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Othaim

Dividends Distribution Policy

Abdullah Al-Othaim Markets Company

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First: Definitions:

The Company: Abdullah Al-Othaim Markets Company «A Saudi public listed company».

Shareholders: Any shareholder in Abdullah Al-Othaim Markets Company

Non-Resident shareholder: Every shareholder to whom none of the following applies:

- He have permanent residence in the KSA, and resides in the KSA for a period not less than (30) days per year.

- To reside in the KSA for a period not less than (183) days per year.

Board of Directors: The board of directors of Abdullah Al-Othaim Markets Company.

General Assembly: The shareholders General Assembly for Abdullah Al-Othaim Markets Company's.

Interim dividends: Dividends that are distributed quarterly or semi-annually.

Distributable Dividends: Distributable dividends consist of the net income for the financial period, minus any reserves (if any), plus retained dividends and distributable reserves formed out of dividends.

Second: The Objective:

This policy objective is to establish a clear and systematic mechanism for distributing dividends to the company's shareholders.

Third: Responsibility of Implementing the policy:

The board of directors of the company or its delegate is responsible for implementing this policy.

Fourth: Method of distributing Dividends:

The method and timing of dividend distribution are as follows:

- a) Dividends are distributed to shareholders on a quarterly/semi-annually/annually basis from distributable dividends in accordance with the audited or examined financial statements of the company, and in accordance with the relevant laws and regulations.
- b) The Board of Directors issues its resolution to distribution of interim dividends according to the delegation obtained from the general assembly or recommendation to the general assembly to distribute dividends.
- c) The company distributes from the distributable dividends at the end of each financial period in which a dividend distribution is decided and the distribution is subject to what the Board of Directors deems appropriate based on the company's financial position, available liquidity, capital expenditures, and financial obligations.

Fifth: Timing of dividend payment:

Dividends are distributed to registered shareholders within (15) business days from the due date, and the due date is set within (15) business days from the date of announcing the dividend's distribution.

Sixth: Regulatory requirements for distributing dividends:

- a) Ensure that any regulatory controls issued by the competent authorities regarding the distribution of dividends are met.
- b) The Board of Directors must obtain delegation from the General Assembly to distribute interim dividends annually.
- c) Any tax imposed by the regulations must be deducted from the dividends distributed to the non-resident shareholder, and the monthly tax return must be submitted to the Zakat, Tax and Customs Authority, and the due amount according to the return must be paid within the regulatory period.

Seventh: Unreceived dividends:

Any shareholder who has not received dividends from the company can inquire about the unreceived dividends through the company's website or any inquiry method specified by the company, and claim the dividends not received by the shareholder.

Eighth: Factors affecting the distribution of dividends:

The implement of this policy is subject to several factors that affect the profit distribution mechanism, which are as follows:

- a) Any material changes in the company's strategy and business (including the business environment in which the company operates).

b) Any material changes in the laws, regulations, legislation, and controls related to their implementation.

c) Any obligations or pledges that create restrictions on dividend distributions.

Ninth: Enforcement of the policy:

This policy is effective from the date of approval by the board of directors.



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