



Alandalus Property Articles of Association (Amended)	Alandalus Property Articles of Association (Original)
Chapter 2: Capital and Shares	Chapter 2: Capital and Shares
Article 7: Company's Capital The Company's capital is SAR 933,333,330 (nine hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty Saudi Riyals), divided into 93,333,333 (ninety-three million three hundred and thirty-three thousand three hundred and thirty-three) nominal shares of equal value, the value of each of which is SAR 10 (ten Saudi Riyals), all of which are ordinary cash shares.	Article 7: Company's Capital The Company's capital is SAR 700,000,000 (seven hundred million Saudi Riyals), divided into 70,000,000 (seventy million nominal shares of equal value, the value of each of which is SAR 10 (ten Saudi Riyals), and all of which are ordinary cash shares.
Article 8: Subscription to Shares	Article 8: Subscription to Shares
The shareholders have subscribed to all share capital and paid their value in full.	The shareholders have fully subscribed to the share capital of (70,000,000) fully paid shares.
Chapter 7: Company accounts and dividends	Chapter 7: Company accounts and dividends



Article 46: Distribution of profits

The Company's annual net profit will be distributed as follows:

- 1) 10% of net profit will be set aside to form the Company's statutory reserve. However, the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches 30% of the Company's paid-up capital.
- 2) Upon a recommendation by the Board of Directors, the Ordinary General Assembly may set aside 10% of the Company's net profit to form a general consensual reserve.
- 3) The Ordinary General Assembly may decide to form other reserves to the extent that would achieve the Company's interest or ensure distributing constant dividends to shareholders as much as possible. The said assembly may also deduct amounts from the net profit to establish social schemes for the Company's employees or to support existing ones.
- 4) From the balance, a percentage of 5% of the Company's paid-up capital, or *as may be decided by the General Assembly, will be distributed to shareholders.*
- 5) Subject to the provisions of Article 20 of the Company's Articles of Association and Article (76) of the Companies Law, up to 5% of the balance will be allocated to the remuneration of the Board of Directors provided that such remuneration shall not however exceed the maximum limits stipulated in the Companies Law and its regulations, subject to the relevant controls, decisions and official instructions issued by the competent authorities, provided that entitlement to such bonus must be based on the number of sessions attended by the board member.

The Board of Directors may, after fulfilling the regulations stipulated by the competent authorities, distribute semi-annual and quarterly profits as it deems appropriate.

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- 3) The Ordinary General Assembly may decide to form other reserves to the extent that would achieve the Company's interest or ensure distributing constant dividends to shareholders as much as possible. The said assembly may also deduct amounts from the net profit to establish social schemes for the Company's employees or to support existing ones.
- 4) From the balance, a percentage of 5% of the Company's paid-up capital will be distributed to shareholders.
- 5) Subject to the provisions of Article 20 of the Company's Articles of Association and Article (76) of the Companies Law, up to 5% of the balance will be allocated to the remuneration of the Board of Directors provided that such remuneration shall not however exceed the maximum limits stipulated in the Companies Law and its regulations, subject to the relevant controls, decisions and official instructions issued by the competent authorities, provided that entitlement to such bonus must be based on the number of sessions attended by the board member.

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الأندلس العقارية
Alandalus Property

Dividends Distribution Policy



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Introduction

This policy was prepared in compliance with the provisions of paragraph (b) of Article 8 of the Corporate Governance Regulations issued by the Capital Market Authority on 13/2/2017G, and in accordance with the relevant provisions of the Companies Law, Capital Market Law and their implementing regulations. This policy is designed to set forth the Company's policy of distribution of profits to shareholders, in such a manner that achieves the interests of the Company and shareholders, and in accordance with the Company's articles of association, subject to the provisions and instructions stipulated in all applicable laws and regulations.

This policy shall be effective as of the date it's approved by the.

Article 1: Dividends General Policy

Subject to the Company's articles of association, the Company's profits will be distributed as follows:

- 1) (10%) of the net profits will be set aside to form the Company's statutory reserve. However, the Ordinary General Assembly may decide to discontinue this setting aside when the said reserve reaches (30%) of the Company's paid-up capital.
- 2) Upon a recommendation by the Board of Directors, the Ordinary General Assembly may set aside 10% of the Company's net profit to form a general consensual reserve.
- 3) The Ordinary General Assembly may decide to form other reserves to the extent that would achieve the Company's interest or ensure distributing constant dividends to shareholders as much as possible. The said assembly may also deduct amounts from the net profits to establish social schemes for the Company's employees or to support existing.
- 4) From the balance, a percentage of 5% of the Company's paid-up capital will be distributed to shareholders.
- 5) Subject to the provisions of Article 20 of the Company's Articles of Association and Article (76) of the Companies Law, up to 5% of the balance will be allocated to the remuneration of the Board of Directors provided that such remuneration shall not however exceed the maximum limits stipulated in the Companies Law and its regulations, subject to the relevant controls, decisions and official instructions issued by the competent authorities, provided that entitlement to such bonus must be based on the number of sessions attended by the board member.

