Shares that will be reflected in the financial statements of Amana will be determined at a later time based on the closing price of Amana shares on the last trading day preceding the Effective Date of the Merger resolution.

Table No. (7): Consideration Share's value as per Amana's share price compared to the market value of Enaya

Number of shares to be issued for Enaya shareholders (Consideration Shares).	15,858,024 ordinary shares
Total value of Consideration Shares as per Amana closing price on 28/04/2021G at the last trading day preceding the Effective Date of the Merger Agreement.	(1,020,939,585) Saudi Riyals, where the closing price of Amana was (64.38) Saudi Riyals
Enaya's market value on 28/04/2021G which is the last trading day preceding the Effective Date of the Merger Agreement.	(609,000,000) Saudi Riyals, where the closing price of Enaya amounts SAR 40.60 and the number of shares issued to the company is fifteen million (15,000,000) ordinary shares.
The percentage of the difference between the market value of Enaya and the total Consideration Shares for the Merger on (28/04/2021G), which is the last trading day preceding the Effective Date of the Merger agreement.	An increase of 67.64% in the total value of the Consideration Shares for the shareholders of Enaya, according to the closing price of Amana as of 04/28/2021G compared to the market value of Enaya as of 04/28/2021G.



2.5 Finance of the Merger

Amana will not pay any cash to Enaya shareholders for the purpose of merging Enaya into Amana and will not obtain any external financing to complete the Merger. The Merger will be implemented by Offering a securities exchange to transfer all the assets and liabilities of Enaya to Amana, by issuing (1,05720160) shares in Amana Company for every (1) share owned in Enaya. Therefore, fifteen million eight hundred fifty-eight thousand and twenty-four (15,858,024) new shares with a nominal value of (10) ten Saudi Riyals will be issued as a result of the capital increase of Amana. These shares will be registered in favor of the shareholders of Enaya through the issuance of Consideration Shares, and the new shares issued as a result of the capital increase of Amana will be equal in value, classification and rights in all respects with the currently issued Amana shares.

It is noteworthy that the Board of Directors of Amana confirms that no commission or payment of any value or any guarantee of any securities in Amana (whether accidental or non-accidental) will be paid in any way in the context of the Merger with Enaya.

2.6 Merger Agreement and summary of the terms of completion of the Merger

Amana and Enaya entered into Merger agreement on 09/17/1442H (corresponding to 04/29/2021G), which included special conditions for the implementation of the Merger in accordance with the steps, procedures and Swap Ratio specified in the Offer Document, in addition to certain pledges and guarantees by the management of the two companies. Accordingly, the Merger will be subject to the conditions set out in the terms of the Merger agreement as set out below. The following is a summary of the essential terms and conditions, preconditions or undertakings contained in the Merger Agreement, which are as follows:

2.6.1 Preconditions

Under Clause (4) of the Merger Agreement, there are a number of conditions that must be met for the purpose of completing the Merger. The two companies have committed themselves to seeking to fulfill them as soon as possible and to coordinate with each other in this regard and have also agreed that none of these conditions may be adjusted or waived without the written consent of both companies. The summary of the conditions is as follows:

- a. Obtaining the approval or non-objection of the General Authority for Competition to complete the Merger.
- b. Obtaining all required approvals from Saudi Central Bank in relation to the Merger. According to the terms of the Merger.
- c. Attaining Tadawul's approval of Amana's request to list the Consideration Shares issued to Enaya shareholders.
- d. Obtaining all the required approvals from the Capital Market Authority on a request to increase the capital of Amana Company by issuing new shares for the benefit of the shareholders of Enaya for the purpose of implementing the Merger. This shall include the approval of the Offer Document and the Shareholders' Circular, in accordance with the Merger and Acquisition Regulations and the Rules for Offering Securities and Continuing Obligations issued by the CMA.

2.6.2 Material Adverse Change

In the event that either of the parties finds that there has been (or is likely to occur) any material adverse change that results in a decrease in the adjusted net book value (agreed upon under the Merger agreement) by 20% or more for either of the two companies, the other party shall be notified in writing immediately of that change. Accordingly, the representatives of the two companies shall meet to discuss the circumstances and basis of the negative material change within a period not exceeding ten working days from the date of the notification. In the event that either party disputes that the occurrence of an event(s) or condition(s) has resulted in an adverse material change, the parties shall appoint an independent expert to act as an expert, not as an arbitrator, to review the circumstances and issue a final and binding Resolution on the parties as to whether what has occurred constitutes a material negative change or not. The two parties shall bear equally all fees and costs related to the appointment of the expert. In the event that the expert's Resolution that no negative material change has occurred, the party claiming such an event shall be responsible for compensating the other party for the costs of appointing the expert. The identity of the expert must be agreed upon by the parties, and in the event that the representatives of the two companies are unable to meet within ten (10) working days from the date of receiving the notification, or in the event that the representatives of the two companies do not agree to identify an expert within 20 days of receiving the notification, the party claiming a negative material change has the right to apply to the Saudi Center for Commercial Arbitration for the sole purpose of appointing an expert, and this expert is binding on both parties. According to the Merger agreement, the Resolution of the Saudi Center for Commercial Arbitration is binding in the process of selecting the expert in the event that the two parties did not reach an agreement on the appointment of an expert.

If the parties agree or the appointed expert considers that the event or circumstance actually constitutes a material negative change, it is up to the parties to do the following:

- 1- Agreeing to proceed with the Merger in accordance with the terms of the Merger agreement notwithstanding any material adverse change in one of the two companies: or
- 2- A party whose works are not affected by a material adverse change may terminate the Merger Agreement and demand immediate payment of the termination fee from the other party (for more details on Termination Fees, please see subsection No. (2.6.4) "Termination Fees" of this Document), provided that prior to termination of the Merger Agreement and the request of immediate payment of the termination fee, the parties shall first endeavor to negotiate in good faith any reconsiderations to the terms of the Merger Agreement, including but not limited to renegotiating the Swap Ratio, with the intent of the parties reaching an agreement to proceed with the Merger. In the event that the parties are unable to agree to any reconsideration to the Merger Agreement by negotiation in bona fide within fourteen (14) business days after the parties have agreed or the expert has acknowledged that a material adverse change has occurred, the party whose works are not affected by the material adverse change may terminate the Merger agreement immediately and demand immediate payment of Termination Fees from the other party.
- 3- Either party shall reserve the right to terminate the Merger Agreement and demand immediate payment of Termination Fees under Clause 8.2(b) of the Merger Agreement, the provisions thereof are set out in Paragraph (2) above. This shall be by written notice within thirty (30) business days of receipt of the notice (in the event that a party does not claim against a



material adverse change) or no later than thirty (30) business days of the issuance of the final and binding Resolution of the expert (where the material adverse change is disputed by one of the parties and confirmed by the expert), otherwise this right to terminate the Merger Agreement and to claim Termination Fees under Clause 8.2(b) of the Merger Agreement described in Paragraph (2) above, shall be null and the party that submitted notice shall be deemed agreeing to proceed with the Merger in accordance with the terms of the Merger agreement.

2.6.3 Terms of termination of the Merger/Merger Agreement

Clause 7.1 of the Merger Agreement provides that if any of the pre-conditions are not fulfilled or waived (if they can be waived), before or on the date of termination, and unless otherwise agreed by the parties in writing, either party may terminate the Merger by written notice to the other party and in line with the provisions of Clause No. (7.3) of the Merger Agreement, provided that the right to terminate the Merger is not vested to any party who fails to fulfill the material obligations or is this party is responsible or the main cause of the failure on or before the date of termination:

Without prejudice to the following provisions of the Merger agreement “Clause No. (7.1) of the Merger agreement” whose provisions are explained in the above paragraph, and Clause No. (8) of the Merger agreement whose provisions are set forth in Subsection No. (2.6.2) “**Material Adverse Change**” of This Document and Clause No. (9) of the Merger Agreement, which deals with cases of force majeure, the transaction may be terminated at any time prior to the Effective Date of the Merger resolution should any of the following matters occur:

- 1- Based on the joint and written approval of Amana and Enaya to terminate the Merger.
- 2- Upon a written notice to the other party if:
 - a. Any applicable law becomes in force which makes the completion of the Merger illegal or otherwise prohibited; or
 - b. Any ruling, injunction, order or decree issued by any government authority, court or regulatory body with jurisdiction directing the parties to suspend the Merger and make this ruling, injunction, order or decree final and not subject to appeal; or
 - c. The occurrence of a force majeure event and its extension for more than two (2) months pursuant to Clause 9 of the Merger Agreement (which sets out cases of force majeure), however, the parties may agree in writing to extend the period provided for in this paragraph to any other period;
- 3- By either party after the other party breaches its obligations under Clause (5.3 A) of the Merger Agreement, which states that: Refrain from taking any action (whether direct or indirect) to encourage or initiate entry or seek to engage in discussions or negotiations with any other entity in connection with any Merger or other similar transaction, or otherwise take any action of any kind (including but not limited to the recommendation of the relevant party's board of directors to the shareholders of that party with a higher Offer or a competitive Offer in conflict with the terms of this Offer Document) which would prejudice the ability of the parties to complete the terms and conditions under the Merger agreement to achieve the Merger;
- 4- By either party in accordance with Section No. (8.2 B) of the Merger Agreement, the provisions of which are described in subsection No. (2.6.2) “**Material Adverse Change**” of this Document.
- 5- By either party if the other party has breached or failed to perform any of its commitments or agreements set forth in the Merger Agreement, the breach or failure of which may result in such other party's failure to perform all material aspects of all its obligations under the required Merger Agreement to be performed as of or before the Effective Date of the Merger resolution, and any breach or failure to perform if it is not remedied by such defaulting party within thirty (30) days after written notice to it, or which cannot be remedied by its nature or timing.

Upon termination of the Merger, the parties shall have no further responsibility or obligation under the Merger except in relation to the following:

- 1- Payment of the termination fee in accordance with Clause No. (8.2 B) of the Merger Agreement whose provisions are set forth in Subsection No. (2.6.2) “**Material Adverse Change**” of this Document and Clause No. 10 of the Merger Agreement whose provisions are set forth in Subsection No. (2.6.4) “**Termination Fees**” of this Document; And;
- 2- Claims that arose prior to or led to the termination; And;
- 3- The provisions in the Merger expressed to remain in effect after the termination of the Merger Agreement, and the relevant provisions of the following clauses of the Merger Agreement:
 - a. Clause No. (3) of the Merger Agreement, which provides for provisions for representation and guarantees; where both companies undertake that all the guarantees they provided are true, accurate, and not misleading at the date of signing the Merger agreement until the date of the Merger resolution becoming effective. None of the guarantees provided by the two companies contain any incorrect or incomplete statement that may affect the two companies' desire to complete the Merger. The two companies also undertake to notify the other through a supplementary disclosure letter if they become aware of any information that makes the guarantees provided by them untrue, inaccurate or misleading in any material aspect.
 - b. Clauses (10) to (21) of the Merger Agreement, which clarify the provisions relating to the following: 1- Termination Fees, 2- Announcements and Confidentiality, 3- The Entire Merger Agreement, 4- Adjustments, 5- Non-assignment, 6- Compensation and Assignment, 7- Third Party Rights, 8- Costs, 9- Affirmations, 10- Notifications, 11- Governing Law and Jurisdiction, 12- Counterparts.

