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Dividend policy

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A regulation for dividend distribution policy for Al Kathiri Holding Company, a Saudi Joint Stock Company, has been prepared in accordance with the requirements of the Corporate Governance Regulations in the Kingdom of Saudi Arabia and in compliance with the Companies Law and the Company's Articles of Association. The company pledges to disclose any changes in this policy.

First – dividend payment timing:

The Board shall implement the decision of the General Assembly regarding the distribution of profits to shareholders within seven (7) days from the decision date.

Second - Announcing dividends:

The company shall announce dividend distributions and the announcement issued in this regard shall include the amount of the distribution and the method of payment after the initial distribution of the company's net profits for the year has been approved by the company's ordinary General Assembly based on the recommendations of the Board of Directors.

The announcement of the distribution of dividend shall include the following:

Stock type.-

The type of shares for which dividend will be distributed.-

Profit distribution for each share.-

Payment period for the distribution of profits.-

-Dividend distribution announcement of for shares is made in accordance with the applicable laws and regulations and in accordance with the company's articles of association.

-The company shall not announce the distribution of profits in the event that the company is financially distressed or in the event of its bankruptcy or if this will lead to the default or bankruptcy of the company.

Third: Sources and amount of dividend distribution:

Dividend distribution is paid out of the company's net profit and distributed to shareholders based on the number and type of shares.

The amount of the dividend for ordinary shares shall be determined based on the recommendations of the Board of Directors.

Distribution of the net annual profits of the company after deducting all general expenses and other costs and allocations, including Zakat and other provisions and reserves as follows:

-(10%) of the net profits shall be set aside to form the reserve for the company, and the Ordinary General Assembly may decide to stop this when the reserve reaches 30% of the paid capital.

-The Ordinary General Assembly, based on the proposal of the Board of Directors, may set aside (5%) of the net profits to form a consensual reserve to be allocated for one or more specific purposes.

-The Ordinary General Assembly may decide to create other reserves to the extent that serves the interests of the company or ensures that fixed profits are distributed as much as possible to the shareholders. Furthermore, the Assembly may also deduct amount from the net profit to establish social institution for the company's employees or to assist what is existing among these institutions.

-From what remains after that, a percentage representing (5%) of the company's paid-up capital shall be distributed to the shareholders.

-Subject to the provisions stipulated in Article (20) of this bylaw, and Article (76) of the Companies Law, 10% of the remaining amount will be allocated to the Board of Directors remuneration, provided that the entitlement of this reward is proportional to the number of sessions attended by the member.

The Ordinary General Assembly may decide to distribute the remaining amount (if any) of the net profits or a part of it as another share to the shareholders or to transfer the remaining amount of the profits to the account of the carried forward profits or any of the reserves.

After fulfilling the controls set by the competent authorities, the company may distribute semi-annual or quarterly profits.

Dividend shall be distributed to shareholders at the dates and the place which the Board specified.

A common share of dividend is equal to the total dividend divided by the number of the company's ordinary shares.

Fourth: Shareholders who are entitled to receive the dividend:

The shareholders whose names are registered in the list of shareholders and who also own shares are entitled to receive the dividend at the end of trading on the day of the General Assembly meeting.