

# 1 Dividend Policy

## 1.1 Policy Objective

This policy is designed to ensure that the process for the determination, declaration and distribution of dividends at L'azurde is clear, transparent and is in the best interests of both the Company and its Shareholders.

Shareholders are entitled to receive their share of dividends as per the decision of the General Assembly in respect of the distribution of dividends to shareholders or the Board resolution on distributing interim dividends.

The resolution shall specify the record date and the distribution date provided that the resolution shall be executed as per the Regulatory Rules and Procedures issued pursuant to the Companies Law related to Listed Joint Stock Companies.

## 1.2 Dividend Pay-out

Each year, the Board will estimate a dividend payment for the year, which will be subject to reduction or increase at the end of the year based on the Company's bylaws and certain circumstances, including changing market conditions and restrictions under applicable laws in the Kingdom (if applicable).

On an annual basis and at the end of the year, the Board will recommend to the General Assembly to distribute dividends as a percentage of capital. The Company's bylaws state that the net annual profits shall, after deduction of all general expenses, be divided as follows:

1. 10% of the annual net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the ordinary general meeting when the said reserve total has reached an amount equal to 30% of the share capital. of the Company's capital; If the said reserve exceeds 30% of the paid-up capital, the General Assembly may resolve to distribute the excess to the Shareholders.
2. The Ordinary General Assembly, upon a proposal by the Board of Directors, may set aside 10% of the net profits to constitute a consensual reserve to be allocated for a certain purpose or purposes. The consensual reserve may not be used for a purpose or purposes other than the purpose or purposes for which it was established without a resolution of the Extraordinary General Assembly upon a recommendation from the Board of Directors.
3. Thereafter, the remainder shall be distributed among the shareholders as a first installment equal to 5% of the paid-up capital.
4. Without prejudice to the provisions of Article (20) of the bylaws and Article (76) of the Companies Law, in addition to the above, no more than (5%) of the remaining profits shall be distributed as a bonus to the members of the Board of Directors, provided that the bonus is commensurate with the number of sessions attended by each member.
5. The remainder shall be distributed to the shareholders as an additional portion in the profits, or shall be transferred to the retained earnings, as may be determined by the ordinary general meeting based on the recommendation of the Board.



The Board of Directors may recommend the distribution of interim quarterly or semiannual profits provided that they are later endorsed by the Ordinary General Assembly. Such resolutions must be notified to CMA, and disclosed in the Exchange.

The General Assembly shall approve the dividends and the date of distribution. These dividends, whether they be in cash or bonus shares shall be given, as of right, to the shareholders who are listed in the records kept at the Securities Depository Centre (currently operated by Exchange) as they appear at the end of trading session on the day on which the General Assembly is convened.

The dividends declared by the General Assembly or the Board (for interim dividends) shall be paid by L'azurde to the respective shareholders within 15 business day from the issuance of the resolution.

Shareholders shall be entitled to their dividends within a specified period from the General Assembly's approval of the percentage of capital to be distributed as dividends. The Board of Directors shall ensure that the timeline is strictly adhered to and that the exact date of payment should be declared in advance.