The parties will cooperate and work together to terminate all agreements concluded, licenses and approvals issued, and withdraw all outstanding applications made in relation to the transactions stipulated in the Merger agreement.



2.6.4 Termination Fees

It was agreed to set the Termination Fees at an amount of (3,500,000) three million five hundred thousand Saudi Riyals, representing fees and costs of financial, legal, actuarial advice and other expenses incurred by each of the two companies to complete the Merger. The Merger agreement concluded the terms related to Termination Fees as follows:

- Pursuant to Clause (10.1) of the Merger Agreement which refers to Enaya's agreement to commit resources and incur expenses, legal costs and other costs to boost Enaya's interest in the Merger, Amana undertakes to pay the termination fee to Enaya or as may be directed by Enaya (within (5) working days after Enaya request) and if the Merger period has expired after the date of the Merger agreement, or if the Merger agreement is terminated as a result of any of the following:
 - 1- If Amana's Board of Directors decides not to recommend to Amana's shareholders to vote in favour of the Offer, decides to withdraw its recommendation in this regard or fundamentally amends it as specified in the shareholder circular or recommends to Amana's shareholders an Offer not contained in the Offer Document .
 - 2- In the event of failure to take the necessary steps within the authority of Amana, which are appropriate or required to enforce the Merger, prior to the Effective Date of the Merger resolution (except for any steps agreed to by Enaya in writing stating that Amana does not need or is not required to be taken in accordance with the provisions of the Merger).
 - 3- Except for the provisions of termination as stipulated in Clause No. (7.2 A) of the Merger Agreement, which states that the Merger Agreement may be terminated at any time prior to the Effective Date of the Merger resolution by written agreement of the parties, and Clause No. (7.2 B) of the Merger Agreement, which states that the Merger agreement may be terminated at any time prior to the Effective Date of the Merger resolution by a written notification from one of the parties to the other party in the event: (i) any applicable law becomes in force which would make the completion of the Merger unlawful or otherwise prohibited; or (ii) any judgment, judicial order, injunction or ordinance of any governmental authority, court or regulatory body of competent jurisdiction ordering the parties to discontinue the Merger and such judgment, injunction, order or ordinance shall be final and non-appealable; or (iii) Force Majeure event and extends for more than two (2) months in accordance with Clause No. (9) of the Merger Agreement provided that the parties agree in writing to extend the period provided for in this paragraph to any other period (subject to the provisions of Clause No. (7.1) of the Merger Agreement, the provisions of which are set out in Subsection No. (2.6.3) "**Terms of termination of the Merger/Merger Agreement**" of this Document, and Clause No. (8) of the Merger Agreement, the provisions of which are set out in Subsection No. (2.6.2) "**Material Adverse Change**" of this Document and Clause No. (9) of the Merger Agreement, which deals with cases of force majeure), Amana will cause forfeiting or withdrawing the merge or the Offer contained in the Offer Document or the Shareholders' Circular, as the case may be; Or
 - 4- If Enaya terminates the Merger in accordance with Clause No. (7.2) c of the Merger Agreement, which clarifies that the Merger Agreement may be terminated at any time prior to the Effective Date of the Merger resolution by either party in the event that the other party breaches its obligations in addition to Clause No. (7.2) d) of the Merger Agreement, which states that the Merger Agreement may be terminated at any time prior to the Effective Date of the Merger resolution by either party in accordance with Clause 8.2 (b), and Clause No. (7.2) e of the Merger Agreement, which states that the Merger Agreement may be terminated at any time prior to the Effective Date of the Merger resolution by either party if the other party has breached or failed to abide by any of its obligations under the Merger agreement, such breach or failure to perform shall result in the other party's failure to perform in all material respects all of its obligations under the Merger Agreement to perform as of or before the Effective Date of the Merger resolution, and any breach or failure to perform cannot be corrected by such other party within thirty days after written notice to other party, or which cannot be corrected by their nature or timing, or clause No. (8.2 B) of the Merger Agreement described in Subsection No. (2.6.2) "**Material Adverse Change**" of this Document..

Under Clause (10.2) of the Merger Agreement which indicates to Amana's agreement to commit resources and incur expenses, legal costs and other costs to boost Amana's interest in the Merger, Enaya undertakes to pay Termination Fees to Amana or as may be directed by Amana (at any case within (5) working days after the request of Amana) and if the Merger period has elapsed after the date of the Merger agreement, or if the Merger agreement is terminated as a result of any of the following:

- a. In the event that the Board of Directors of Enaya decided not to recommend to the shareholders of the company to vote in favor of the Offer, or decided to withdraw its recommendation in this regard or to fundamentally modify it from what was specified in the Shareholders' Circular, or recommended to the shareholders of Enaya an Offer that was not included in the Offer Document , or recommended a higher or competitive Offer for the Offer contained in the Offer Document ..
- b. In the event of failure to take the necessary actions within Enaya's authority, which are appropriate or required to enforce the Merger, prior to the Effective Date of the Merger resolution (except for any steps agreed by Amana in writing stating that Enaya does not need or is not required to take in accordance with the provisions of the Merger).
- c. Except for the terms of termination as set forth in Clauses No. (7.2) A and 7.2 (B) of the Merger Agreement and the provisions set out in Paragraph (3) above of Subsection No. (2.6.4) "**Termination Fees**" of this Document, and without prejudice to Clause No. (7.1) set out in Subsection No. (2.6.3) "**Terms of termination of the Merger/Merger Agreement**" of this Document, Enaya causes the Merger to be terminated or withdrawn; or;
- d. Enaya shall take any action that violates Article (36) (a) of the Merger and Acquisition Regulations "Restrictions on Discouraging Actions; approval of the general meeting of Shareholders: which states that "the board of directors of the Offeree company may not - during the Offer period (or before the beginning of the period of Offer if the Offeree company's board of directors has reason to believe that a real Offer is imminent) – to do any of the following without the approval of the general assembly of shareholders (except as stipulated in a previously concluded binding contract): (i) Issuance of any authorized and unissued shares. (ii) Issuing or granting rights in connection with any unissued shares. (iii) Create or issue and permit the creation or issuance of any securities convertible into shares or subscription rights to shares. (iv) Selling, disposing, or acquiring, or agreeing to sell, disposing, or acquiring any assets of a value equal to 10% or more of the net assets of the Offeree company in accordance with the latest reviewed interim financial statements or audited annual financial statements, whichever is later, whether by one deal or several deals. (v) if the Offeree company's purchase its shares. (vi) Concluding contracts outside the company's normal activities. The memorandum of calling for a general meeting of shareholders shall include information about the "potential Offer or Offer" that has a material adverse change on Enaya (and for these purposes, the action must be "substantial" if it is taken in combination with



any other actions under this paragraph (D) that clarify the provisions of Clause No. (10.2) d of the Merger agreement, amounting to or exceeding a total amount of 1,500,000 Saudi Riyals (one million five hundred thousand Saudi Riyals) after which Amana has notified Enaya of its desire to withdraw from the Merger (for these purposes, actions taken with the prior written consent of Amana (not withholding or unreasonably delaying it) is not considered an obstructive action in violation of Section 36 (a) of the Mergers and Acquisitions Regulations); or

- e. Amana terminates the Merger in accordance with the following clauses No. (7.2) c, 7.2 d, and 7.2 e, of the Merger agreement described in the above sub-paragraph No. (4) of Subsection No. (2.6.4) “**Termination Fees**” of this Document or clause No. 8.2b of the Merger Agreement and described in Subsection No. (2.6.2) “**Material Adverse Change**” of this Document..

2.6.5 Corporate Governance of the Merging Company

It was agreed under the Merger agreement that after the completion of the Merger, a board of directors consisting of eight (8) members will take over the management of the Merging Company as follows:

- Four (4) members out of the eight (8) members nominated by Amana, whether from the current members of Amana Board of Directors or otherwise, among them one (1) member is independent, and one (1) member is the Chairman of the Board of Directors. Prior to the Effective Date of the Merger resolution, Amana shall notify Enaya of the following: (a) the individuals nominated by Amana to serve as members of the board of directors of the Merging Company, and (b) the names of the three or more members of the current board of directors in Amana at the time of signing the Merger agreement whose resignations will take effect on the Effective Date of the Merger resolution.
- Enaya may nominate four (4) members to the Board of Directors of the merged company, including two (2) independent members and one (1) member who will be the Vice Chairman of the Board of Directors. Enaya shall notify Amana of the names of the individuals proposed to be nominated by it to serve as members of the Merging Company's board of directors.
- The new members are appointed after obtaining the approval of the Saudi Central Bank, and the approval of the Merging Company's ordinary general assembly must be obtained. It was also agreed under the Merger agreement that Mr. Mahmoud bin Mohammed Al-Toukhi will remain as Chairman of the Board of Directors of the Merging Company, while Mr. Amr Mohammed Khashoggi will become Vice Chairman of the Board of Directors of the Merging Company. It should be noted that the current members of the Board of Directors of Amana are as follows:

Table No. (8): Members of Amana Board of Directors

Name	Position	Membership Status
Mahmoud bin Mohammed Al-Tokhi	Chairman	independent
Abdullah Bin Othman Al-Musa	Vice Chairman	independent
Abdulrahman Bin Abdullah Al-Sakran	Board Member	Non-executive
Haitham bin Tawfiq Al-Freih	Board Member	independent
Nayef Bin Faisal Al-Sedairi	Board Member	Non-executive
Badr Bin Ibrahim Al-Suwailem	Board Member	independent
Pierre Michal Pharaon	Board Member	Non-executive

Source: Amana

It should also be noted that the merged company will benefit from some of Enaya's senior employees and is expected to hold some management positions after the Merger.



