

Dividend policy

The Company's policy for distribution of annual net income is based on the provisions of its Articles of Association and the availability of liquidity to meet liabilities and strategic projects. Annual net profits (after deduction of all overheads and expenses) shall be distributed as follows:

- 10% of net profits are allocated to the statutory reserve. The Ordinary General Assembly may suspend this allocation once this reserve equals half the Company's paid-up capital.
- The Ordinary General Assembly – at the Board of Directors' recommendation – may allocate a percentage of net profits for other special reserves.
- Of the remainder, a first payment equaling 5% of paid-up capital is allocated to the shareholders.
- After these allocations, a percentage of the remainder (to be determined by the Ordinary General Assembly, provided that such percentage does not exceed 0.5% of the net profit) is allocated as a bonus for the Board of Directors. The remainder will be distributed to the shareholders as an additional dividend or transferred to retained earnings.

The following are the proposed dividends for the year 2018, compared to dividends for 2017:

Dividend	2018 SAR	2017 SAR
Net profit/loss for the year	148,186,665	129,768,328
Allocating 10% of net profit as a statutory reserve	(14,818,667)	(12,976,833)
Dividends (5% of capital)	(60,000,000)	(60,000,000)
Proposed member remuneration (0.5% of capital)	(366,840)	(283,957)
Dividends (additional share)	(60,000,000)	(60,000,000)
Remainder	13,001,158	–

Affiliates for trading

Name of subsidiary	Capital SAR	Ownership percentage of the Company	Activity	The main country of operations	State of incorporation
Securities Depository Centre Company (Edaa)	400,000,000	100%	Maintaining, registering and recording the ownership of securities	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Central Counterparty Clearing House (Muqassa)	600,000,000	100%	Securities clearing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia