

## Policy

<b>Policy Title:</b>	<b>Dividend Policy</b>
<b>Approved by:</b>	Audit Committee of the Board

## SECTION 1 - INTRODUCTION

### PURPOSE

The purpose of the Dividend Policy is to establish a transparent and shareholder-friendly mechanism and decision-making process concerning payment of dividends, determination of amounts, order and terms of payment.

The Group's dividend policy has been guided by the Group's profitability, growth outlook and capital requirements.

### SCOPE

AlRayan Bank dividend policy is designed to be used mainly by AlRayan Bank Qatar operations. Subsidiaries shall develop and implement their own policy as per their local legal and regulatory requirements.

### DEFINITIONS

Word/Term	Definition
QCB	Qatar Central Bank
AoA	Articles of Association
QFMA	Qatar Financial Markets Authority
AGA	Annual General Assembly meeting
BoD	Board of Directors
MOCI	Ministry of Commerce and Industry
QSE	Qatar Stock Exchange
QCSD/Edaa	Qatar Central Securities Depository

## LEGISLATIVE CONTEXT

Name	Location
QCB instruction manual	The bank's local network  <a href="https://www.qcb.gov.qa/ar/Pages/InstructionsToBanks.aspx">The official website of the Qatar Central Bank</a>  <a href="https://www.qcb.gov.qa/ar/Pages/InstructionsToBanks.aspx">https://www.qcb.gov.qa/ar/Pages/InstructionsToBanks.aspx</a>  <a href="https://www.qcb.gov.qa/ar/Pages/InstructionsToBanks2024.aspx">https://www.qcb.gov.qa/ar/Pages/InstructionsToBanks2024.aspx</a>
Qatar Commercial Companies Law No. 11 of 2015 and its amendments, in particular, Article 119, 127, 129, 185, 189, 199	Board Secretary & Legal Dept. records
QFMA Laws and Regulations	QFMA website
Articles of Association	Board Secretary records
QFMA Resolution on dividends of listed companies No. (7) of 2023	QFMA website

## SECTION 2 - POLICY

### PRINCIPLES

- Dividends to shareholders are calculated consistent with the relevant laws and regulations in Qatar.
- Dividends are subject to QCB, the Board and shareholders' approval, as applicable depending on the type of the dividend (interim or annual) .
- This policy deals with 3 types of profits that can be distributed to shareholders: Annual Dividend, Interim Dividend and Bonus shares.

### POLICY

#### A-Annual dividends

1. Main Preconditions
<ul style="list-style-type: none"> <li>- Availability of adequate Group earnings and liquidity ;</li> <li>- Annual dividends may only be distributed after deducting the legally and optionally mandated reserves, if any</li> <li>- Absence of any other legal, regulatory and/or governance restraints on payment of dividends;</li> <li>- Continued compliance with the capital adequacy ratio requirements after distribution of annual dividends</li> <li>- Maintaining (retaining) international credit ratings of the Group;</li> <li>- Audit of the Group's financial statements for the respective period;</li> <li>- Resolution of the annual general assembly meeting of the Group, except for interim dividends</li> <li>- Prevention of default or situation when payment can cause default with respect to the Group's liabilities;</li> <li>- Prevention of default situations when early response measures may be imposed by the authorized body (QCB Circulars number 6/2014 and 33/2022)</li> </ul>

<b>2. Determination of Dividend Amounts and Board approval</b>
<ul style="list-style-type: none"> <li>- In determining dividend amounts to be recommended to the general assembly meeting (per one common share), the Group's BOD shall consider the Bank's equity for the reporting year in accordance with the Bank's audited consolidated financial statements as well as the Bank profitability, growth outlook, capital requirements, regulatory and legal provisions.</li> <li>- Board members must weigh the value of retaining earnings to grow the Group, against returning the profits to shareholders in the form of dividends.</li> <li>- The Group shall use all its profits including those earned from its subsidiaries in determining the amount which can be considered by the Board for dividend pay-outs. .</li> <li>- The dividend proposed by the Board is subject to the approval of the shareholders' annual general assembly (AGA), except for interim dividends, and the regulators in the State of Qatar;.</li> </ul>
<b>3. Resolution on Payment of dividends</b>
<ul style="list-style-type: none"> <li>- Resolution on payment of dividends on common shares and determination of dividend amount per one common share of the Bank shall be passed by the annual general assembly meeting of the Bank by the majority of shares represented in the meeting in accordance with the Articles of Association.</li> <li>- Depending on financial results of the year, the general assembly of the Bank may resolve not to pay dividends on the Bank's common shares.</li> <li>- Resolutions of the General Meeting passed in accordance with the law and the Articles of Association shall be binding on shareholders whether they were present at or absent from the meeting at which the resolutions were passed and whether they have agreed or objected thereto.</li> </ul>
<b>4. Time of Payment</b>
<p>Annual Dividends shall be paid to the shareholders at the place and time as shall be determined by the Board provided that it shall not exceed thirty days from the date of the General Meeting resolution for distribution without reasonable cause or earlier if stipulated so by any other applicable regulation, in particular, QCSD/Edaa rules and QFMA regulations on dividends of listed companies. Cash dividends will be distributed within a maximum of five business days following their deposit into the Edaa dividend distribution account and the receipt of shareholders' registered information</p>