2.6.6 Summary of Conditions for Completing the Merger

Under the Merger, the parties agree on the following:

- 1- The parties shall fulfill in good faith and endeavor to perform all the conditions and obligations set forth in the Merger, take or cause all actions to be taken, do or cause to do all things necessary, appropriate or required to be completed, and make the transactions contemplated under the Merger Agreement effective as soon as possible towards the completion of the Merger on the Effective Date of the Merger resolution.
- 2- In view of Enaya's undertakings and obligations stipulated in the Merger agreement, Amana prepares the Offer Document , and the Shareholders' Circular, in which the Board of Directors of Amana recommends the shareholders of Amana to approve the Merger as stipulated in the Merger agreement, the Offer Document , the request for a capital increase or the Offer and the request of listing, subject to the fulfillment of all preconditions under Clauses No. (4.1 A) to Clause (4.1 D) of the Merger Agreement as described in Subsection No. (2.7.2.2) of Section (2.7) "**Pending Proceedings until Effective Date of Merger Resolution**" From this Document - and the Board of Directors of Amana shall invite the Extraordinary General Assembly to convene and vote on each of the following:
 - a. Approval of the proposed Merger in accordance with the provisions of the Merger; and
 - b. Approval of the capital increase and the issuance of new shares in accordance with the terms of the Shareholders' Circular, taking into account the quorum set by the law for the shareholders of Enaya to agree to the Merger in accordance with the terms of the Offer Document during the extraordinary meeting of Enaya held by Enaya in accordance with Clause No. (2.1) c of the Merger agreement, as described in Subsection No. (2.7.2.2) of Section (2.7) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document;
 - c. Consent to register the new shares in the name of Enaya's shareholders, which must be conditional and subject to the quorum specified by law for the shareholders of Enaya to agree to the Merger in accordance with the terms of the Offer Document during Enaya's extraordinary meeting held by Enaya in accordance with Clause No. (2.1 C) of the Merger as described in Subsection No. (2.7.2.2) of Section (2.7) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document;
 - d. Approving the Articles of Association of the Merging Company, which shall be conditional and subject to the regulatory majority of Enaya shareholders to agree to the Merger in accordance with the terms of the Offer Document during Enaya Extraordinary Assembly held by Enaya in accordance with Clause (2.1) c of the Merger Agreement as described in Section Sub-section No. (2.7.2.2) of Section (2.7) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document.
 - e. Approval to increase the number of Amana's board members by adding one (1) seat, which must be conditional and subject to the regulatory majority of the shareholders of Enaya to agree to the Merger in accordance with the terms of the Offer Document during the Extraordinary General Assembly of Enaya held by Enaya in accordance with clause No. (2.1 C) of the Merger Agreement as described in Subsection No. (2.7.2.2) of Section (2.7) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document; Amana also agrees to:
 - indicate in the Shareholders' Circular and the Offer Document to the individuals who have been identified by Enaya and Amana in accordance with Table No. (1) in the Merger Agreement, which clarifies the agreed provisions relating to the members of the Board of Directors and the executive directors of the Merging Company after the Merger - they have been nominated in the positions specified according to Table No. (1) referred to above, and
 - include an appropriate item in the agenda of the shareholders' meeting from the Effective Date of the Merger resolution indicating the nomination of these individuals for the positions specified (in addition to any other individuals who have been appropriately nominated for the specified position to obtain the approval of the shareholders,
 - Not to impede Enaya's nomination of such individuals and not to act with respect to the nomination of individuals nominated by Enaya in a manner inconsistent with Amana's treatment of any other candidate for the specified position, taking into account the persons who have agreed to be appointed to such positions and fulfilling the regulatory requirements for such positions as set forth in any applicable laws or regulations, in the event - for the avoidance of doubt - that nothing in the foregoing obligates Amana to act in an unfair or discriminatory manner towards any candidate for specified positions or to act other than in compliance with all applicable laws and regulations in the Kingdom of Saudi Arabia..

In view of Amana's undertakings and obligations as stipulated in the Merger Agreement, Enaya agrees under the Merger and undertakes that - subject to the fulfillment of the preconditions under Clauses No. (4.1 A) to Clause No. (4.1 D) of the Merger Agreement, the provisions of which are set out in subsection No. (2.6.1) "**Preconditions**" from Section No. (2.6) "**Merger Agreement and summary of the terms of completion of the Merger**" of this Document, and after publishing the Offer Document by Amana - Enaya Board of Directors is committed to the Merger timetable approved by the CMA in relation to:

- Publication of the Circular of the Board of Directors of Enaya, which recommends that Enaya Shareholders approve the Merger as stipulated in the Merger Agreement and the Offer Document.
- Calling and convening the extraordinary General Assembly of Enaya to vote on the approval of the Merger as stipulated in the Merger Agreement and the Offer Document.



3- This requires:

- Obtain the necessary government approvals to complete the Merger from Saudi Central Bank, the CMA, Tadawul and General Authority for Competition; and
- The approval of the required majority of Amana's shareholders on all matters stipulated in Clause No. (2.1) of the Merger Agreement as described in Subsection No. (2.7.2.2) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document during the Extraordinary General Assembly of Amana; and
- The approval of the required majority of Enaya's shareholders and approval of the Merger in accordance with the terms of the Offer Document during the Extraordinary General Assembly of Enaya held in accordance with Clause No. (2.1) c of the Merger Agreement as described in Subsection No. (2.7.2.2) "**Pending Proceedings until Effective Date of Merger Resolution**" of this Document.
- Enaya shall grant sufficient guarantees for its deferred debts and/or to pay all outstanding creditors' debts in the event that one or more claims are submitted by Enaya's creditors within thirty (30) days of the creditors objection period in accordance with Article 193 of the Companies Law,

Amana also registers all new shares on behalf of Enaya shareholders in the Securities Deposit Center, which must be fully paid and equal in all respects with the current shares of Amana at Effective Date of the Merger Agreement.

Once the new shares are registered in the name of Enaya's shareholders at the Securities Deposit Center, legal ownership and benefit (including but not limited to all insurance policies and claims thereof) will be transferred to Amana in full.

Upon completion of the Merger on the Effective Date of the Merger resolution, 45% of the capital of the Merging Company will be allocated to the shareholders of Amana and the remaining 55% of the capital of the Merging Company will be allocated to the shareholders of Enaya. The new board of directors and the executive directors, appointed after the completion of the Merger, will manage the merged entity. Following thirty (30) days after the creditors' objection period as stipulated in Article (193) of the Companies Law, and once the confirmation of the Merger is announced by both parties, the first tasks of the Board of Directors consist of:

- a. Taking all necessary measures to obtain any additional government and/or regulatory approvals required (if any); and
- b. Executing all remaining declarations and taking any necessary action that may be required for the Merger in accordance with the provisions of the Companies Law (Article 191, 192 and 193) and/or any other rules and regulations applicable in the Kingdom of Saudi Arabia; and
- c. Completing the transfer of all Enaya assets and liabilities to the merging entity which, as of the Effective Date of the Merger resolution, shall assume all rights, obligations and responsibilities and fulfill all obligations and undertakings in relation to Enaya's claims and insurance policies issued previously by Enaya up to the Effective Date of the Merger resolution; and
- d. Taking all necessary measures to write off Enaya's shares and list the new shares in Tadawul, amend the license of the Ministry of Investment for Amana Company and cancel all licenses and approvals issued to Enaya prior to the Effective Date of the Merger resolution, including but not limited to the licenses of Saudi Central Bank and the license of the Ministry of Investment and register them in the Ministry.

The two parties expressly confirm that the purpose of the Merger is to transfer the economic activities from Enaya to Amana in a complete and irrevocable manner and to ensure that the intention of the parties complies with Article (17) of the implementing regulations of the VAT law and the two parties hereby agree to take all other measures and execute and deliver all other documents prior to the date of termination as may be required to ensure that the Merger is exempt from VAT under Value Added Tax Law.

2.7 Pending Proceedings until Effective Date of Merger Resolution

2.7.1 Until the Effective Date of the Merger resolution, each party undertakes to:

Until the Effective Date of the Merger resolution, each party undertakes to:

- 1- Notify the other party in writing by virtue of one or more additional disclosure letter(s) in accordance with Clause (3) of the Merger Agreement, the provisions of which are set forth in Paragraph (3) (a) of Subsection No. (2.6.3) "**Terms of termination of the Merger/Merger Agreement**." of this Document in any matter(s) or circumstance that would be information to the other party that would render any of the warranties made untrue, inaccurate or misleading or that would affect the other party's willingness (to act reasonably) to proceed with The Merger process is in accordance with the terms in the Merger agreement.
- 2- It shall not at any time from the date of signature do or willfully omit or allow any other person to do or willfully omit to do any act which would (or is likely to result in a breach of any of its warranties).
- 3- It is not permissible, during the period extending from the date of signing the Merger agreement and the date on which the Merger resolution becomes effective, for any of the parties to make any changes or take any Resolution(s) that would lead to a negative impact on its business, assets or reputation.
- 4- Neither party may dispose of any asset or agree to dispose of any asset or acquire an asset or agree to acquire an asset except:
 - a. Any asset that is classified as being in the ordinary course of business or
 - b. Any asset that falls within the context of the Merger.
- 5- Neither party may, from the date of signature until the date of the Merger resolution take effect, provide a mortgage or issue approval to grant a mortgage on any of its assets.
- 6- Neither party may do or omit to do, taking care to take all precautionary measures to prevent any current or expected event that could negatively affect the state of assets or financial position, without prejudice to all of the above, both parties must ensure the renewal and maintain the validity of all licenses and permits necessary for the continuation of operations as of the date of signing the Merger agreement.



- 7- Other than in the normal course of business or as a result of a request from the Saudi Central Bank, neither party may allow or prohibit any of the reinsurance agreements or insurance policies in relation to any of its assets or liabilities, and if any of its reinsurance agreements expires or lapses or it is expected to expire prior to the Effective Date of the Merger resolution, it shall make every effort, in cooperation with and after consultation with the other party, to renew such reinsurance treaties or replace them with similar reinsurance arrangements. They shall not do anything that would render any insurance or reinsurance policy void or void.
- 8- Each party must conduct its operational business in accordance with the usual, and may not carry out any operations outside its usual operations without obtaining the prior written and express consent of the other party, and net assets may not be exhausted except in a manner consistent with the normal operations.
- 9- It shall ensure that representatives and advisors of the other party have access to inspect the books and records and, upon his request, shall immediately provide any information or document required or relevant in connection with the Merger.
- 10- Neither party may declare, cancel, approve, make or pay any dividends (including temporary dividends).
- 11- Except in the context of a Merger, Neither party may declare, assign, agree to, make or pay any distribution of equity whether payable in cash, stock (including recapitalization), property or otherwise.

2.7.2 Each party undertakes to the other that from the date of signing the Merger agreement, it must inform the other party in writing and within three (3) working days in the event of any of the following events occurring prior to the Effective Date of the Merger resolution:

- 1- Enter into any new loan agreement or repay any loan, including shareholder loans (if any);
- 2- Enter into any new transactions with the relevant parties;
- 3- Enter into, modifying or terminating an agreement, arrangement or material commitments exceeding (500,000) five hundred thousand Saudi Riyals (excluding contracts concluded in the course of normal operations).
- 4- Incur any capital expenditures on any single item with a value exceeding the amount of (500,000) five hundred thousand Saudi Riyals.
- 5- Make, or agree to make, any material modifications to the terms and conditions of employment (including benefits) of any of the Board members, executive directors, officers or employees, or appoint or approve the appointment of any of the senior executives.
- 6- Lay off any of the key executive employees.

