

Tabuk Cement Company

# **Dividend Distribution Policy for the Years 2024, 2025, and 2026**

## **Table of Contents**

- 1. Introduction**
- 2. Article One: General Dividend Distribution Policy**
- 3. Article Two: Dividend Entitlement**



- 4. Article Three: Timing of Dividend Payment**
- 5. Article Four: Requirements for Interim Dividend Distribution**
- 6. Article Five: Disclosure of Distributed Dividends in the Board of Directors' Report**
- 7. Article Six: Controls for Interim Dividend Distribution**
- 8. Article Seven: Interim Dividend Distributions for the Years 2024, 2025, and 2026**
- 9. Article Eight: Factors Affecting Dividend Distribution**
- 10. Article Nine: Procedures for Amending the Policy**

## **Introduction:**

The Dividend Distribution Policy of Tabuk Cement Company (a public joint stock company) has been prepared in accordance with the requirements of the Corporate Governance Regulations in the Kingdom, as well as the Companies Law and the Company's Articles of Association. This policy outlines the company's procedures and guidelines



related to the distribution of dividends, their announcement, and the timing of their payment. The company is committed to disclosing any changes that may occur to this policy.

### **Article One: General Dividend Distribution Policy**

The company's annual net profits shall be distributed as follows:

1. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
2. When determining the shareholders' share of net profits, the Ordinary General Assembly may decide to form other reserves to the extent that serves the company's interests and ensures stable dividends to shareholders as much as possible.
3. The company may distribute interim dividends from distributable profits to its shareholders on an annual, semi-annual, or quarterly basis in accordance with applicable laws



and regulations.

### **Article Two: Dividend Entitlement**

A shareholder is entitled to receive dividends based on a resolution issued by the General Assembly or the Board of Directors if authorized. The resolution shall specify the entitlement date and the distribution date. The right to receive dividends is granted to shareholders registered in the company's shareholder records at the end of the trading day on the entitlement date.

### **Article Three: Timing of Dividend Payment**

The Board of Directors must implement the resolution of the General Assembly regarding dividend distribution to registered shareholders within fifteen (15) working days from the entitlement date specified in the General Assembly resolution or in the Board of Directors' resolution for interim dividends.

### **Article Four: Requirements for Interim Dividend Distribution**

1. The Ordinary General Assembly must authorize the Board of Directors to distribute interim dividends by means of a resolution that is renewed annually.
2. The company must have consistent and solid profitability.
3. The company must have reasonable liquidity and be able to reasonably forecast its profit levels.
4. The company must have sufficient distributable profits, according to the latest audited financial statements, to cover the proposed dividends, after deducting any amounts already distributed or capitalized from those profits following the date of such statements.

### **Article Five: Disclosure of Distributed Dividends in the Board**



## **of Directors' Report**

The Board of Directors must include in its annual report submitted to the General Assembly the percentages of dividends distributed to shareholders during different periods of the fiscal year, in addition to the proposed dividend percentage at the end of the fiscal year and the total dividends.

## **Article Six: Controls for Interim Dividend Distribution**

1. Interim dividends must be distributed from retained earnings accumulated from previous years, or from distributable reserves formed from profits, or from both. The company must ensure consistency and regularity in the method and percentages of dividend distribution according to its financial capacity and available liquidity. The Board of Directors must disclose and announce the periodic dividend percentages to be distributed to shareholders on time.
2. The company must immediately and without delay disclose to the Capital Market Authority and the public upon making a decision to distribute interim dividends.

## **Article Seven: Interim Dividend Distributions for the Years 2024, 2025, and 2026**

The company shall maintain a minimum distribution of SAR 0.25 (twenty-five halalas) per share on a semi-annual basis for the years 2024, 2025, and 2026, based on the company's performance, profits, and cash flows, or as deemed appropriate by the Board of Directors.

## **Article Eight: Factors Affecting Dividend Distribution**

1. Any significant changes in the company's strategy or operations.
2. Any obligations or commitments to banks, financial institutions, or credit rating agency requirements that may be



binding on the company.

3. Any other legal or regulatory considerations.

**Article Nine: Procedures for Amending the Policy**

The Board of Directors may approve any amendments to this policy at any time it deems appropriate, after which the amendments shall be submitted to the General Assembly for final approval.

