



SUMMARY CIRCULAR TO THE SHAREHOLDERS OF

ARAB INSURANCE GROUP B.S.C.

(Incorporated in the Kingdom of Bahrain under Commercial Registration No.: 10701-1)

SUMMARY CIRCULAR TO THE SHAREHOLDERS OF ARAB INSURANCE GROUP B.S.C.

in relation to the

Gulf Tamin Ltd. (“Gulf Tamin” or the “Offeror”) partial offer to acquire 22,001,000 of the issued ordinary shares of Arab Insurance Group B.S.C. (“ARIG” or the Offeree”) by way of a cash purchase price of USD 0.53 for each 1 share of Arab Insurance Group B.S.C., representing approximately 10% of the issued and fully paid-up ordinary shares of Arab Insurance Group.

DISCLAIMER STATEMENT

THE OFFER DOCUMENTS, THE CIRCULAR AND ACCEPTANCE AND TRANSFER FORM IN RESPECT OF THE OFFER HAVE BEEN FILED WITH THE CENTRAL BANK OF BAHRAIN IN ACCORDANCE WITH THE REQUIREMENTS OF THE CENTRAL BANK OF BAHRAIN RULEBOOK VOLUME 6, TAKEOVERS, MERGERS AND ACQUISITIONS MODULE.

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY AND COMMERCE, IN THE KINGDOM OF BAHRAIN, ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS SUMMARY CIRCULAR AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM THE RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS SUMMARY CIRCULAR.

DIRECTORS’ DECLARATION

THE BOARD OF DIRECTORS (“BOARD”) OF ARIG, ISSUING THIS SUMMARY CIRCULAR JOINTLY AND SEVERALLY, ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS SUMMARY CIRCULAR. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS SUMMARY CIRCULAR IS IN ACCORDANCE WITH THE TERMS OF THE OFFER RECEIVED FROM GULF TAMIN AND CONTAINS NO MATERIAL OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS SUMMARY CIRCULAR.

ARIG Shareholders should note that this document (“Summary Circular”) is a summary of the circular issued by the ARIG Board of Directors dated 10 December 2023 (the “Circular”) and should not rely on only this Summary Circular but should refer to the contents of the Offer Document dated 19 November 2023 prepared by Gulf Tamin in connection with the Offer (“Offer Document”) and the Circular. If you are in any doubt about the contents of this Summary Circular or any aspect of the Offer, you should consult a licensed securities dealer or licensed institution in securities, a bank manager, solicitor, professional accountant or other professional advisers. Terms not defined herein are defined in the Circular.

ARAB INSURANCE GROUP B.S.C.

P. O. Box 26992,
Arig House, Diplomatic Area 317,
Manama, Kingdom of Bahrain.
T: (+973) 17 544 444,
F: (+973) 17 531 155
E: www.arig.net

The Board of Directors of ARIG has issued an Offeree Board Circular in response to the Offer Document issued by Gulf Tamin dated 19 November 2023 relating to the Gulf Tamin Ltd. partial offer to acquire 22,001,000 of the issued ordinary shares of Arab Insurance Group B.S.C. by way of a cash purchase price of USD 0.53 for each 1 share of Arab Insurance Group B.S.C., representing approximately 10% of the issued and fully paid-up ordinary shares of Arab Insurance Group. (“the Offer”).

The Offeree Board Circular (“Circular”) contains the following:

- i. The ARIG Board letter to ARIG shareholders.
- ii. The letter containing the Recommendation of the Board of Directors to ARIG shareholders.
- iii. The Professional Independent Adviser’s fairness opinion including its advice and recommendation to the Board; and

Terms not defined herein are defined in the Offer Document.

DISPATCH OF DOCUMENTS TO SHAREHOLDERS

Summary of Offer Document, summary of the Circular and Acceptance and Transfer Form have been dispatched by mail to all ARIG shareholders whose names appeared in the ARIG share register at their addresses as registered in the share register pursuant to the Central Bank of Bahrain Rulebook Volume 6, Takeovers, Mergers and Acquisitions Module.

ARIG shareholders may obtain electronic copies of Circular, Firm intention to make the Offer, Offer Document, Cover Letter to ARIG shareholders and redacted version of the valuation report from the website of ARIG.

The Board Circular, summary of the Board Circular, Firm Intention to make the Offer, Offer Document, Cover letter and fairness opinion are also available at <https://www.bahrainbourse.com>.