2.7.3 Each of the parties (starting from the date of signing the Merger agreement until the date of the entry into force of the Merger resolution or the date of termination of the Merger agreement) (whichever comes first) (in accordance with Clause No. (7) of the Merger agreement and the provisions of which are explained in subsection No. (2.6.3) "Terms of termination of the Merger/Merger Agreement" of this Document, abide by the following:

- a. Refrain from taking any action (whether directly or indirectly) to encourage or initiate or seek to enter into discussions or negotiations with any other entity in connection with any Merger or other similar transaction, or otherwise take any action of any kind (including, but not limited to, the recommendation of the relevant party's board of directors to the shareholders of that party with a higher Offer or a competing Offer that contradicts the terms of the Offer Document) which would harm the parties' ability to fulfill the terms and conditions under the Merger agreement to achieve the Merger process; and
- b. Full cooperation between the two parties in the fastest and most effective way with regard to submitting the files, announcements and requests required to obtain all approvals, permits, letters of non-objection or other similar approvals as required by the laws of the Kingdom of Saudi Arabia or the competent government authorities to complete the Merger under the Merger agreement. In accordance with the foregoing, each party shall cooperate with the requests of the other party to inform it of the status of any files, requests or any communications related to the Merger, and any other inquiries or requests for additional information from or to any competent governmental entity in the Kingdom of Saudi Arabia.



2.7.4 Implementation/Completion

2.7.4.1 The parties must deliver the following documents at or around the date of signing the Merger agreement, which have been duly executed by the representatives of the parties:

1- Amana should provide Enaya with the following:

- a. An original and signed copy of the disclosure letter that has already been delivered to Enaya by e-mail and with scanned text formatting prior to signing of the Merger Agreement.
- b. Original and signed copy of the Merger Agreement.
- c. A copy of Amana's board of directors' resolution to approve the Merger Agreement.

2- Enaya must provide Amana with the following:

- a. An original and signed copy of the disclosure letter that has already been delivered to Amana by e-mail and with scanned formatting text prior to signing of the Merger Agreement.
- b. Original and signed copy of the Merger Agreement.
- c. A copy of Enaya Board of Directors' resolution to approve the Merger Agreement.
- d. A copy of Enaya Board of Directors' resolution assures for the Authority that the termination fee is in the interest of Enaya's shareholders pursuant to Article 36 (b) of the Merger and Acquisition Regulations.

2.7.4.2 As needed, both parties shall ensure that board meetings are held to pass all resolutions to approve the procedures set out in the following items:

- a. Clause (2) of the Merger Agreement, described in Section No. (2.6.6) "Summary of Conditions for Completing the Merger" of this Document.
- b. Clause No. (3) of the Merger Agreement; whose provisions are set out in subparagraph (a) of paragraph (3) in subsection No. (2.6.3) "Terms of Termination of the Merger/Merger Agreement" of this Document.
- c. Clause No. (4) of the Merger Agreement; whose provisions are set out in Subsection No. (2.6.1) "Preconditions" of this Document.
- d. Clause No. (5) of the Merger Agreement; whose provisions are set out in Section No. (2.7) "Each party undertakes to the other that from the date of signing the Merger agreement, it must inform the other party in writing and within three (3) working days in the event of any of the following events occurring prior to the Effective Date of the Merger resolution:" of this Document
- e. Clause No. (6) of the Merger Agreement; whose provisions are described in Subsection No. (2.7.2) "Each party undertakes to the other that from the date of signing the Merger agreement, it must inform the other party in writing and within three (3) working days in the event of any of the following events occurring prior to the Effective Date of the Merger resolution:" of this Document.

2.7.4.3 On the Effective Date of the Merger resolution and after fulfilling the preconditions mentioned in Clause (4) of the Merger agreement, Enaya must fulfill its obligations during the creditors' objection period that extends for a period of (30) days as stipulated in Clause No. (2.1 D) of the Merger agreement and the delivery of documents under Clause No. (6.1) of the Merger agreement, the provisions of which are explained in subsection No. (2.7.2.2) of this Document. The Parties shall undertake and/or arrange such actions as required to complete the following:

- 1- The new shares issued in Amana for the benefit of the shareholders of Enaya shall be registered against all their shares issued in Enaya according to the Swap Ratio, and the shareholders of Enaya will not receive any cash as a result of the Merger.
- 2- The legal ownership of the shares of Enaya will be transferred to Amana (which will become the Merging Company) in exchange for the registration of the new shares issued in Amana for the benefit of the shareholders of Enaya, and the date of registration of the shares in favor of the shareholders of Enaya shall be considered the date of the Effective Date of the Merger resolution.
- 3- A board meeting of the Merging Company must be held to take all Resolutions stipulated in paragraph 2.1 (h) of the Merger Agreement as described in Subsection No. (2.7.1.2) of this Document.

2.7.4.4 Enaya undertakes, from the date of signing the Merger agreement until the Effective Date of the Merger, to make reasonable efforts to (1) complete all tax, zakat and value-added tax returns to the Zakat, Tax and Customs Authority, (2) process all zakat assessments with the Zakat, Tax and Customs Authority, and (3) Obtain final zakat and tax certificates from the Zakat, Tax and Customs Authority covering the periods subject to tax and zakat ending on the Effective Date of the Merger resolution.



2.8 Statutory Approvals Required for Merger Completion

The Merger requires a number of government approvals, which are as follows:

- a. Obtaining the General Authority for Competition's no-objection on the economic concentration resulting from the Merger. The General Authority for Competition's no-objection was obtained on 04/12/1442H (corresponding to 14/07/2021G)
- b. Obtaining the Saudi Central Bank's approval to the Merger and to increase the capital of Amana Company, the Saudi Central Bank's approval was obtained on 18/04/1443H (corresponding to 23/11/2021G)
- c. Obtaining Tadawul's approval of Amana's request to list the new shares issued to Enaya shareholders. Tadawul's approval was obtained on 24/04/1443H (corresponding to 29/11/2021G)
- d. Obtaining CMA approval for the request to increase the capital of Amana Company and requesting the publication of the Offer Document submitted by Amana Company to the shareholders of Enaya. The approval of the Capital Market Authority was obtained on 02/05/1443H (corresponding to 06/12/2021G)
- e. Obtaining the approval of the Capital Market Authority to invite the Extraordinary General Assembly of Amana for the Merger and the Extraordinary General Assembly of Enaya for the Merger, and the date of the meeting will be announced on the Tadawul website.

2.9 EGM Approval

The Merger is also conditional upon obtaining separate approvals at EGM by Amana shareholders and Enaya shareholders, which are as follows:

- 1- Obtaining the approval of the required majority of Amana shareholders on the Merger resolution; and
- 2- Obtaining the approval of the required majority of the shareholders of Enaya on the Merger resolution.

Amana will submit an application to the Capital Market Authority to obtain an approval to convene Extraordinary General Assembly after publishing this Offer Document. After obtaining the approval of the Capital Market Authority in this regard, Amana will publish the invitation to the Extraordinary General Assembly of Amana to be convened within a period of no less than (21) days at least from the date of publishing the invitation to the Extraordinary General Assembly of Amana. The meeting of the extraordinary general assembly of Amana shall be valid if attended by shareholders representing at least half of Amana capital. If this quorum is not attained in the first meeting, an invitation is sent to a second meeting to be held one hour after the end of the period specified for convening the first meeting, (provided that the invitation to hold the first meeting includes announcing the possibility of holding a second meeting one hour after the end of the period specified for convening the first meeting when the quorum required for holding the meeting is not complete). The second meeting shall be valid if attended by shareholders representing at least a quarter of the capital. In the event that the necessary quorum is not present in the second meeting, Amana Company will apply to the Capital Market Authority to obtain its approval to hold a third meeting of the Extraordinary General Assembly, and the third meeting will be valid regardless of the number of shares represented therein. Upon obtaining its approval, Amana will publish the invitation to the Extraordinary General Assembly meeting, and the Extraordinary General Assembly will be held after a period of no less than twenty-one (21) days from the date of publishing the invitation.

All shareholders registered in Amana's shareholder register at the end of trading on the day of the extraordinary general assembly meeting of the Merger are entitled to attend the assembly. The shareholder will be able to attend and vote on the agenda (either by himself or by electronic voting or per proxy) according to the relevant procedures whether this person is a shareholder in Amana or otherwise, provided that this person is not a member of the Board of Directors of an Amana or any of the employees of an Amana. The power of attorney must be in writing and signed by the authorized shareholder and approved by the Chamber of Commerce or by one of the authorized persons from the Capital Market Authority, the Notary Public or the persons authorized for notarial work. The proxy must present the original power of attorney authenticated on the day of the assembly meeting, in addition to a copy of the national identity, passport or resident's ID of the proxy. Shareholders will also be able to vote remotely (electronically) on the items on the agenda of the extraordinary general assembly related to the Merger. Electronic voting will be available at least (3) days before the date of the Extraordinary General Assembly, and the dates on which electronic voting will be available will be specified within the invitation to convene the Extraordinary General Assembly.

Merger resolutions will be approved at the extraordinary general assembly meeting of Amana for the Merger if the approval Resolution is issued by a majority of three quarters of the shares represented in the meeting (whether by person or per proxy). In addition, a shareholder who owns shares in both Amana and Enaya is not entitled to vote on Merger resolutions except through the extraordinary general assembly of one of the two companies. The votes in the extraordinary general assemblies are calculated on the basis of one vote per share, and the shareholder who does not attend the extraordinary general assembly, whether in person, per proxy or electronically, will lose his right to vote on the Resolutions of the assembly.

Shareholders will also be able to vote on the agenda items of the Extraordinary General Assembly remotely (electronically) through the "Tadawulaty" service provided by Tadawul, provided that the shareholders have registered in the "Tadawulaty" service, noting that registration and voting in "Tadawulaty" services is available and free for all contributors. For more information, please visit the link: www.tadawulaty.com. sa Electronic voting will be available at least three days before the Extraordinary General Assembly, and the dates on which electronic voting will be available will be specified in the Extraordinary General Assembly invitation.

Votes in extraordinary general assemblies are calculated on the basis of one vote per share. A shareholder who apologizes for attending the Extraordinary General Assembly (whether by himself, by electronic voting or per proxy) will lose his right to vote in the Extraordinary General Assembly and the votes associated with his shares will not be taken into consideration.



