Form for disclosing the Agreement to Acquire, Dispose, Mortgage, or Lease Transaction(s)

The required data regarding the agreement to acquire / dispose / mortgage / lease transaction(s):

Date.	14 October 2022
Name of the Listed Company.	Islamic Arab Insurance Company PSC ("**Salama**")
Specify the type of transaction: (acquisition / dispose / mortgage / lease / other).	Statutory merger with Takaful Emarat Insurance PSC ("**TE**") into Salama pursuant to: - Article 285 of the UAE Federal Law by Decree No. (32) of 2021 on Commercial Companies; - Chapter 2 of the Decision of the Chairman of the Board of Directors No. (18.R.M.) of 2017 concerning the Rules of Acquisition and Merger of Public Shareholding Companies (the "**Public M&A Rules**"); and - Articles 74 to 76 of the UAE Federal Law No. (6) of 2007 on Insurance Activities (the "**Insurance Law**").
Determine the type of asset to be acquired, disposed, leased or mortgaged (examples: investments, companies, factories, real estate,	In accordance with Article 47(1)(a) of the Public M&A Rules, Salama and TE are to merge by an amalgamation whereby TE will be merged into

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securities, etc.) and describe the activity of the underlying asset.	Salama, the surviving entity and all the assets and liabilities of TE will be merged into Salama.
Determine the value of the purchase cost of these assets and their percentage to the capital of the listed company in the event of dispose, mortgage or leasing.	This is a cashless transaction that will be effected by way of a statutory merger whereby the existing shareholders of TE will be issued new shares in Salama. KPMG will be appointed as the joint valuer for purposes of determining an appropriate swap ratio.
Total value of acquisition / dispose / mortgage / lease transaction.	The value of the transaction is still subject to finalization of the terms between the parties.
Reasons for executing the transaction, its expected effects on the company and its operations, and the rights of its shareholders.	- The merger presents an opportunity to realize business synergies and improve overall business performance of Salama (as the surviving entity following the completion of the merger) and enhance its capacity to capture a larger market share in the future. - The merger is anticipated to diversify the distribution space of Salama (as the surviving entity), widen its distribution channels and gain access to more customer segments. A larger customer base is expected to allow Salama (as the surviving

	entity) to extent its coverage in terms of network and service providers - Salama's Participating Insurer (PI) license is expected to help in retaining and growing the legacy PI business of TE.
Determine the parties to the transaction / deal.	Salama and TE.
Determine whether the transaction / deal is associated to related parties, and specify the nature of the relationship, if any.	The proposed transaction will not be executed with a "Related Party" as such term is defined under Article 1 of the Chairman of Authority Board of Directors' Decision no. (3/Chairman) of 2020 concerning the Approval of Joint Stock Companies Governance Guide (the "**JSC Governance Guide**"). The JSC Governance Guide defines "Related Parties" as: - the chairman; - members of the board of directors; - members of the senior executive management; - employees of the company; and - companies in which any of such persons holds 30% or more of its capital, as well as subsidiaries or sister companies or affiliate companies. Based on the current information available to us, the proposed transaction will be undertaken by Salama

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	and TE. Seeing that the transaction will not be executed with a Related Party (i.e., any of the persons/entities described above) but rather will be entered into by Salama and TE, who will be signing the proposed merger agreement, we consider that the proposed transaction will not be deemed a transaction with a related party. In addition, the definition of "Related Parties" as provided for in the amended articles of association of Salama (the "**Amended Articles**") supports this view.
The date of signing the transaction / deal.	The parties recently formed the assessment committee required by Article 75(1) of the Insurance Law and the committee has already concluded one meeting with several additional meetings scheduled for the next few weeks. Pursuant to Article 75(2) of the Insurance Law, the assessment committee has 90 days to submit a report to the director general of the central bank which contains an assessment of the assets, rights and obligations of Salama and TE. Salama and TE propose to commence the approval process from SCA in tandem with the approval process at the central bank and will submit documentation during the next month.

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	The transaction is expected to be signed during the fourth quarter of 2022 (subject to the approval of the central bank and SCA).
Transaction / deal execution date.	Statutory mergers involve several steps and Salama and TE are targeting to sign the merger agreement before the year end.
Expected closing date.	Due to a 6-to-12-month execution integration period, closing is anticipated occur between Q3 2023 and Q4 2023.
If the listed company is the acquiring party or the lessee, the following must be fulfilled: **1-Explain how to finance acquisition or lease transaction(s).** **2-Determine the sources of financing the transaction(s) in the case of acquisition or leasing, with clarification of the payment mechanism in the event that part or all of the value of the transaction(s) will be funded through banks.** **3-Determine the date or dates of payment of the amounts owed by the listed company from the acquisition or lease transaction(s).**	As noted above, the transaction is anticipated to be effected by way of a statutory merger and so is anticipated to be a cashless transaction whereby the existing shareholders of TE shall be issued new shares in Salama upon the merger becoming effective through the publication in the official gazette and deregistration of TE.

If the listed company is the disposing party, the lessor, or one of the mortgage parties, the following must be fulfilled: **1- Explain the reasons for disposing, mortgaging or leasing, and clarifying how the collected funds will be used.** **2- Determine the date or dates of collection of the amounts owed to the listed company from the dispose, mortgage or lease transaction.** **3- Clarify the company's plan regarding the use of exit proceeds or the sale or lease of the asset.** **4- Clarify the procedures against the listed company in case of failure to pay its obligations stated in the mortgage deal.** **5- The listed company must also clarify whether it will provide a loan in exchange for a mortgage of the assets owned by the other party.**	N/A.
The expected financial impact of the transaction(s) on the business results and the financial position of the listed company.	As noted above, the merger presents an opportunity to realize business synergies and improve overall business performance of Salama (as the surviving entity following the completion of the merger) and enhance its capacity to capture a larger market share in the future. The combined asset base of the unified entity after the merger is anticipated to result in the

	combined entity meeting all applicable solvency and requirements.
Determine the financial period or quarter in which the financial impact of the transaction(s) will appear on the listed company.	The date the merger becomes effective which shall be upon the publication in the official gazette and the deregistration of TE.
Summary of the terms and conditions of the transaction(s), the rights and obligations of the listed company and its shareholders, and the procedures involved in the event that any party fails to fulfill the obligations it has stipulated in the transaction or the deal contract.	As noted above, the merger contract is yet to be signed (and the terms of such contract are yet to be negotiated / agreed upon by Salama and TE following the completion of the tasks of the assessment committee).

The Name of the Authorized Signatory	**Khaled Barakat**
Designation	**Head of Legal and Board Secretary**
Signature and Date	**14 October 2022**
Company's Seal	سلامة SALAMA الشركة الإسلامية العربية للتأمين (ش.م.ع) ISLAMIC ARAB INSURANCE CO.(P.S.C.) DUBAI - U.A.E (1)

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