Alternatively, any ARIG shareholder who wishes to receive electronic copies of any of the above documents and Memorandum and Articles of Association of ARIG may email Mr. Abdulredha Abdulhameed, Legal and Compliance Officer at rajab.a@arig.com.bh.

Hard copies of all the above documents may also be available at ARIG Headquarter to ARIG shareholders for inspection upon written request to Mr. Abdulredha Abdulhameed at rajab.a@arig.com.bh.

RECOMMENDATION FROM THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF ARIG

The Board wishes to highlight the fact that the book value of ARIG shares as per the financial statements as of 30 September 2023 is USD 1.45 per share and that the Professional Independent Adviser has evaluated the fair value of ARIG shares to be US\$ 1.37 per share.

The Offer price as per the Offer Document is USD 0.53 per share, which is 61.2% lower than the independently computed fair value and 63.4% lower than that book value of ARIG shares. Accordingly, and in line with the opinion of the Independent Professional Adviser, the Board finds the terms of the Offer are not fair and not reasonable. The Board, therefore, recommends that ARIG’s Shareholders reject Gulf Tamin Ltd Offer to acquire ARIG Shares at the cash price of USD 0.53 per share. Detailed recommendation letter to ARIG Shareholders from the Board of Directors has been set out in Part V of the Circular.

In case of any doubt, ARIG Shareholders are also advised to seek independent professional advice, as deemed appropriate, prior to making any decision.

KEY DATES

Event	Time and/or Date
Firm Intention Sent to ARIG	29 October 2023
Offer Document Sent to ARIG Board	19 November 2023
ARIG sends Board Circular to Shareholders	10 December 2023
Last Trading Date	14 December 2023
Suspension Date	19 December 2023
Record Date	20 December 2023
Offer Opening Date	21 December 2023
Initial Offer Closing Date	18 January 2024

Offer to be declared unconditional in all respects	18 January 2024
Announcement of results of the Offer (the following business day)	21 January 2024
Final Offer Closing Date (conditions have been satisfied)	4 February 2024
Announcement of results of the Offer (the following business day)	5 February 2024
Settlement Date for Payment of Shares	14 February 2024

DETAILS OF THE OFFER

THE OFFEREE

Arab Insurance Group B.S.C. (the “Company”) is an international insurance company registered as a Bahraini Shareholding Company having its registered office at Arig House, Manama, Kingdom of Bahrain. The Company and its subsidiaries (the “Group”) are involved in provision of general (non-life) and life reinsurance and related service activities.

The Board in its meeting held on 13 May 2019 resolved to recommend to the shareholders the cessation of the Company's underwriting activities. In an Extraordinary General Meeting held on 13 August 2020 the shareholders approved the Board's recommendation and placed the insurance portfolio in run-off.

SECURITIES FOR WHICH THE OFFER WILL BE MADE

The Offer is a partial offer to acquire a total of 22,001,000 existing ARIG Shares.

THE OFFEROR

Gulf Tamin Ltd. was formed with the sole purpose of acquiring shares in ARIG and is an exempt company incorporated in the Cayman Islands. Its registration number is 403814 with a registered office on Floor 2, Willow House, Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands.

OFFEROR SHAREHOLDING IN ARIG

Currently, Offeror does not own any shares in ARIG.

CONSIDERATION OF THE OFFER

The consideration for the Offer is a Cash Offer on the following basis:

For each 1 ARIG share: USD 0.53.

SHAREHOLDERS ELIGIBLE FOR THE OFFER

ARIG Shareholders whose names appear in the ARIG share registry on the Record Date will be eligible to receive the Offer.

CONDITIONS PRECEDENT TO THE OFFER

The implementation of the Offer will be subject to the fulfilment or waiver, where applicable, of the following conditions precedent. For the avoidance of doubt, the Offer shall not become unconditional unless the below conditions precedent are fulfilled or, where applicable, waived by the Offeror:

- a) The Offeror having received acceptances in respect of ARIG shares representing 22,001,000 shares representing approximately 10% of the Issued Share Capital;
- b) Receipt of all regulatory and statutory approvals, exemptions and/or waivers from the CBB;
- c) Receipt of all regulatory and statutory approvals, exemptions and/or waivers from any other regulatory or statutory authority as may be determined to be required in connection with the Offer; and
- d) No Material Adverse Effect (as defined below) having occurred prior to, and being continued as at, the date on which the Offer would have been declared unconditional in all respects (but for the occurrence of a Material Adverse Effect).