2.10 Remote voting

According to the requirements of the Capital Market Authority regarding voting in the extraordinary general assemblies, and the desire of Amana and Enaya to give an opportunity to the largest number of shareholders to vote on the Resolutions to be proposed at the extraordinary general assembly meeting of both companies, including the Resolution to increase Amana's capital for the purpose of the Merger and the Resolution to vote on Amana's Offer to approve the deal by the shareholders of Enaya. The remote voting mechanism will be approved by the shareholders through the "Tadawulaty" service, a service provided by the Saudi Tadawul (Tadawul) that allows shareholders in listed companies to register and vote electronically on open Resolutions during the companies' general assembly meetings. Registration in the "Tadawulaty" service can be through one of the following ways:

- 1- Through the shareholder's e-trading account, without the need for personal presence, by registering on the "Tadawulaty" website. For more information, please visit: <https://login.tadawulaty.com.sa/ir/user/login.xhtml?lang=ar>
- 2- Through brokerage firms (i.e. financial institutions) in which the shareholder owns a portfolio of investment activities.

The remote voting period for Amana shareholders on the Resolution to increase the capital of Amana for the purpose of merging with Enaya is as follows:

- As of the hour (●●) on the day (●●) up to the hour (●●) on the day (●●).

The remote voting period for the shareholders of Enaya on the current Offer regarding the Merger of Enaya into an Amana and the transfer of all the assets and liabilities of Enaya to an Amana is as follows:

- As of the hour (●●) on the day (●●) up to the hour (●●) on the day (●●).

The terms and conditions of remote voting that must be taken into account before proceeding with the remote voting process are as follows:

- 1- Remote voting will be counted within the quorum of the General Assembly held in this regard and when relevant resolutions are taken.
- 2- The vote will be circulated on all shares owned by the shareholder or will be owned by the shareholder, whether in the investment portfolio through which the vote was taken or otherwise.
- 3- The last vote of the shareholder cancels the previous votes.

All necessary measures will also be taken to ensure that all those who voted remotely own the voting shares on the date of the Extraordinary General Assembly held for this regard, and excluding votes related to shares that were sold or partially sold during the remote voting period.

If the transaction is approved by the shareholders of Enaya and by the shareholders of Amana, and after the implementation of the Merger resolution, the listing of the shares of Enaya in Tadawul will be cancelled. All Enaya shareholders, including those who did not vote on the proposed resolutions to approve the transaction, or those who voted against it, will receive new shares in Amana in accordance with the terms and conditions of this Offer Document.

2.11 Creditor objection period

In accordance with the provisions of Article (193) of the Companies Law, Enaya's creditors have the right to object to the Merger during the creditors' objection period (which extends for a period of 30 days from the date of publishing the extraordinary general assembly's Resolutions approving the Merger). Accordingly, after the approval of the extraordinary general assembly of both companies on the Merger, both Amana and Enaya will publish the Resolutions of the extraordinary general assembly. The announcement will indicate the right of Enaya's creditors to object to the Merger by sending a registered letter to the headquarters of Enaya within (30) days following the date of publishing the results of the extraordinary general assembly of the Merger. The Merger resolution will be effective after the lapse of (30) days from its announcement, in the event that there is no existing objection from any of Enaya's creditors to the Merger. In the event that any of the creditors submit their objection within the aforementioned period, the Merger will be suspended until the creditor relinquishes his objection, or until Enaya fulfills the debt if it is present, or until Enaya or Amana provides sufficient guarantee to meet the accepted and future debts. In case of submitting any debts that were not recorded in the financial statements of Enaya, the matter will be referred to the relevant judicial authorities according to each debt, if it was deferred debt.

2.12 Completion of the Merger

After the end of the creditors' objection period or by the date on which all creditors' objections to the Merger are settled (whichever comes later), the Merger resolution will be effective and all Enaya's assets and liabilities will be transferred to Amana and Amana will continue to exist, while Enaya will dissolve by force of law and all Enaya shares will be canceled in Tadawul, and then the dissolution of Enaya will be completed and its commercial registration will be cancelled. As a result of the Merger, Amana will issue Consideration Shares to the shareholders of Enaya who are registered in Enaya's shareholder register at the end of the second trading period after the Merger resolution becomes effective. Amana will announce the Effective Date of the Merger resolution at the time.

2.13 Shareholder Details after completion of Merger

Until the procedures for canceling Enaya's commercial registration are completed, Enaya will become directly owned by Amana. No shares will be transferred or assigned to any persons or parties other than Amana. In addition, there is no special agreement, arrangement or understanding with any party that owns shares in Enaya that would affect the shares equity transfer. After the completion of the Merger, there will be no controlling shareholders in the Merging Company, i.e. those who own or control 30% of the Merging Company or who are able to control its resolutions.



As a result of completing the Merger, increasing the capital of Amana and registering the issued shares in favor of Enaya shareholders; the ownership structure will be as follows:

Table No. (9): Ownership structure of Amana's shareholders before and after the completion of the Merger

Shareholder	Pre-Merger		Post-Merger	
	Shares No.	Ownership ratio	Shares No.	Ownership ratio
Amana Gulf Insurance Company JSC	1,772,975	13.64%	1,772,975	6.14%
Munich Re	NA		2,378,704	8.24%
National Health Insurance Company (DAMAN)	NA		1,585,802	5.50%
The Public	11,227,025	86.36%	23,120,543	80.12%
Total	13,000,000	100%	28,858,024	100%

Source: Amana and Enaya

2.14 Management & Personnel

Amana's human resources policy is based on selecting the best staff, training them, developing their capabilities, maintaining them, and ensuring fair treatment and equal opportunities for them within an appropriate work environment that allows all employees to achieve progress in their positions and in their careers. This policy contributes to productivity and efficiency at work, which will positively affect the work of Amana and achieve better returns for shareholders.

After the completion of the Merger, the Merger agreement stipulates that the executive management of the Merging Company will be determined in accordance with the plan regulating the Merger process after the completion of the Merger, which will be developed under the supervision of the Merging Company's board of directors upon completion of the Merger. Please see subsection (2.6.5) "**Corporate Governance of the Merging Company**" in this Document. In this regard, Amana will submit job Offers according to its employment policy and conditions as needed, after coordination with the relevant regulatory authorities.

2.15 Special Arrangements, Conditions and Transactions

There is no agreement, arrangement or understanding (including any arrangement for compensation) between Amana (or any person Acting in Concert with it) and any members of Enaya board, Enaya current shareholders or any person who was a Enaya shareholder or a member of Enaya board during the twelve (12) months prior to the publication date of this Offer Document .

Except for the Merger agreement that was signed between Amana and Enaya, Amana has not entered into any special arrangements or Merger in relation to the current Merger with any other party.

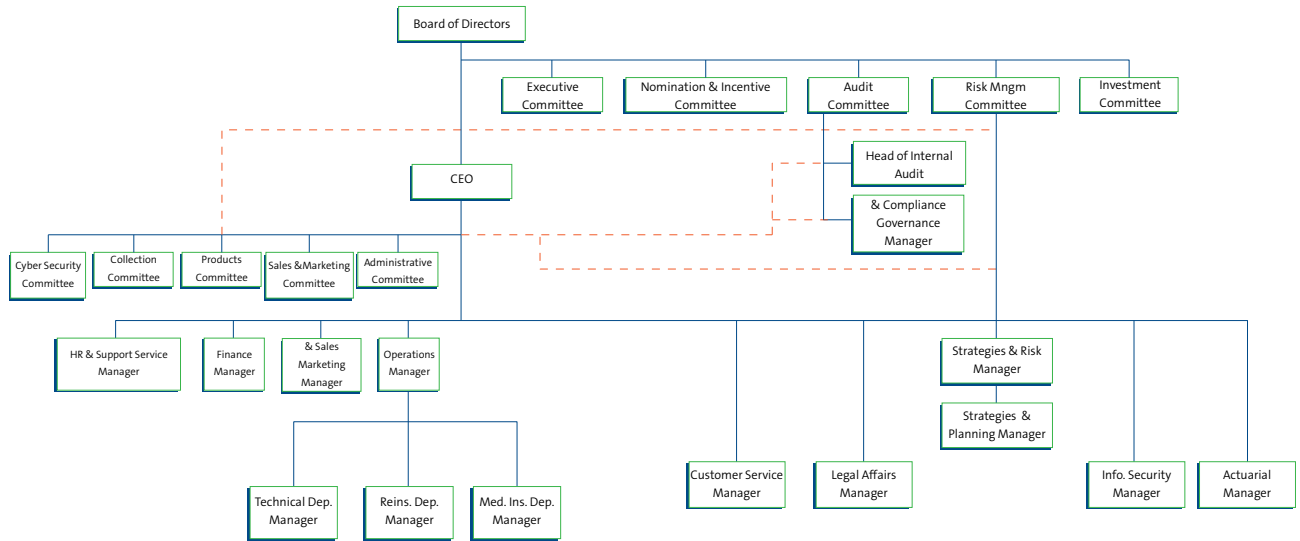
2.16 Cash Sufficiency

The entire Offer value shall be paid by way of issuing the Consideration Shares to Enaya shareholders. Therefore, the Offer value shall not be paid either fully or partially by way of cash payment. For further information on the Merger, see Section (2.4) ("**Valuation of Enaya**") of this Offer Document.



2.17 Amana's Organization Structure Post-Merger

Figure2: Amana's organizational structure in the event of completion of the Merger



Source: Amana



3. Financial Information

3.1 Closing Price for Amana Shares

The following table sets out the closing price of Amana shares on the first day of each month of the six-months preceding immediately the publication date of this Offer Document and the last day preceding the commencement of the Offer Period and the last available day prior to the publication of this Offer Document :

Table No. (10): Amana's Shares Closing Price

Date	Amana's Shares Closing Price (SR)
31/10/2021G (last trading day before the date of publication of the Offer Document)	48.00
30/09/2021G	50.50
31/08/2021G	54.20
29/07/2021G	59.90
30/06/2021G	61.70
31/05/2021G	62.70
29/04/2021G	64.19

Source: Tadawul

The following table sets out the closing price of Enaya shares on the first day of each month of the six-months preceding immediately the publication date of this Offer Document and the last day preceding the commencement of the Offer Period and the last available day prior to the publication of this Offer Document :

Table No. (11): Enaya's Shares Closing Price

Date	Enaya Share Closing Price (SR)
31/10/2021G (last trading day before the date of publication of the Offer Document)	35.90
30/09/2021G	40.45
31/08/2021G	43.70
29/07/2021G	45.40
30/06/2021G	46.55
31/05/2021G	47.00
29/04/2021G	41.15

Source: Trading

3.2 Distributions and Dividend Policy

The dividend will be applied in the event that the current Merger is approved, and then the Merging Company achieves profits during a particular fiscal year, and in the event that the Merging Company announces the distribution of profits or returns to all shareholders of the Merging Company, each according to the number of shares he owns and without any discrimination in classification or rights. This will include the shareholders of Enaya to whom the new shares will be issued with the number of fifteen million eight hundred fifty-eight thousand and twenty-four (15,858,024) new shares of Amana following the completion of the Merger. The new shares issued to the shareholders of Enaya will be identical to the shares currently issued to the shareholders of Amana and of equal value and classification in rights. There will be no priority or preferential rights for the existing shareholders of Amana in relation to the shareholders of Enaya to whom the new shares will be issued.

