

## Dividend Distribution Policy

- 1.) The dividend distribution policy outlines the company's approach to distributing dividends in line with the proposal of the company's Board of Directors and the decision of the General Assembly regarding dividend distribution, in accordance with the Companies Law and the Capital Markets Authority regulations applicable in the State of Kuwait, along with other regulations applicable to the company.
- 2.) The Board of Directors aims to expand the company's lines of business, considering the following:
  - Maintaining a delicate balance between shareholders' expectations and the company's growth needs.
  - Any adverse economic conditions.
  - The company's financial structure and capital adequacy ratios.
  - The company's profitability.
- 3.) The company's articles of association and memorandum of incorporation, along with the Companies Law No. 1 of 2016 issued by the Ministry of Commerce and Industry in the State of Kuwait, define the mechanism for distributing the company's net profits, which is based on proposals submitted by the company's Board of Directors to be approved by the General Assembly.
- 4.) 10% is deducted for the mandatory reserve account, and the general assembly may suspend this deduction if the mandatory reserve exceeds half of the company's issued capital. The mandatory reserve may only be used to cover the company's losses or to ensure the distribution of dividends to shareholders at a rate not exceeding five percent of the paid-in capital in years when the company's profits do not allow for the distribution of this percentage, due to the non-existence of optional reserves permitting the distribution of this percentage of profits. Any amount deducted from the mandatory reserve must be restored when the profits of subsequent years allow, unless this reserve exceeds half of the issued capital.
- 5.) 1% of the net profits are allocated for Zakat.
- 6.) 1% is deducted for the Kuwait Foundation for the Advancement of Sciences account.
- 7.) A certain percentage of the net profits are deducted, determined by the board of directors after consulting the auditor, for the depreciation of the company's assets or to compensate for a decrease in their value. This money is used to purchase necessary materials, machinery, and facilities or to repair them, and it is not allowed to distribute this money to shareholders.
- 8.) A portion of the total profits is deducted to meet the obligations imposed on the company under labor laws, and these funds may not be distributed to shareholders.
- 9.) 2.5% of the total profits is deducted to meet the obligations imposed on the company under the National Labor Support Tax Law.
- 10.) An annual deduction may be made by a decision issued by the ordinary general assembly based on a proposal from the Board of Directors of no more than 10% of net profits to form a discretionary reserve allocated for purposes determined by the general assembly.
- 11.) Considering the provisions included in the company's contract, the ordinary general assembly may, based on a proposal from the board of directors, distribute dividends to the shareholders at the end of the financial year or at the end of each financial period. It is a condition for the validity of this distribution that it be from actual profits, in accordance with generally accepted accounting principles, and that this distribution does not affect the company's paid-up capital.
- 12.) An amount agreed upon by the general assembly, not exceeding 10% of the net profits after deducting depreciation and reserves, shall be allocated as a reward for the board of directors, provided that a dividend of no less than 5% of the capital is distributed to the shareholders. A decision by the company's ordinary general assembly may allow an exception for the independent board member from the stated maximum limit for rewards.
- 13.) The remaining profits are then distributed to the shareholders as an additional share of the profits or carried over based on the Board of Directors' proposal for the next year.
- 14.) The profit shares are paid to the shareholders at the headquarters of the Kuwait Clearing Company at the time specified by the Board of Directors and approved by the General Assembly, and the Board may, after being authorized by the General Assembly, amend the due date, provided that the distribution is made within a maximum period of one month from the date of the meeting of the assembly that decided to distribute cash dividends or bonus shares.