



بسم الله الرحمن الرحيم

Dividend Distribution Policy

ALkhaleej Training and Education Company

(Saudi Joint Stock Company)

Approved by the resolution issued by the Board of Directors on 02/12/1444 AH corresponding to 20/06/2023 AD



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Dividend Distribution Policy

Introduction:

The company has prepared a dividend distribution policy in accordance with the requirements of the corporate governance regulations issued by the Capital Market and in light of the company's articles of association, the company's system, and the registration and listing rules. This policy shows the company's procedures related to calculating and determining the amount of profits, announcing their distribution, and determining the form and timing of their payment.

Accordingly, after reviewing the Saudi Companies Law and its amendments and executive regulations, after reviewing the Capital Market Law and its regulations, after reviewing the corporate governance regulations issued on 25/06/1444H corresponding to 18/01/2023G, and after reviewing the company's articles of association, the Board of Directors of Alkhaleej Training and Education Company, with its powers, decided to issue a dividend distribution policy .

Article I: Objectives and importance of policy

This policy aims to clarify how to distribute dividends to shareholders, as the dividend policy is one of the most important financing policies in companies due to its direct relationship with shareholders and its reflections on the share price in the market. The ideal distribution policy balances current dividends with future growth that maximizes the share price, and the importance of dividend policy is due to its impact on both investor trends and the extent to which they want to obtain regular returns or not.

Article Two: Announcement of Dividends

1. The company announces the distribution of dividends in light of the annual results.
2. The resolution on the announcement of dividends shall be a separate topic on the agenda of the Ordinary General Assembly of Shareholders.
3. The amount of the distribution of dividends distributed shall be determined upon the recommendation of the Board of Directors when the initial distribution of the Company's net profits for the previous year is approved.
4. The company informs the shareholders of the dividend distribution procedures by publishing this information on the Capital Market Authority (Tadawul) website and the company's website.

Article Three: Obtaining Profits

1. The company's articles of association shall indicate the net profits distributed to shareholders after setting aside the statutory reserve and other reserves.
2. The shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued regarding the distribution of profits to shareholders, or the resolution of the Board of Directors to distribute interim dividends, and the resolution shall indicate the maturity date and the date of distribution, provided that the resolution shall be implemented in accordance with what is stipulated in the regulatory rules and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies.
3. The eligibility for dividends, whether cash dividends or bonus shares, shall be for the shareholders registered in the company's records at the end of trading on the day of the general assembly.

Article IV: Sources and Amount of Dividends Distribution

The company's annual net profits after deducting all general and other expenses shall be distributed as follows:

1. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
2. The company may set aside a percentage of the net profits to form the statutory reserve of the company, and it may stop such retainer when the said reserve reaches (30%) of the paid-up capital.
3. The Ordinary General Assembly may, upon the proposal of the Board of Directors, set aside a percentage of the net profits to form reserves and allocate them for a specific purpose or purposes, provided that the use of such reserves shall be based on a proposal from the Board of Directors and in ways that benefit the company or shareholders.
4. 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, and the said General Assembly may also deduct from the net profits amounts for the social purposes of the Company's employees.
5. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, after fulfilling the controls and requirements set by the competent authorities in this regard.
6. The Board of Directors shall implement the resolution of the General Assembly regarding the distribution of dividends to the registered shareholders within (15) fifteen working days from the date of maturity of such dividends specified in the resolution of the General Assembly, or in the resolution of the Board of Directors to distribute interim dividends.

Article Five: Distribution of Declared Dividends

For the purpose of organizing and completing the distribution of dividends, the Company may use an external party represented in one of the banks with which the Company deals.

Article Six: Distribution of Dividends for Preferred Shares

If the company fails to pay the specified percentage of the company's net profits to the holders of preferred shares after deducting reserves, if any, for a period of three consecutive years, The special assembly of the owners of these shares, held in accordance with the provisions of Article Eighty-Nine of the Companies Law, may decide to attend the meetings of the general assembly of the company 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. Each preferred share shall have one vote in the General Assembly meeting, in which case the preferred shareholder shall have the right to vote on all items on the agenda of the Ordinary General Assembly without exception.

Article Seven: Final Provisions

1. These Regulations shall be applied and shall be adhered to by the Company as of the date of its approval by the Board of Directors.
2. This policy is published on the Company's website to enable shareholders, the public, and stakeholders to view it.
3. This policy shall be reviewed periodically, when needed, by the Remuneration and Nomination Committee, and any amendments proposed by the Committee shall be submitted to the Board of Directors for approval.
4. This policy is complementary to what is stated in the laws and regulations of the regulatory authorities in the Kingdom of Saudi Arabia and is not a substitute for them, and in the event of any conflict between what is stated in the regulation and the laws and regulations of the regulators, the laws and regulations of the regulators shall prevail.