3.3 The Result of Terminating the Offer to Merge

In the event that the Merger is not approved by both Amana and/or Enaya, during the Extraordinary General Assembly meeting of both companies separately (this includes any date subsequent to the Extraordinary Assembly and cannot be extended thereafter) due to the failure to obtain the majority required for the issuance of Resolutions, the present Offer will be considered null and there will be no possibility of accepting it at a later time. In addition, the Offer made by Amana to Enaya shareholders for the purpose of the Merger ends if the Merger agreement is terminated in accordance with its provisions before the date of the Extraordinary General Assembly of Enaya for the Merger. Neither Amana nor its Shareholders will be obligated to proceed with the Offer based on any prior approval issued by them.



4. Information Related to Amana

4.1 Establishment

Amana Cooperative Insurance Company (the "Company"), is a Saudi joint stock company established in the Kingdom of Saudi Arabia in accordance with Cabinet Resolution No. (188) issued on 08/06/1430H (corresponding to 01/06/2009G) and Royal Decree No. (M/35). On 10/06/1430H (corresponding to 03/06/2009G) and the Resolution of the Minister of Commerce No. 180/s dated 03/06/1431H (corresponding to 17/05/2010G) and registered in the Commercial Register No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued by the city of Riyadh. The head office of the company is located in Al-Malaz District, Salah Al-Din Street, P.O Box 27986, Riyadh 11427, Kingdom of Saudi Arabia.

Amana Cooperative Insurance Company practices various types of insurance activities in accordance with the principles of cooperative insurance and under the supervision of the Saudi Central Bank, which is the official body responsible for implementing the cooperative insurance companies' monitoring system and its implementing regulations. It includes reinsurance services, agencies, representation, correspondence, mediation and groups thereof, to name a few.

The capital of Amana is one hundred thirty million (130,000,000) Saudi Riyals divided into thirteen million (13,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid in value. Amana was listed in Tadawul on 01/07/1431H (corresponding to 13/06/2010G), and the number of employees is 121.

4.2 Financial Year and Auditors

The financial year of Amana begins on the first of January and ends on December 31 of the same year of each Gregorian year. The Ordinary General Assembly of Amana has appointed Ibrahim Ahmed Al-Bassam and Co. - chartered accountants, and El-Sayed El-Ayouty and Co. - legal accountants and auditors to audit Amana accounts.

4.3 Ownership Structure

The current capital is one hundred thirty million (130,000,000) Saudi Riyals divided into thirteen million (13,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share. The table below shows the ownership structure of Amana shares:

Table No. (12): Amana's Ownership Structure

Name	No. of shares	Ownership ratio (%)
Amana Gulf Insurance JSC	1,772,975	13.64%
The Public	11,227,025	86.36%
Total	13,000,000	100%

Source: Amana

4.4 Major Chronological Events

Table No. (13): Amana's Major Chronological Events

Event	Date
License of Amana incorporation has been issued pursuant to Cabinet Resolution No. (188) for approving the incorporation Amana.	08/06/1430H (corresponding to 01/06/2009G)
Issuance of Royal Decree No. (M/35) regarding the establishment of Amana Cooperative Insurance Company.	10/06/1430H (corresponding to 03/06/2009G)
The founder shareholders subscribed in (19,200,000) shares of the total number of Amana shares, i.e. 60%, and the remaining (12,800,000) shares of equal value were Offered for public subscription at a rate of (40%) with a nominal value of (10) ten riyals per share.	From: 16/04/1431H (corresponding to 22/03/2010G) to 12/04/1431H (corresponding to 28/03/2010G)
Listing Amana's shares in Tadawul	01/07/1431H (corresponding to 13/06/2010G)
Amana obtained the Saudi Central Bank's permit No. (TM/30/20107) to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations.	27/07/1431H (corresponding to 06/07/2010G)
The approval of the Extraordinary General Assembly to reduce the capital of Amana from (320,000,000) Saudi Riyals to (140,000,000) Saudi Riyals	22/05/1438H, 19/02/2017G)
The approval of the Extraordinary General Assembly to increase the capital of Amana from (140,000,000) Saudi Riyals to (240,000,000) Saudi Riyals by issuing priority rights of (10,000,000) ordinary shares.	22/05/1440H (corresponding to 28/01/2019G)
Amana entered into a Merger agreement with Enaya to purchase all the issued and paid-in capital shares for the purchase of Enaya	17/09/1442H (corresponding to 29/04/2021G)
The approval of the Extraordinary General Assembly to reduce the capital of Amana from (240,000,000) Saudi Riyals to (130,000,000) Saudi Riyals	11/10/1442H (corresponding to 23/05/2021G)

Source: Amana



4.5 Vision

Amana's vision aims to be one of the best leading companies in the Kingdom in providing cooperative insurance services by providing products compatible with customer requirements and providing them with the best services.

4.6 Message

Providing insurance products and services of the highest quality to its customers in accordance with the latest approved international standards, providing them with confidence and added value, and establishing a close and long-term relationship throughout the Kingdom.

4.7 Strengths and Competitive Advantages of the Company

Amana has many competitive advantages, including:

- A historical business base in the Saudi market.
- A team with the necessary experience and competence in the field of insurance.
- Effective and sophisticated policies and procedures for the management of Amana.
- Reinsurance agreements with first-class classified insurance contractors.
- Effective claims management.
- Outstanding customer service.
- Appropriate reserves to control expected risks.
- Diversity of insurance services and products.
- Advanced IT systems and technical support.

4.8 Strategy

Amana's strategy depends on the growth of its business sector such as health insurance, vehicle insurance, marine insurance, engineering insurance, and various accident insurance through preparing action plans aimed at the growth of its target business sector that are compatible with the needs and requirements of the insurance market, customers and related regulatory parties, in addition to its quest to obtain a high credit rating to ensure the highest levels of the company's current and future solvency.

4.9 Sales

The table below shows a sales analysis of Amana by insurance products:

Table No. (14): Sales

M	Sales by Product	Financial Year ended on December 31		
		2018G	2019G	2020G
1	Health insurance	113,380,000	224,440,000	291,621,000
2	Vehicles insurance	12,720,000	10,416,000	29,733,000
3	Public Insurance	13,446,000	13,144,000	8,646,000
Total		139,546,000	248,000,000	330,000,000

Source: Amana Board of Directors Annual Report



4.10 Products

The table below shows the insurance products of the company that has received final approval from the Saudi Central Bank:

Table No. (15): Products

Sector	Product Name	SCB's Approval
Health Insurance	Corporate insurance	08/08/1431H (corresponding to 20/07/2010G)
	Securing small and medium-sized groups	08/08/1431H (corresponding to 20/07/2010G)
Vehicles Insurance	Third-party insurance policy (private vehicles)	19/02/1437H (corresponding to 11/12/2015G)
	Third-party insurance policy (commercial vehicles)	19/02/1437H (corresponding to 01/12/2015G)
	Comprehensive insurance policy (private vehicles)	19/02/1437H (corresponding to 11/12/2015G)
	Comprehensive insurance for vehicles leased to individuals	19/02/1437H (corresponding to 11/12/2015G)
	Comprehensive insurance policy (commercial vehicles)	19/02/1437H (corresponding to 11/12/2015G)
	Comprehensive insurance policy (commercial vehicles)	19/02/1437H (corresponding to 11/12/2015G)
Marine Insurance	Shipping insurance - single shipment	23/01/1438H (corresponding to 24/10/2016G)
	Maritime Security Policy	09/01/1438H (corresponding to 10/10/2016G)
Property Insurance	Fire property insurance	09/01/1438H (corresponding to 10/10/2016G)
	Insurance against loss of profits due to fire	09/01/1438H (corresponding to 10/10/2016G)
	Property insurance against all risks (London Market Text 7"LM7")	09/01/1438H (corresponding to 10/10/2016G)
	Insurance against all property risks (non-accidental) (Text of the British Insurance Companies Association IBI)	09/01/1438H (corresponding to 10/10/2016G)
	Insurance policy against "all risks" (business stoppage/ collateral loss) (AIB)	09/01/1438 H (corresponding to 10/10/2016G)
	Insurance against the risk of theft	09/01/1438H (corresponding to 10/10/2016G)
Public Accident Insurance	Securing the fidelity guarantee	09/01/1438H (corresponding to 10/10/2016G)
	Securing funds	09/01/1438H (corresponding to 10/10/2016G)
	Securing collective personal accidents	09/01/1438H (corresponding to 10/10/2016G)
	Personal accident insurance	09/01/1438H (corresponding to 10/10/2016G)
	Workers' injury insurance	09/01/1438H (corresponding to 10/10/2016G)
	Securing civil liability	09/01/1438H (corresponding to 10/10/2016G)
	Product liability insurance	09/01/1438H (corresponding to 10/10/2016G)
	Boiler explosion insurance policy and pressure vessels	09/01/1438H (corresponding to 10/10/2016G)
Engineering Insurance	Securing loss of profits as a result of the explosion of boilers	09/01/1438H (corresponding to 10/10/2016G)
	Securing all contractor risks	09/01/1438H (corresponding to 10/10/2016G)
	Securing contractors' equipment and machineries	09/01/1438H (corresponding to 10/10/2016G)
	Securing all the risks of installation work	09/01/1438H (corresponding to 10/10/2016G)
	Securing electronic devices	09/01/1438H (corresponding to 10/10/2016G)
	Securing machine damage	09/01/1438H (corresponding to 10/10/2016G)
	Securing loss of profits following machinery damage	09/01/1438H (corresponding to 10/10/2016G)
	Progressive stock damage insurance policy in cold storage areas	09/01/1438H (corresponding to 10/10/2016G)
Travel Insurance	Travel insurance	09/01/1438H (corresponding to 10/10/2016G)

Source: Amana



4.11 Reinsurance

Amana reinsures part of the risks in order to reduce its exposure to losses, work to stabilize its profits and protect its capital sources in line with the executive regulations issued by the Saudi Central Bank. To reduce the risk of reinsurance concentration, Amana has developed reinsurance programs with many well-known international reinsurance companies. The following table shows the reinsurance companies that Amana deals with and the classification of each reinsurance company:

