

# Dividends Distribution Policy

2024-2025-2026





### Approval of the regulations

This policy was adopted by the resolution of the Extraordinary Assembly for the company held on 01/12 /2024 AD  
According to the recommendation of the Board of Directors pursuant to its resolution issued on 1/7/2024 AD.



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## The introduction

This policy on the distribution of profits to Alandalus Property Company is issued as a listed joint stock company based on the requirements of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1438 AH corresponding to 13/02/2017 based on the Companies Law issued by Royal Decree No. M/132 dated 1/12/1443 AH and based on the Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-127-2016 dated 16/1/1438 AH corresponding to 17/10/2016 in accordance with the company's bylaws of Alandalus property Company.

This policy adhered to the provisions of Article 9 of the Corporate Governance Regulations and provided for in Part 9 of the Implementing Regulations of the Companies Law for Joint Stock Companies on the distribution of dividends to the Company's shareholders.

This policy sets out the mechanism used by the Company regarding the distribution and announcement of profits and the date of payment. The Company seeks, through the application of this policy, to balance between the interests of the Company and the shareholders, Taking into consideration the provisions of the Corporate Governance Regulations and the relevant laws and regulations. The Company undertakes to disclose any changes to this policy in a timely manner.

## Article One: The Policy Objectives

- 1) This policy aims to establish a clear and regular mechanism for distributing profits to the Company's shareholders in a manner that contributes to achieving a balance between distributing sustainable profits to investors and enhancing the Company's ability to achieve its objectives.
- 2) The Dividend distribution Policy aims to achieve the interests of the Company and its shareholders with due regard to sustainability / fair return / transparency / commitment and the Company believes that this policy contributes to long-term shareholder value.

## Article Two: Definitions

To implementing the provisions of this policy, the following words and expressions have the meanings given to them unless the context requires otherwise:

**Policy:** Alandalus Property Company dividends distribution policy.

**Company:** Alandalus Property Company (Joint Stock Company).

**General Assembly:** means the General Assembly convened in the presence of the shareholders of Alandalus Property Company under the provisions of the Companies Law and its Implementing Regulations and the Company's bylaws.

**Board:** The Board of Directors of Alandalus Property Company.

**Authority:** Saudi Capital Market Authority

**Statute:** the company's bylaw of Alandalus Property Company.

**Interim dividends:** profits that are distributed semi-annually.

**Shareholders:** Any shareholder of Alandalus Property Company.

**Shareholders Register:** means the register of shareholders prepared and maintained by Edaa, which includes the names of shareholders, their nationalities, their place of residence and the number of shares. And all transactions relating to shares issued by the company are recorded therein.

### **Article three: Dividends distribution General Policy**

#### **The Company's profits shall be distributed in accordance with its the company's bylaw as follows:**

1. The General Assembly shall determine the percentage to be distributed to shareholders from net profits after deducting reserves (if any) upon the recommendation of the Board of Directors and as required by the regulations in this regard Taking into consideration(considering) the provisions of the company's bylaw.
2. The Ordinary General Assembly may decide to establish other reserves to the extent that it serves the interest of the Company or guarantees the distribution of fixed dividends - to the extent possible - to the shareholders. The Assembly may deduct an appropriate percentage of the net profits to achieve social purposes for the Company's employees.
3. The Assembly may decide to distribute dividends on a semi-annual basis, and the General Assembly may authorize the Board of Directors to do so.

### **Article four: Timing of payment Dividend distribution**

The Board of Directors shall implement the decision passed by the General Assembly to distribute dividends to registered shareholders within 15 days following the date of entitlement specified in the decision of by the General Assembly or the decision issued by the Board of Directors to distribute interim dividends.

### **Article five: Distribution of interim dividends**

**First:** The Board may distribute interim dividends to its shareholders on a semi-annual the following requirements:

- 1) The Ordinary General Assembly shall authorize the Board to distribute interim dividends by a resolution renewed annually.
- 2) That the company is of good and regular profitability.
- 3) have reasonable liquidity and reasonably expect its earnings.
- 4) That an item is available to the Company in respect of dividends distributed according to the latest audited financial statements sufficient to cover the profits proposed to be distributed, after deducting the dividends paid and capitalized from those profits after the date of these financial statements.
- 5) The company intends to distribute 60% of its annual net profits for the years 2024, 2025 and 2026, on a semi-annual basis, in accordance with the regulations and executive bylaws of the Capital Market Authority and the Companies Law.

