



# Dividend Policy

This is a translated version of the Policy. The Arabic version is the approved version and can be relied on.

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**A. General policy of dividend distribution:**

While observing the provisions of other relevant laws, the annual net profits of the Company shall be distributed as follows:

- 1- Ten percent (10%) of the net profits shall be set aside to form the Company's statutory reserve. The Ordinary General Assembly may decide to suspend such retention once the said reserve reaches thirty percent (30%) of the paid-up capital.
- 2- The Ordinary General Assembly may, upon a proposal from the Board of Directors, appropriate a certain portion of the net profits to form voluntary reserves to be allocated to certain purposes.
- 3- When determining the earnings per share, the Ordinary General Assembly may decide to form other reserves, as may achieve the Company's interest or ensure distribution of fixed and regular profits, as much as possible, to the shareholders. The General Assembly may also deduct amounts from the net profits to establish social institutions or funds for the Company's employees or to support the already-existing institutions or funds.
- 4- The General Assembly, based on the proposal of the Board of Directors, may distribute profits from the rest to shareholders in accordance with the provisions of this Policy and the Company's bylaws.
- 5- The Company may distribute dividends or interim dividends to its shareholders after fulfilling the legal requirements in this respect.
- 6- Subject to the provisions stipulated in Article 22 of the Company's bylaws and Article 76 of the Companies Law, the General Assembly may allocate, after the above, a remuneration to the members of the Board of Directors, provided that the entitlement to this remuneration be proportional to the number of sessions attended by the member in the event that the remuneration is a percentage of the profits.

**B. Entitlement to Dividends:**

The shareholder shall be entitled to his share in dividends based on a resolution adopted by the General Assembly in this concern specifying the maturity and distribution dates. Shareholders recorded in the shareholder registers shall be entitled to their shares in dividends at the end of the specified maturity date. The Board of Directors shall implement



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the resolutions adopted by the Ordinary General Assembly with respect to distribution or profits to shareholders according to the relevant legal controls.

**C. Distribution of Dividends of Preferred Shares:**

- 1- In the event of non-distribution of profits for any financial year, profits for the subsequent years may only be distributed after the percentage specified under the provisions of Article (114) of the Companies Law is paid to the holders of preferred shares for that year.
- 2- If the Company fails to pay, for three consecutive years, the percentage of profits specified under the provisions of Article (114) of the Companies Law, the assembly of the holders of such shares, held in accordance with the provisions of Article (89) of the Companies Law, may resolve whether to allow them to attend the meetings of the Company's General Assembly and participate in voting or to appoint representatives thereof in the Board of Directors pro rata to the value of their shares in the capital, until the Company is able to pay all the initial profits allocated to the holders of such shares for the previous years.

**D. Distribution of interim dividends:**

The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, after the following requirements are fulfilled:

- 1- The Ordinary General Assembly authorizes the Board to distribute interim dividends by a resolution that is to be renewed annually.
- 2- The Company has good and regular profitability.
- 3- The Company has reasonable liquidity and can reasonably expect the level of its profits.
- 4- The Company has distributable profits in accordance with the latest audited financial statements, which shall be sufficient to cover the dividends proposed to be distributed after deducting what is distributed and capitalized from those profits after the date of the said financial statements.

**E. Declaration of dividends:**

- 1- The Board of Directors shall include in its annual report, submitted to the Company's General Assembly, the percentage of dividends distributed to the shareholders during different periods of the fiscal year, in addition to the dividends percentage proposed to be distributed at the end of the fiscal year and the total of these dividends.

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- 2- Dividend distribution shall be credited to the account of the retained earnings accumulated from previous years or the consensual reserves, or both. The Company must take into account sequence and regularity in the manner and proportions of dividend distribution according to the capabilities and liquidity available with the Company, and the Board of Directors must disclose and declare the regular periodic dividend rates that are decided to be distributed to the shareholders on time.
- 3- When deciding to distribute interim dividends, the Company is obligated to disclose and declare this decision immediately, and to provide the Capital Market Authority with a copy of it immediately upon its issuance.

