



# **DIVIDEND DISTRIBUTION POLICY**

## **RIYADH CABLES GROUP**

APPROVED BY THE BOARD OF DIRECTORS PURSUANT TO RESOLUTION BY CIRCULATION DATED  
24/10/1443 H CORRESPONDING TO 25/05/2022 G

# DIVIDEND DISTRIBUTION POLICY

## Introduction:

This policy has been prepared in accordance with Article (49) of the Company's Articles of Association and Article (9) of the Corporate Governance Regulations.

## Definitions:

The words and expressions mentioned in these Regulations shall have the meanings assigned to them in the Corporate Governance Regulations of Riyadh Cable Group Company and the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority.

## Dividend Policy:

The policy of Riyadh Cable Group Company is adopted in distributing the company's net profits - annual or interim - after deducting all expenses, other costs and provisions as follows:

1. The Ordinary General Assembly may decide to stop this deduction when the said reserve reaches thirty percent (30%) of the capital, and if the reserve falls short in one year of thirty percent (30%) of the capital, it must return again to deduction until the reserve reaches thirty percent (30%) of the capital.
2. The Ordinary General Assembly may decide to form other reserves, to the extent that it is in the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders. The aforementioned Assembly may also deduct from the net profits amounts to establish social institutions for the company's employees or to assist the existing ones.
3. The Board of Directors recommends the distribution of distributable dividends of not less than 5% of the Company's paid-up capital to the shareholders and a recommendation shall be submitted to the Ordinary General Assembly for approval, and the resolution shall indicate the maturity date and the date of distribution, and the eligibility for dividends shall be for the shareholders registered in the shareholders' records at the end of the day specified for maturity.
4. For the purpose of organizing and completing the dividend distribution process, the Company may use an external party, which does not relieve the Company of its regulatory responsibility to shareholders with respect to the distribution of dividends.
5. The Board of Directors may recommend to the Extraordinary General Assembly to increase the Company's capital by distributing bonus shares at a certain percentage of the shares owned by the Company's shareholders, provided that the recommendation is conditional on obtaining the approval of the official authorities and the Extraordinary General Assembly on the increase in the capital and the number of shares granted. In the event that there are fractional shares in any of the bonus shares, they shall be collected in one portfolio for all shareholders and sold at the market price and their value shall be distributed to the shareholders entitled to the grant, each according to his share, within a period not exceeding 30 days from the date of determining the new shares due to each shareholder.
6. The Board of Directors may distribute interim dividends under the authorization of the Company's General Assembly and in accordance with the Companies Law and the relevant regulations.

### Reviewing and Amending the Policy:

This policy will be reviewed and amended as and when required by the Board to ensure that it is in line with the rules and regulations and that it meets the requirements of different stakeholders, and this policy is subject to amendment in the following cases:

- a) Any material changes in the strategy and business of the company.
- b) Regulations, legislations, and controls governing the sector to which the company is subject.
- c) Any obligations or undertakings of banking or financing entities or meeting the requirements of credit rating agencies that may be binding on them from time to time.