

## Methaq Takaful Insurance Company PJSC

### Invitation to the Shareholders to subscribe for New Shares in a Right Issue

Methaq Takaful Insurance Company PJSC (“**Methaq**” or the “**Company**”) hereby invites its Shareholders to subscribe for new shares, by way of a rights issue, as approved by the General Assembly of the Company and the Securities and Commodities Authority (the “**SCA**”).

#### 1. **Decision of the increase:**

The General Assembly of the Company in its meeting held on 28 April 2021 (the “**General Assembly**”) resolved to increase the Company’s share capital from AED 150,000,000 (One Hundred Fifty Million UAE Dirhams) up to an amount not exceeding AED 400,000,000 (Four Hundred Million UAE Dirhams) by way of a rights issue (the “**Rights Issue**”) in an amount not exceeding AED 250,000,000 (Two Hundred Fifty Million UAE Dirhams) by issuing up to 250,000,000 (Two Hundred Fifty Million) new shares (the “**New Share(s)**”) at the nominal value of AED 1 (One) Dirham per New Share (the “**Capital Increase**”).

In accordance with the authorization granted by the General Assembly to the Company’s board of directors, the board of directors has full powers to implement the procedures for the Capital Increase in accordance with the provisions stipulated in the Commercial Companies Law and executive decisions issued by SCA. In addition, whereas the general meeting has approved to limit the Capital Increase to the Company’s shareholders without reverting to the public, the Company’s board of directors would have also the right to accept the final amount subscribed for in the Capital Increase by the rights holders without offering the outstanding balance for public subscription after obtaining the approval of the SCA.

#### 2. **Amount of share capital increase and issue price:**

The Rights Issue will increase the share capital of the Company by an amount up to AED 250,000,000 (Two Hundred Fifty Million UAE Dirhams) from AED 150,000,000 (One Hundred Fifty Million UAE Dirhams) up to an amount not exceeding AED 400,000,000 (Four Hundred Million UAE Dirhams) by issuing up to 250,000,000 (Two Hundred Fifty Million) at an issue price of AED 1 (One Dirham) per New Share (the “**Issue Price**”).

#### 3. **General Information on the Company and the Rights Issue:**

- **Company Name:** Methaq Takaful Insurance Company PJSC
- **Date and Registration Number with the Competent Authority:** Registered under Number CN - 1142419 on 24 Mars 2008
- **Head office:** Abu Dhabi, UAE
- **Purpose of the Company:** The Company engages in takaful insurance activities. The Company writes non-life business (including medical) with the bulk of the business being motors insurance.
- **Current Capital:** AED 150,000,000 (One Hundred Fifty Million UAE Dirhams)
- **Current Number of Shares:** 150,000,000 (One Hundred Fifty Million) shares
- **Listing Venue:** Abu Dhabi Securities Exchange (the “**ADX**”)
- **Nominal Value of each Share:** One Dirham (1 AED)
- **Purpose of the Capital Increase:** The Company intends to use the net proceeds raised from the Rights Issue to comply with the minimum risk capital & solvency requirements as per the local UAE regulations and to ensure a high ratio of liquidity and to cover any unexpected future liability in addition to investment purposes.
- **Auditor:** Talal Abu Ghazaleh &Co International

- **Lead Manager and Bookrunner:** Emirates NBD Capital PSC
- **Sole Receiving Bank:** Emirates NBD Bank PJSC
- **Legal Counsel:** Al Tamimi & Company

#### 4. **Subscription Conditions:**

- **Right to Subscribe**

The Rights Issue will be conducted through the issue of tradable securities (the "**Rights**" and each a "**Right**") pursuant to the Decree of the Authority's Chairman of the Board No. (11/R.M) of 2016 (the "**Decree**") to registered shareholders of the Company (the "**Registered Shareholders**" and each a "**Registered Shareholder**") as at the close of business of the ADX on Monday 19 July 2021 (the "**Eligibility Date**") in the amount of 1.667 Rights for every 1 Share held on such date. In order to receive Rights on the Eligibility Date, investors must ensure that they execute any purchase orders for the Company's shares at least two business days prior to the Eligibility Date, i.e. on or before 2pm on Thursday 15 July 2021, to allow for the settlement of trades on the ADX (which operates on T+2business days basis). And since the Eligibility Date fell on a holiday, the Eligibility Date would be the date falling on the first working day thereafter, i.e. Sunday 25 July 2021.

In the event of fractions of Rights, the number of Rights will be rounded to the nearest whole number of Rights with such Rights being deposited into the clearing account, brokerage account or custodian account of each Shareholder where his or her existing shares are held within one day of the Eligibility Date. Shareholders, who hold Rights to subscribe for New Shares but do not wish to exercise their Rights, may sell their Rights to other investors via brokers registered and licensed by the ADX.