The Board of Directors may, after fulfilling the regulations stipulated by the competent authorities, distribute semi-annual and quarterly profits as it deems appropriate.

Article 2: Entitlement to dividends

The shareholder shall be entitled to its share in the profits in accordance with the dividend decision issued by the General Assembly or the interim dividend decision issued by the board of directors. Such decision must specify the date of entitlement and the date of payment. Shareholders registered in the Shareholder Register at the end of the entitlement date specified shall be entitled to receive dividends, provided that the dividend decision shall be implemented in accordance with the controls and procedures set forth in the Listed Joint Stock Companies Law.

Article 3: Dividend Payment

The Board of Directors shall implement the decision passed by the General Assembly to distribute dividends to registered shareholders within 15 days following the date of entitlement specified in the decision of by the General Assembly or the decision issued by the Board of Directors to distribute interim dividends.

Article 4: Distribution of interim dividends

First: The Board may distribute interim dividends to shareholders of the Company on semi-annual or quarterly basis after satisfying the following requirements:

- 1) The Board is authorize the Ordinary General Assembly to distribute interim dividends under a resolution that is renewed annually.
- 2) The Company must have healthy and steady profitability.
- 3) The Company must have reasonable liquidity and reasonably projected profits.
- 4) The Company must, as per the latest audited financial statements, have distributable profits that are sufficient to cover the profits proposed to be distributed after deducting the amount distributed and capitalized from such profits after the date of the financial statements.
- 5) *The Company intends to distribute 60% of its annual net profit for the years 2021, 2022, and 2023 on semi-annual basis.*

Second: The Board of Directors must specify in its annual report submitted to the Company's General Assembly the percentage of profits distributed to shareholders during the different periods of the financial year and the percentage of profits proposed to be distributed at the end of the financial year and the total of such profits.

Third: The profit distributed shall be charged to the earnings accumulated from the previous years or the consensual reserves, or both. However, the Company shall take into account the sequence and regularity in the manner and proportionality of dividend distributions based on the capabilities and liquidity available with the Company. The Board of Directors must disclose and announce the ratios of all regular periodical dividends to be distributed to shareholders in timely fashion.

Fourth: When making a decision to pay interim dividends, the Company shall disclose and announce such distribution promptly and provide the Capital Market Authority with a copy of such decision upon issuance.

Article 5: Compliance with CMA dividends announcement instructions

The Company shall comply with the dividends distribution conditions set out in the company announcement instructions issued by the Capital Market Authority. The announcement of dividends distribution shall includes the following information:

- 1) Date of Board resolution.
- 2) Distribution period.
- 3) Total amount distributed.
- 4) Number of shares entitled to dividends.
- 5) Earnings per share.
- 6) Dividend to share nominal value ratio.
- 7) Entitlement date. Shareholders holding shares on the payment date and are registered in the Company's shareholders register held at the Securities Depository

Company at the end of the second trading day following the entitlement date shall be entitled to dividends.

- 8) Distribution date (if no distribution date is specified, it must be indicated that distribution date will be announced later).

Article 6: Disclosure in the Board of Directors report

In relation to dividends, the annual report of the Board of Directors shall include the following:

- 1) A description of the Company's dividends distribution policy.
- 2) A statement of any arrangement or agreement under which a shareholder of the company has waived any rights to profits.
- 3) Percentage of dividends paid to shareholders for the different periods of the fiscal year, the percentage of dividends proposed to be distributed at the end of the fiscal year, and the total dividends paid.

Article 7 Dividends payable to preferred shares

- 1) If no dividends are distributed for any fiscal year, no dividends will be distributed for the following years before the specified percentage has been paid.
- 2) If the Company fails to pay the specified percentage of profits for three consecutive years, the assembly of the owners of such shares held in accordance with Article 89 of the Companies Law may decide either that they attend the Company's general assembly and participate in voting or appoint representatives in the Board of Directors in proportion to the value of their shares in the capital, until the Company is able to pay all the dividends due to the owners of such shares for the previous years.

Article 8: Factors affecting dividend distribution

Dividend distribution depends on several factors, including:

- 1) The Company's profits (the Company ability to make sufficient profits to allow for regulatory distribution) and its financial conditions.
- 2) Cash flows, new capital investments and future expectations of the volume of external financing, taking into consideration the importance of maintaining a strong monetary policy to meet any emergency changes.
- 3) Any restrictions on distribution under any financing loans the Company plans to enter into.
- 4) Any other legal or regulatory considerations.
- 5) [Any material change to the Company's strategy and business.](#)

Article 9: Policy Amendment Procedures

[Any amendments in this policy shall made upon a recommendation by the Board of Directors and approved by the Company's General Assembly.](#)