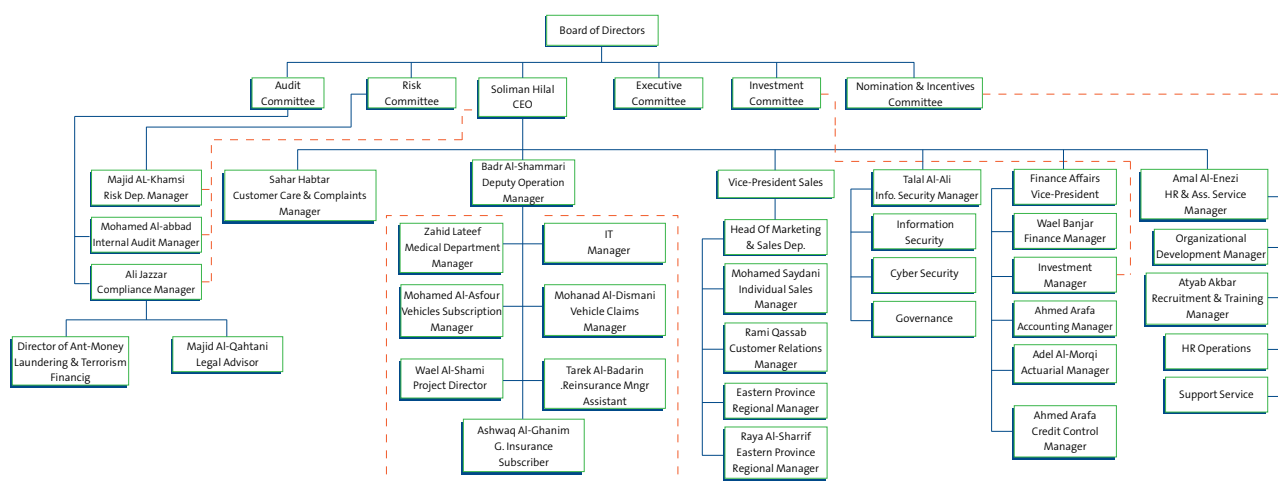
Table No. (16): Reinsurance Companies dealing with Amana

Name	State	classification	Classified Company
Saudi Re	Saudi Arabia	A3	Moody
Swiss Reinsurance Company	Switzerland	AA-	Standers And P
Abu Dhabi National Insurance Company (ADNIC)	United Arab Emirates	A-	Standers And P
New Reinsurance Company Ltd.	Switzerland	AA-	Standers And P
Mapfre Asistencia	Spain	A+	Fitch
Helvetia Swiss Insurance Company, Limited)	Switzerland	A	Standers And P
RGA Reinsurance Company	United States	AA-	Standers And P

Source: Amana

4.12 Organizational Structure

Figure 3: Amana's current organization Structure



Source: Amana

4.13 Board Members

The Board of Directors of Amana, as of the date of the document, consists of (7) members as follows:

Table No. (17): Members of Amana's Board of Directors

Name	Post	Membership Status
Mahmoud bin Mohammed Al-Tokhi	Chairman	independent
Abdullah Bin Othman Al-Musa	Vice Chairman	independent
Abdulrahman Bin Abdullah Al-Sakran	Board Member	Non-executive
Haitham bin Tawfiq Al-Freih	Board Member	independent
Nayef Bin Faisal Al-Sedairi	Board Member	Non-executive
Badr Bin Ibrahim Al-Suwailem	Board Member	independent
Pierre Michal Pharaon	Board Member	Non-executive

Source: Amana



5. Additional information

5.1 Responsibility for the Contents of This Offer Document

The members of the Board of Directors of Amana, whose names are shown in Paragraph No. (4.13) of this Document, are responsible for all the information contained in this Document, with the exception of that information provided by Enaya, where the members of the Board of Directors of Amana investigated the data to ensure the accuracy of the information received from Enaya, the members of the Board of Directors of Amana believe that this information corresponds to the facts and does not omit any part that may affect the accuracy and importance of such information.

5.2 Transaction & Equity Shares

5.2.1 Equity shares and the size of any controlling share of Amana in Enaya

As of the date of this Document, neither Amana nor any of its board members has any controlling interest in Enaya.

5.2.2 Equity shares and the size of any controlling share in Amana and Enaya in which the board members of Amana have an interest

As of the date of this Document, there are no ownership interests or controlling interests of Amana in Enaya and there is no controlling share in Enaya in which any member of the Board of Directors of Amana has an interest.

5.2.3 Equity shares and the size of any controlling interest in an Amana and Enaya owned or controlled by persons acting in concert with Amana

As of the date of this Document, there are no ownership interests or controlling interests of Amana in Enaya and there is no controlling interest in Enaya owned or controlled by persons acting in concert with Amana.

5.2.4 Amana

The following is the number of shares owned by Amana's board members and senior executives in Amana's capital.

Table No. (18): Ownership of Amana Board members and senior executives

Name	Post	Number of shares owned by Amana	Ownership ratio in Amana
Mahmoud Mohamed Mahmoud Al-Tokhi	Vice-Chairman	162,500	1.2500000%
Abdullah Osman Ali Al-Musa	Board Member	405	0.0031208%
Abdurrahman Abdullah Ibrahim Al-Sakran	Board Member	1,421	0.0109375%
Badr Ibrahim Al-Suwailem	Board Member	10	0.0000833%
Total - Board members		164,336	1.26412290%
Total - Senior Executives		NA	NA

Source: Amana

5.2.5 Enaya

As at the date of this Document, neither Enaya nor any of its board members and persons acting in concert with Enaya (according to the definition of "Acting in Concert" contained in the Merger and Acquisition Regulations) own any direct or indirect shares in Amana, and they do not have the option to purchase Amana shares as at the date of this Document. The following is the number of shares owned by members of the Board of Directors of Enaya, and senior executives in the capital of Enaya.

Table No. (19): Ownership of Board members and senior executives of Enaya

Name	Post	Number of shares owned by Enaya	Ownership ratio in Enaya
Faisal Farouk Mohammed Tamer	Vice-Chairman Board of Directors	125	0.0008333%
Aldana Khalid Ahmed Juffali	Board Member	100,000	0.6666666%
Total - Board members		100,125	0.66749990%
Total - Senior Executives		NA	NA

Source: Enaya



There are no equity shares or controlling shares in Amana or equity shares or interest in Enaya owned or controlled by persons who have irrevocably accepted the present Offer prior to the publication of this Offer Document .

There are no equity shares or controlling shares in Amana, or ownership or control shares in an Enaya owned or controlled by a person who has arrangements with Amana of the type referred to in subparagraph No. (3) of Paragraph (D) of Article (19) of the Merger and Acquisition Regulations.

None of the Board members of Enaya, whose ownership interests are required to be disclosed under Article 38 of the Merger and Acquisition Regulations, has dealt in the shares of Amana and Enaya during the twelve months preceding the day prior to the publication of this Offer Document .

No arrangements have been made about the payment of any kind of compensation related to the shares of Enaya by an Amana, Enaya, or any other person acting in concert with an Amana or Enaya. There are no special arrangements regarding the shares of Enaya by Amana or Enaya, or by any other person acting in concert with Amana or Enaya.

Amana also confirms that there is no agreement, arrangement or understanding (including any compensation arrangement) between Amana or any person acting in concert with it and any of the members of the Board of Directors of Enaya or its current shareholders or any person who was a member of the Board of Directors of Enaya or any person who was a member of the Board of Directors of Enaya or shareholder within the twelve months preceding the date of publication of the Offer Document .

5.3 Irrevocable Commitments

Amana has not received any irrevocable commitments from any of Enaya's shareholders stating that they intend to vote in favor of the current Merger during the Extraordinary General Assembly of Enaya.

5.4 Stock Trading Statement

Amana or its board members and persons acting in concert with it did not deal in the shares of Enaya or in the shares of Amana during the twelve-month period preceding the Offer period and until the day prior to the publication of this Offer Document .

5.5 Taxation and Zakat

Amana is subject to the laws and regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. Zakat and taxation are calculated according to the income tax, zakat and value added tax regulations in force at the Zakat, Tax and Customs Authority. Zakat and tax are calculated on the basis of accounting accrual, and the Zakat amounts are calculated based on the zakat base or the adjusted net income. Any difference in estimates is recorded when the final assessment is approved, in which the provision is settled. All zakat assessments have been settled up to 2016G and Amana has obtained the final clearance certificate. The Zakat, Tax and Customs Authority has issued zakat assessments for the years 2017G and 2018G, amounting 6.2 million Saudi Riyals. Amana has submitted an objection to the assessment and believes that the commitment amount can be reduced to SAR 3.7 million Saudi Riyals. On May 4, 2020G, Amana received additional zakat assessments in addition to fines in relation to the value-added tax for the years 2018G and 2019G amounting 1.6 million Saudi Riyals.

5.6 Returns Arising from Consideration Shares & their Priority Classification

For the purpose of the Merger, Amana will issue new shares or Consideration Shares in favor of Enaya shareholders, with a number of fifteen million eight hundred and fifty-eight thousand and twenty-four (15,858,024) new shares. The new shares that will be issued to the shareholders of Enaya and listed on Tadawul will have the same rights as the shares currently issued in Amana, including voting rights, rights to dividends, repurchase rights or rights to surplus assets upon liquidation or dissolution and any other rights. Further, all shares issued and shares to be issued for the purpose of the transaction in Amana are of one class and no share gives its holder any preferential rights or priority of any kind. If the Offer is accepted, the shareholders of Enaya will own (55%) of the capital of the Merging Company. As for the income generated by the shareholders of Enaya, the owners of the new shares will have the right to receive the dividends that the Merging Company announces after the Effective Date. The shareholder shall be entitled to his share of the profits in accordance with the Resolution of the General Assembly issued in this regard. The Resolution shall indicate the date of entitlement and the date of distribution of profits. The eligibility for profits shall be for the owners of shares registered in the shareholders' registers at the end of the day specified for entitlement.

5.7 Impact of Acceptance of The Offer (In Full) for the Purpose of Controlling Amana's Assets, Profits and Businesses that may be Important for the Proper Evaluation of the Offer

If the Offer is accepted in full, the shareholders of Enaya will become owners of (55%) of the capital and assets of the Merging Company (while their current ownership percentage in the capital and assets of Enaya is (100%), and the shareholders of Enaya will become eligible (55%) of the business and profits of the Merging Company), while their eligibility in the business and profits of Enaya is currently (100%). It is worth noting that if the Offer is accepted in full - as stipulated in the Merger agreement, the executive management of the Merging Company will be determined in accordance with the plan to organize the business Merger process after the completion of the Merger process, which will be developed under the supervision of the board of directors of the Merging Company upon completion of the Merger. The board of directors of the Merging Company will also consist of (8) members as follows:

- Four (4) out of the eight (8) members nominated by Amana, whether from the current members of Amana Board of Directors or otherwise, including one (1) independent member and one (1) member who shall be the Chairman of the Board of Directors. Prior to the Effective Date of the Merger resolution, Amana shall be notified of the following: (a) individuals nominated by Amana to serve as members of the board of directors of the Merging Company, and (b) the names of the three or more current board members of Amana at the time of signing the Merger agreement and whose resignations will take effect upon the Effective Date of the Merger resolution.



- Enaya may nominate four (4) members to the Board of Directors of the merged company, including two (2) independent members and one (1) member who will be the Vice Chairman of the Board of Directors. Enaya shall notify Amana of the names of the individuals proposed to be nominated by it to serve as members of the board of directors of the Merging Company.