**Second:** The dividend distribution shall be recorded on the account of the retained profits accumulated from previous years or the distributable reserves composed of profits or both. The Company shall consider the sequence and regularity of how profits are distributed according to the capabilities and liquidity available to the Company. The Board of Directors shall disclose and announce the regular periodic shares of profits to be distributed to shareholders on time.



**Third:** The Company shall, upon making the decision of the interim dividend distribution, disclose it immediately and provide the Authority with a copy thereof upon its issuance.

**Article Six : Compliance with the instructions of the Capital Market Authority regarding announcing the distribution of profits to stakeholders**

The Company shall comply with the dividend's distribution conditions set out in the company announcement instructions issued by the Capital Market Authority. The announcement of dividends distribution shall include the following information:

- 1) Date of Board resolution.
- 2) Distribution period.
- 3) Total amount distributed.
- 4) Number of shares entitled to dividends.
- 5) Earnings per share.
- 6) Dividend to share nominal value ratio.
- 7) Entitlement date. Shareholders holding shares on the payment date and are registered in the Company's shareholders register held at the Securities Depository Company at the end of the second trading day following the entitlement date shall be entitled to dividends.
- 8) Distribution date (if no distribution date is specified, it must be indicated that distribution date will be announced later).

**Article Seven: Disclosure in the Board of Directors report**

In relation to dividends, the annual report of the Board of Directors shall include the following:

- 1) A description of the Company's dividends distribution policy.
- 2) A statement of any arrangement or agreement under which a shareholder of the company has waived any rights to profits.
- 3) Percentage of dividends paid to shareholders for the different periods of the fiscal year, the percentage of dividends proposed to be distributed at the end of the fiscal year, and the total dividends paid.

**Article eight: Maturity of profits and interim profits**

The Shareholder shall be entitled to his share in the Dividends in accordance with the General Assembly resolution issued in this regard. The resolution shall indicate the due date and the distribution date. The Dividends shall be entitled to the Shareholders' Registers at the end of the second trading day following the due date. The Board of Directors shall implement the General Assembly's decision on the distribution of the Dividends to the Shareholders within 15 days from the due date. Such Dividends shall be determined by the General Assembly's resolution or by the Board of Directors' resolution on the distribution of interim dividends.

#### **Article Nine : Dividends payable to preferred shares**

If the Company fails to pay the fixed percentage of the preferred shareholders of the Company's net profits after deducting the reserves (if any) for a period of three consecutive years, the Assembly of the owners of these shares - held in accordance with the provisions of Article 89 of the Companies Law - may decide to attend the meetings of the Company's General Assembly and participate in the voting, until the Company is able to pay all the profits allocated to the owners of these shares for those years. the preferred share has one vote at the General Assembly meeting, and in this case the holder of the preferred share has the right to vote on all items on the agenda of the Ordinary General Assembly without exception.

#### **Article Teen: Factors affecting dividend distribution.**

The implementation of this policy is subject to several factors that affect the dividend distribution mechanism as follows:

- 1) The Company's profits (Achieving sufficient profits that allow for legal distribution) and its financial position.
- 2) Cash flows and new capital investments and future projections of external funding volume Taking into consideration the importance of maintaining a strong monetary policy to meet any changes.
- 3) Any restrictions on the distribution under any financing loans the Company intends to enter into.
- 4) Any material changes in laws, regulations and controls related to their implementation.
- 5) Any material changes in the Company's activity or strategy and its obligations or financial results.
- 6) Any other legal or regulatory considerations.

#### **Article Eleven: Final Provisions (Publication, Enforcement and Amendment)**

1. This Policy shall come into effect as of the date of its adoption by the General Assembly.
2. This policy is published on the company's website to be accessible to shareholders and the public and stakeholders.
3. This policy shall be reviewed periodically - when necessary - by the Executive Committee or any other committee emanating from the Board entrusted with the functions of reviewing the policy. Any amendments proposed by the Committee shall be presented to the Board of Directors who shall study and review the proposed amendments and recommend them for approval.
4. This policy is complementary to and is not a substitute for the laws and regulations of the regulatory authorities in the Kingdom of Saudi Arabia. In case of any conflict the laws and regulations of the regulatory authorities are considered.
5. This Policy is issued in both Arabic and English. In case of any discrepancy the Arabic text shall prevail.