- **Trading in the Rights Issue**

The ADX will coordinate with brokerage firms to add the balance of the Shareholders' Rights in the amount of 1.667 Rights for every 1 Share held on the Eligibility Date to their respective accounts maintained by the respective brokerage firm. This will allow the Shareholders of the Company to trade their Rights, whether to sell some or all of their Rights or to buy additional Rights, within the below period (the "**Trading Period**"):

- First day of trading the Rights on ADX: Thursday 29 July 2021
- Last day of trading the Rights on ADX: Wednesday 11 August 2021

- **Subscription Period:**

Rights holders, who are either Registered Shareholders or persons who have purchased Rights during the Trading Period, ("**Eligible Persons**") may exercise their right to subscribe to New Shares at the Issue Price during the period below ("**Subscription Period**"):

- **Subscription Opening Date:** Wednesday 4 August 2021
- **Subscription Closing Date:** Thursday 17 August 2021

- **Subscription for Remaining Shares:**

The Eligible Shareholders shall have the right to subscribe to additional shares if the shares remain unsubscribed, provided that subscription is made during the Subscription Period and the value of those additional shares shall be paid upon subscription to the Rights Issue.

- **Ownership Limitations:** 51% of the issued share capital of the Company must be owned by UAE /GCC nationals.
- **Subscription Applications:** Subscription Applications are available at any of the branches of the Sole Receiving Bank listed below.

- **Issue Price:** Each of the New Shares will be issued at a price of one Dirham (1 AED) only without any premium.
- **Timing of Payment:** The total subscription amount of the New Shares subscribed for shall be paid upon submitting the Subscription Application.
- **Methods of Payment:** Either through (i) debiting the account of the Eligible Person with the Sole Receiving Bank; (ii) UAE Central Bank Fund Transfer (“**FTS**”) mode; or (iii) electronic subscriptions through Automated Teller Machines (“**ATM**”) and internet banking for customers of the Sole Receiving Bank.
- **Sole Receiving Bank:** Subscriptions shall be received by the Sole Receiving Bank through its branches listed in paragraph 11 below.
- **Refunds:** Refunds will be given to holders who have exercised their Rights and who did not receive the number of New Shares for which they subscribed for. Refunds shall be completed no later than 5 business day from the date of allocation of the New Shares. The amount to be refunded (i) shall be returned to the relevant Eligible Person’s bank account with the Sole Receiving Bank or (ii) if payment was made via FTS mode (UAEFTS), it shall be returned to the relevant Eligible Person via FTS mode.

## 5. Allotment Policy

- The New Shares will be allocated to Eligible Persons according to the number of New Shares they subscribed thereto, provided that this number shall not exceed the number of subscription rights each of them possess at the end of the Trading Period. In the event that New Shares remain unsubscribed, a number of additional shares shall be allocated to the Eligible Persons according to the number of shares they have subscribed thereto, in excess of the number of subscription rights they possess. The allocation of additional new shares will be for Eligible Persons who subscribed to additional new shares, after allocating shares to Eligible Persons who subscribed to a number of New Shares equal or less than the number of the rights they possess, on a pro rata basis.
- To the extent that the amount of the capital increase has not been subscribed in full, the amount of the Capital Increase shall be equal to the amount which has been subscribed for.
- A shareholder, together with his minor children and associated group, whose shareholding in the issued share capital shall exceed 29.99% as a result of their participation in the Rights Issue through the relevant financial market, should first obtain the prior approval of SCA in this regard in accordance with the relevant rules and regulations.

## 6. Required documents for subscribers:

Eligible Persons shall submit the following documents, along with their subscription applications:

### (A) For individuals who are UAE nationals, UAE residents, or nationals of any other country:

- Eligible Persons should have:
  - (a) a valid and Updated Investor Number at ADX;
  - (b) an original and photocopy of his/her Emirates ID or Passport; and
  - (c) the Eligible Person can be present physically at any of the branches of the Sole Receiving Bank listed in paragraph 11 below to subscribe and sign the application. The Eligible Person can send a representative to any of the branches of the Sole Receiving Bank listed in paragraph 11 below to subscribe on their behalf; the representative will sign the application form as the bearer of the Eligible Person. In the case of an applicant who is a representative of the

Eligible Person, the representative must provide an original and a photocopy of the special power of attorney certified by a licensed bank in the UAE.

**(B) For applications where the method of payment is:**

- **Direct Debit:** The bank account holder or authorised signatory should be physically present at any of the branches of the Sole Receiving Bank listed in paragraph 11 below to authorise the transaction.

**(C) Corporate bodies including banks, financial institutions, investment funds and other companies and establishments (i.e. juridical persons):**

- Eligible Persons should have an Updated Investor Number at ADX; and
- the corporate body representing the Eligible Person can send a representative to any of the branches of the Sole Receiving Bank listed in paragraph 11 below to subscribe on behalf of the Eligible Person; the representative will sign the application form on behalf of the Eligible Person, submit a copy of his/her valid Emirates ID with a copy of signature authorisation along with the trade license of the corporate body and a copy of the Board Resolution allowing the entity to participate in the Rights Issue.

