



Dividend Distribution Policy

1. Overview:

This document has been prepared in accordance with regulatory requirements and the provisions of Alinma's Articles of Association in order to define the policies and procedures of dividend distribution.

2. Scope:

The scope of this policy covers dividend distribution to Alinma's shareholders.

3. Purpose:

The purpose of this policy is to outline the steps that should be followed in distributing dividends to shareholders. Such steps should be in line with Alinma's applicable regulations as well as relevant instructions issued by regulatory and supervisory authorities.

4. Description:

Alinma's net annual or interim profits (quarterly or semi-annually) shall be distributed after deducting general expenses and other costs and forming necessary reserves to meet bad debts, investments loss and contingent liabilities that the Board deems necessary. Distribution shall be made in accordance with the provisions of the Banking Control Law and SAMA's guidelines. The bank intends to distribute quarterly dividends of no less than 50% of the annual profits, noting that dividend distributions may change based on any substantial or circumstantial changes in the bank's strategy, future growth opportunities, regulatory or supervisory requirements, as follows:

- 4.1 The amounts of the Zakat and taxes payable by shareholders shall be calculated and paid by Alinma to competent authorities.
- 4.2 After deducting the Zakat, at least (25%) of the remaining net profits shall be moved to the statutory reserve until it equals to the paid-up capital.
- 4.3 The Board will suggest and the General Assembly will determine how much of the paid-up capital should be distributed to shareholders after deducting the Zakat and statutory reserve. The amounts to be distributed to shareholders should not be less than five percent (5%). If the remaining amount of the profits

owed to shareholders is not enough to cover this percentage, they will not be entitled to the same in the next year or years. Moreover, the General Assembly is not permitted to disburse any profit in excess of amounts recommended by the Board.

- 4.4 After allocating the sums specified in paragraphs 4.1, 4.2, and 4.3, the remaining funds will be used as suggested by the Board and determined by the General Assembly.
- 4.5 Upon the recommendation of the Board, the General Assembly may allocate funds from the net profits to support already-existing social institutions or create new ones for Alinma's staff.
- 4.6 The Board may distribute interim profits (semi-annually or quarterly) in accordance with the rules and regulations governing the same.
- 4.7 The General Assembly will determine the annual dividend payments to shareholders. Dividends shall be paid in installment in accordance with the resolution of the Board issued in this respect. The entitlement date and the distribution date should be specified in the distribution resolution. Dividends will be paid to shareholders who are listed in the shareholders' register at the end of the maturity date.

5. Definitions and Abbreviations

The following table explain the terms used in this policy:

Abbreviation	Description
Alinma	Alinma Bank
General Assembly	General Assembly of Alinma Bank Shareholders
Board	Board of Directors of Alinma Bank
Dividends	Dividends generated during the fiscal year
Shareholders	Alinma's Shareholders