The new members are appointed after obtaining the approval of the Saudi Central Bank, and the approval of the Merging Company's ordinary general assembly must be obtained. It was also agreed under the Merger agreement that Mr. Mahmoud bin Mohammed Al-Toukhi will remain as Chairman of the Board of Directors of the Merging Company, while Mr. Amr Mohammed Khashoggi will become Vice Chairman of the Board of Directors of the Merging Company.

5.8 Current Owners of Enaya and Controlling Shareholders of Enaya and the Merging Company

The following tables include a description about the persons who own or have control of 5% or more of the capital and/or the persons who are able to direct the Resolutions and management of each of Enaya, Amana (pre-Merger) and the Merging Company (post-Merger):

Table No. (20): Current owners of Amana and Enaya

Amana			
Shareholders	No. of shares	Ownership ratio	Description
Amana Gulf Insurance JSC	1,772,975	13.64%	Amana Gulf Insurance Company (JSC) was established in 1992 in the Kingdom of Bahrain as a closed Bahraini joint stock company. The company is engaged in all insurance operations, guarantee and compensation operations, and investing funds and assets.
Enaya			
Shareholders	No. of shares	Ownership ratio	Description
Munich Re	2,250,000	15.00%	Munich Re was established in 1870, and it operates in the reinsurance sector. Munich Re is also active in the insurance sector through its subsidiary Ergo Insurance Group, and in the asset management sector through its subsidiary Munich Ergo Asset Management. Munich Re is headquartered in Munich, Germany.
National Health Insurance Company (DAMAN)	1,500,000	10.00%	National Health Insurance Company (Daman) was established in Abu Dhabi - UAE in 2005G as a public shareholding company owned by (80%) by the Abu Dhabi government, while the remaining (20%) is owned by Munich Re. The main headquarters of the National Health Insurance Company is located in Abu Dhabi, UAE. The National Health Insurance Company is specialized in the health insurance sector.

Source: Amana and Enaya

No shareholders will control 30% or more of the capital in the Merging Company, but the following shareholders will have the ability to direct the Resolutions and management of the Merging Company after the completion of the Merger.

Table No. (21): Amana's ownership structure Pre-Merger & Post-Merger

Shareholder	Pre-Merger		Post-Merger	
	No. of shares	Ownership Ratio	No. of shares	Ownership Ratio
Amana Gulf Insurance Company JSC	1,772,975	13.64%	1,772,975	6.14%
Munich Re	NA		2,378,704	8.24%
National Health Insurance Company (DAMAN)	NA		1,585,802	5.50%

Source: Amana and Enaya

Amana confirms that there is no transfer of any shares acquired under the current Offer in favor of other persons or parties, and that there is no relevant agreement, arrangement or understanding to this extent.

5.9 Offerer Statement of Securities Recovery

Amana has not redeemed or purchased any shares in Amana during the twelve-month period preceding the date of publication of this Offer Document.



6. Amana's Financial Statements

Table No. (22): Income Statement

Income Statement (1,000 Saudi Riyals)	2018G	2019G	2020G
Revenue			
Gross subscribed premiums	137,446	248,054	329,519
Reinsurance assigned premiums	(43,376)	(10,461)	(5,361)
Excess loss expense	(2,941)	(6,023)	(44,637)
Net subscribed premiums	91,129	231,570	279,521
Change in total unearned insurance premiums	(30,938)	(35,577)	(40,189)
Change in reinsurance share of total unearned premiums	2,343	(12,323)	(2,810)
Net earned premiums	62,534	183,670	236,522
Reinsurance Commission	2,895	1,957	1,992
Other subscription revenues	4,610	16,419	10,786
Net revenues	70,039	202,064	249,300
Subscription costs and expenses			
Total claims paid	(59,359)	(174,422)	(220,510)
Reinsurers' share of paid claims	26,996	46,439	27,736
Net claims paid	(32,363)	(127,983)	(192,774)
Change in total outstanding claims	33,205	3,617	15,813
Change in the share of outstanding claims by reinsurance claimants	(35,787)	(9,919)	(3,878)
Change in unreported incurred claims	(10,923)	(12,580)	(29,792)
Change in the share of unreported claims incurred by reinsurance claimants	(4,566)	(3,962)	(1,048)
Net claims incurred	(28,588)	(150,827)	(211,679)
Premium deficit reserve	(10,716)	447	(292)
Other technical reserves	(251)	(9,324)	6,145
Costs of subscribed insurance policies	(5,353)	(17,510)	(24,841)
Supervision and inspection costs	(5,839)	(12,746)	(16,214)
Total subscription costs and expenses	(50,747)	(189,960)	(246,881)
Net subscription income	19,292	12,104	2,419
Other income/(expenses)			
Allocations for doubtful debts	1,281	(2,523)	(23,180)
Administrative and general expenses	(43,772)	(45,166)	(45,808)
Income investments and dividends	4,512	7,871	6,311
(Losses)/profits from the sale of investments available for sale	(99)	8	2,223
Other revenues	(1,431)	-	762
Total other expenses, net	(39,509)	(39,810)	(59,692)
Total loss for the year before Zakat	(20,217)	27,706	(57,273)
Surplus attributable to insurance operations	-	-	-
Total loss for the year attributable to shareholders before zakat and income tax	(20,217)	(27,706)	(57,273)
Zakat and income tax	(1,587)	(9,541)	(4,564)
Total loss for the year attributable to shareholders after zakat and income tax	(21,804)	(37,247)	(61,837)
Loss per basic and reduced share (SAR)	(1,26)	(1,62)	(2,58)
Total loss for the year after zakat and income tax	(21,804)	(37,247)	(61,837)

Source: Amana Financial Statements



Table No. (23): Statement of Financial Position

Statement of Financial Position (1,000 Saudi Riyals)	2018G	2019G	2020G
Assets			
Cash and similar items	39,224	44,515	133,983
Short-term deposits	92,350	115,993	40,000
Insurance premiums and reinsurance receivables, net	21,519	79,559	129,207
The insurer's share of unearned premiums	17,189	4,866	2,056
Reinsurers' share of unearned premiums	25,560	15,641	11,763
Reinsurers' share of incurred unreported claims	7,711	3,749	2,701
Deferred subscription costs	5,396	8,328	11,010
Investments available for sale	8,417	19,298	12,872
Investments held up to maturity	47,172	48,640	49,045
Prepaid expenses and other assets	34,497	20,035	21,511
Property and equipment	2,562	5,970	5,976
Intangible assets	877	516	900
Long-term deposits	20,000	30,000	-
Regulatory deposit	21,000	36,000	36,000
Revenues due on regulatory deposit	1,949	2,577	2,876
Total Assets	345,477	435,687	459,900
Liabilities			
Claims due to policyholders	243	243	1,284
Outstanding expenses and other liabilities	47,197	47,197	73,081
Reinsurance payables	12,976	12,976	22,550
Unearned insurance premiums	100,911	100,911	141,100
Unearned reinsuring commissions	1,057	1,057	456
Outstanding claims	51,474	51,474	35,661
Incurred unreported claims	28,356	28,356	58,148
Reserve of insurance premium deficit	15,420	15,420	15,712
Other technical reserves	10,940	10,940	4,795
Custom end-of-service allocations	4,043	4,043	4,546
Due surplus distributions	779	779	779
Zakat and income tax allowance	2,859	2,859	6,673
Returns due to Saudi Central Bank	2,577	2,577	2,876
Total claims	278,832	278,832	367,661
Property Rights			
Capital	240,000	240,000	240,000
Accumulated losses	(85,666)	(85,666)	(147,503)
Actuarial losses on end-of-service benefits	(539)	(539)	(1,743)
Fair value reserve for investments available for sale	3,060	3,060	1,485
Total property rights	156,855	156,855	92,239
Total claims and property rights	435,687	435,687	459,900

Source: Amana Financial Statements



7. Documents Available for Inspection

Amana will provide copies of the following documents for review at its head office (Address: Riyadh, Sala'a al-Din Ayyubi Street, Platinum Center - Second Floor, P.O. Box 27986, Riyadh 11427, Kingdom of Saudi Arabia) during normal business hours on any business day from the date This Document is published until the end of the Offer period.

- Amana's Articles of Association, including all amendments to date (if any) and its Articles of Incorporation.
- Enaya's Articles of Association, including all amendments to date (if any) and its Articles of Incorporation.
- Merger Agreement between Amana and Enaya (English version).
- Audited Financial Statements of Amana for the financial years ended on December 31, 2018G, December 31, 2019G and December 31, 2020G.
- Audited Financial Statements of Enaya for the financial years ended December 31, 2018G, December 31, 2019G and December 31, 2020G.
- The examined pro-forma financial statements that reflect the financial position of Amana, as if the Merger has taken place in the financial year 2020G.
- Evaluation Report.
- Letters of approval of advisers to use their names, logos and statements in this Document.
- Termination fee letter.



8. Annexes

The following table shows modifications to Amana's Articles of Association pertaining to the Merger.

Annex No. (1): Amendments to Amana's Articles of Association pertaining to the Merger

Article before amendment	Article after amendment
Article 2: Company name: Amana Cooperative Insurance Company (Saudi joint stock company).	Article 2: Amana Enaya Cooperative Insurance Company (Saudi joint stock company), or any name to be agreed upon later on.
Article 8: The company's capital is (130,000,000) one hundred thirty million Saudi Riyals, divided into (13,000,000) thirteen million shares of equal value with a nominal value (10) ten Saudi Riyals per share, all of which are ordinary cash shares.	Article 8: The company's capital is (288,580,240) two hundred eighty-eight million five hundred eighty thousand two hundred and forty Saudi Riyals, divided into (28,858,024) twenty-eight million eight hundred fifty-eight thousand twenty-four shares of equal value with a nominal value of (10) ten Saudi Riyals per share, all of which are ordinary cash shares .
Article 15: Company Management: The company shall be managed by a Board of Directors consisting of (7) members elected by the Ordinary General Assembly for a period not exceeding three years, and the composition of the Board of Directors shall reflect an appropriate representation of the independent members. In all cases, the number of independent members of the Board of directors may not be less than two members or one third of the members of the Board, whichever is greater. As an exception to this, the Constituent Assembly appoints the members of the first board of directors for a period not exceeding (3) three years starting from the date of the publication of the resolution of the Ministry of Commerce and Investment to establish the company.	Article 15: Company Management: The company shall be managed by a Board of Directors consisting of (8) members elected by the Ordinary General Assembly for a period not exceeding three years, and the composition of the Board of Directors shall reflect an appropriate representation of the independent members. In all cases, the number of independent members of the Board of directors may not be less than two members or one third of the members of the Board, whichever is greater. As an exception to this, the Constituent Assembly appoints the members of the first board of directors for a period not exceeding (3) three years starting from the date of the publication of the resolution of the Ministry of Commerce and Investment to establish the company.