Shareholders and/or potential investors of ARIG should note that the Offer shall be subject to the satisfaction or, with the exception of conditions (a) and (b) above, waiver by the Offeror (where applicable) of the conditions, and is conditional upon the Offer becoming or being declared unconditional in all respects. Accordingly, the Offer may or may not become unconditional. Shareholders and/or potential investors of ARIG should therefore exercise

caution when dealing in the securities of ARIG. Persons who are in doubt as to the action they should take should consult their licensed brokers, dealers, solicitors, professional accountants or other professional advisors.

Under TMA Rule 2.14.5, except with the consent of the CBB, all conditions must be fulfilled, or the Offer must lapse within fifteen (15) calendar days of the Initial Offer Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is later.

Under TMA Rule 2.14.3, setting out the 'final day rule', except with the consent of the CBB, the Offer may not become or be declared unconditional as to acceptances after the official working hours on the 60th day after 19 November 2023, being the date the Offer Document was posted, i.e. after 18 January 2024. The Offeror reserves the right to seek an extension from the CBB in accordance with TMA-2.14.3.

In the event valid acceptances that represent approximately 10% of the Issued Share Capital of ARIG are not received by the Initial Offer Closing Date (as defined in the Offer Document), the Offeror reserves the right to seek a waiver from the CBB in accordance with TMA-A.1.4 of condition (a) above and proceed to declaring the offer unconditional in all respects (subject to the satisfaction or, where applicable, waiver of the other conditions), in which case the Offeror may proceed to settlement of the Offer after the Final Offer Closing Date.

OFFER PERIOD AND ACCEPTANCE PROCEDURES

The Gulf Tamin will be open for acceptance from 21 December 2023 (the "Offer Opening Date") to the Initial Offer Closing Date being 18 January 2024, subject to the Final Offer Closing Date 4 February 2024 ("Offer Period"), and any extensions as may be permissible under the TMA Module, for receiving the completed Acceptance and Transfer Forms. Any changes to such date will be announced by the Offeror and Offeree.

Please refer to section 5.8 "Offer Acceptance procedures" of the Gulf Tamin Offer Document for further details.

Once all the Conditions Precedent have been fulfilled or waived, where applicable, and the Offer becomes unconditional in all respects, during or at the end of the Final Offer Closing Date, the Offeror will arrange to make an announcement to this effect in two newspapers in the Kingdom of Bahrain and the websites of BHB and SICO.

SUSPENSION OF TRADING

Trading in ARIG Shares will be suspended for the duration of the Suspension Period (as defined in the Offer Document).

THE OPINION OF THE PROFESSIONAL INDEPENDENT ADVISER

Pursuant to article 2.2.1 of the TMA Module, Volume 6 of the CBB Rulebook, our Professional Independent Adviser has provided its advice to the Board as follows:

"According to the Professional Independent Adviser, the Offer is Not Fair and Not Reasonable, from a financial point of view to the shareholders of ARIG. Based on our Opinion, it is our advice to the Board that they do not recommend Acceptance of the Offer to the shareholders of ARIG concerning the Offer".

The detailed Professional Independent Adviser's fairness opinion letter has been set out in Part VI of the Circular.

KEY PARTIES

The Offeree

Arab Insurance Group B.S.C.

P. O. Box 26992,
Arig House, Diplomatic Area 317,
Manama, Kingdom of Bahrain.
T: (+973) 17 544 444,
F: (+973) 17 531 155
Web: www.arig.net

The Offeror

Gulf Tamin Ltd.

PO Box 709
Floor 2, Willow House, Cricket Square
Grand Cayman KY1-1107, Cayman Islands

Share Registrar**Bahrain Clear B.S.C.**

4th Floor, Harbour Gate,
Bahrain Financial Harbour,
Manama, Kingdom of Bahrain
Tel: (+973) 17108781

Receiving Agent**SICO B.S.C.**

16th Floor, Bahrain World Trade Centre East Tower,
P.O. Box 1331,
Manama, Kingdom of Bahrain
Tel: (+973) 1751 6060
Web: www.sicobank.com

Legal Advisor to the Offeree**Hassan Radhi and Associates**

P.O. Box: 5366
EBC Tower, 18th & 19th Floors
Diplomatic Area,
Manama, Kingdom of Bahrain
Tel: (+973) 17535252
Web: www.hassanradhi.com

Professional Independent Advisor to the Offeree**BDO Consulting W.L.L.**

17th Floor, Diplomat Commercial Office Tower
PO Box 787,
Manama, Kingdom of Bahrain
Tel: (+973) 1753 0077
Fax: (+973) 1791 9091
Web: www.bdo.bh