**(D) For applications where the method of payment is:**

- **Direct Debit:** The bank account holder or the authorised signatory on the account should be physically present at any of the branches of the Sole Receiving Bank listed in paragraph 11 below to authorise the transaction.

For more information about the required documents for Eligible Persons, please see the FAQs published on the Company's website.

**7. Procedures of subscription:**

The subscription application must be submitted by Eligible Persons to any of the branches of the Sole Receiving Bank listed in paragraph 11 below and the Eligible Person's bank account number must be provided, together with the payment for the amount to be used to purchase or subscribe for the New Shares, which is to be paid in one of the following ways:

- Debiting the Eligible Person's account with the Sole Receiving Bank;
- FTS mode; or
- Electronic subscriptions through ATM and internet banking for customers of the Sole Receiving Bank.

Eligible Persons choosing the FTS mode will be required to provide their Updated Investor Number at the ADX along with the value of New Shares subscribed for, Broker Name (Optional) and mobile number in the special instructions field. A copy of the FTS/Swift message should be emailed to [methaq@emiratesnbd.com](mailto:methaq@emiratesnbd.com).

Account holders with Emirates NBD (in its capacity as the Sole Receiving Bank) can subscribe via ATM and internet banking. Eligible Persons accessing the ATM with their debit card and the internet banking with password as is customary with electronic banking transaction will be deemed sufficient for the purpose of identification and the documentation requirement will not be applicable to such Eligible Persons.

The limit of subscription via ATMs and internet banking is two million New Shares for each application. Applicants who want to subscribe for an amount exceeding two million New Shares will have to visit any branch listed in paragraph 11 below.

The subscription amount may NOT be paid or accepted by the Sole Receiving Bank using any of the following methods:

- in cash;
- cheques; or
- any other mode of payment other than mentioned above.

**Important dates relevant to the methods of payment of the subscription amounts:**

- Subscription applications received through FTS must be made on or before 2 pm on Monday 16 August 2021, being one day before the end of the Subscription Period.
- Subscription amounts made via ATM and internet banking must be made on or before 2 pm on Tuesday 17 August 2021, being the end of the Subscription Period.
- Subscription by debiting the Eligible Person's account with the Sole Receiving Bank must be done on or before 2 pm on Tuesday 17 August 2021, being the last day of the Subscription Period, at any of the branches of the Sole Receiving Bank listed in paragraph 11 below.

**8. Contact Centre:**

For any queries, please contact ENBD's call centre at +971 4 316 00 66.

**9. Important Dates:**

- **Date of publication of the invitation to subscribe for New Shares by way of Rights Issue:** Thursday 24 June 2021
- **Eligibility Date of Rights (record date) \*:** Sunday 25 July 2021 for the registered shareholders of the Company on this date.
- **First day of trading in Rights on the ADX:** Thursday 29 July 2021
- **Last day of trading in Rights on the ADX:** Wednesday 11 August 2021
- **Subscription Opening Date:** Wednesday 4 August 2021
- **Subscription Closing Date:** Tuesday 17 August 2021
- **Date of finalizing the allocation:** Tuesday 24 August 2021
- **Date of finalizing the refund process** Tuesday 24 August 2021
- **Commencement of Dealings in the New Shares:** On or around Tuesday 31 August 2021

\*In order to receive Rights on the Eligibility Date, investors must ensure that they execute any purchase orders for shares at least two business days prior to the Eligibility Date, i.e. on or before 2 pm on Thursday 15 July 2021, to allow for the settlement of trades on the ADX (which operates on a T+2 basis). If the Eligibility Date falls on a holiday, the Eligibility Date would be the date falling on the first working day thereafter.

**Important Note:** The dates for the Rights Issue set out in this Invitation are expected dates and are subject to change, including if any date falls on an official holiday in the UAE (apart from the Eligibility Date). In such circumstances, details of the new dates will be notified to investors in two UAE daily newspapers (one in Arabic and one in English) and on Methaq Takaful Insurance PJSC's website ([www.methaq.ae](http://www.methaq.ae)).

**10. Sole Receiving Bank**

Emirates NBD Bank PJSC  
Head Office  
Baniyas Road, Deira, Dubai, UAE

**11. Participating Branches**

AREA	BRANCH	TIMING
Dubai	Group Head Office Branch	Sun - Thurs 8:00am – 3:00pm
Dubai	Jumeirah Branch	Sat - Thurs 8:00am – 2:00pm
Abu Dhabi	Electra Street Branch	Sat - Thurs 8:00am – 2:00pm
Al Ain	Al Ain Main Branch	Sat - Thurs 8:00am – 2:00pm
Sharjah	Sharjah Main Branch	Sat - Thurs 8:00am – 2:00pm

**NAME OF PARTICIPANTS IN THE RIGHTS ISSUE**

**LEAD MANAGER AND BOOKRUNNER**

**Emirates NBD Capital PSC**

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**SOLE RECEIVING BANK**

**Emirates NBD PJSC**

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