## **B- Interim Dividends**

ARB may decide to pay interim cash dividends (quarterly or semiannually) to shareholders during the financial year subject to the following:

<b>1. Main Preconditions</b>
<ul style="list-style-type: none"> <li>- ARB Articles of Association must include a clause allowing the Board to distribute interim dividends during the year</li> <li>- The date of the Board meeting to discuss the interim dividend distribution must be announced to QSE at least one week in advance. The Board's decision to pay any interim dividends is always subject to QCB approval.</li> <li>- Pre-approval is obtained from Qatar Central Bank before distributing any interim dividends</li> <li>- The Bank must have achieved net profits in the quarterly or semi-annual financial statements based on which the dividends are to be distributed.</li> <li>- Interim dividends may only be distributed after deducting the legally and optionally mandated reserves, if any.</li> <li>- Continued compliance with the capital adequacy ratio requirements after distribution of interim dividends</li> <li>- The external auditor's report reviewing the quarterly or semi-annual financial statements must include the following: <ul style="list-style-type: none"> <li>• Confirmation that the company has achieved actual (not book or nominal) profits.</li> <li>• The net profit value after deducting reserves.</li> <li>• Confirmation of sufficient liquidity to cover the proposed distributions by the BOD.</li> <li>• Confirmation that the proposed distributions will not affect the company's ability to meet its debts and obligations on their due dates.</li> </ul> </li> </ul>

<b>2. Determination of Dividend Amounts and Board approval</b>
<ul style="list-style-type: none"> <li>- A resolution must be issued by the BOD specifying the percentage of interim dividends to be distributed during the financial year (quarterly or semi-annually) and the date of entitlement, in accordance with the provisions of the company's Articles of Association.</li> <li>- The BOD may not approve the distribution of interim dividends unless the quarterly or semi-annual financial statements have been issued and are accompanied by a review report from the company's external auditor.</li> </ul>
<b>3. Resolution on Payment of dividends</b>
<ul style="list-style-type: none"> <li>- The value of the interim dividends distributed must not exceed the net profits achieved in the financial statements for that interim period after deducting the required reserves.</li> <li>- The Bank's annual report/year-end financials submitted to the General Assembly must include the percentages of interim dividends distributed to shareholders during the year, in addition to the percentage of dividends proposed for distribution at the end of the financial year and the total of these distributions.</li> <li>- Shareholders shall not be required to return interim dividends distributed in accordance with these regulations, even if the company incurs losses in subsequent financial periods during the year.</li> </ul>
<b>4. Time of payment</b>
<p>The interim dividend is payable on the 7th business day following the Board's decision to distribute it, subject to QCB pre-approval, and in accordance with QCSD/Edaa rules and QFMA regulations on interim dividends in listed companies. Cash dividends will be distributed within a maximum of five business days following their deposit into the Edaa dividend distribution account and the receipt of shareholders' registered information.</p>

### C. Bonus Shares:

ARB may issue bonus shares subject to the following:

<b>1. Objective of issuing bonus shares</b>
<p>ARB may issue bonus shares to:</p> <ul style="list-style-type: none"> <li>• Capitalize accumulated profits, reserves or share premium</li> <li>• Enhance investor confidence and reward shareholders</li> <li>• Improve liquidity of the Bank's equity shares in the market</li> <li>• Align with growth in net worth and reserves</li> </ul>
<b>2. Regulatory framework</b>
<p>The issue of bonus shares shall comply with:</p> <ul style="list-style-type: none"> <li>• Commercial Companies Law No 11 of 2015 and its amendments</li> <li>• Qatar Central Bank regulations</li> <li>• QFMA regulations</li> <li>• Qatar Stock Exchange Listing Requirements</li> <li>• Accounting and Auditing Standards applicable</li> </ul>
<b>3. Conditions for issuance</b>
<p>Bonus shares may be issued only when:</p> <ul style="list-style-type: none"> <li>• Authorized by the Articles of Association</li> <li>• The Bank has sufficient free reserves, accumulated profits or share premium balances</li> <li>• The Bank has not defaulted in repayment of deposits, finance, or statutory dues</li> <li>• Partly paid-up shares (if any) are first made fully paid-up</li> <li>• Issue is recommended by the Board and approved by shareholders in a General Meeting</li> </ul>
<b>4. Approval process</b>
<ol style="list-style-type: none"> <li>1. Management evaluation – Finance team assesses reserves and financial feasibility.</li> <li>2. Board approval – Board of Directors passes a resolution recommending the bonus issue.</li> </ol>

	3. Shareholder approval – Obtained through a General Meeting 4. Regulatory approvals – Necessary filings with QCB, QFMA, MOCI and QSE/QCSD 5. Allotment & Listing – Bonus shares credited to shareholders’ accounts in accordance with QSE/QCSD listing rules
<b>5.</b>	<b>Ratio determination</b>
	The ratio (e.g., 1:2 → one bonus share for every two shares held) will be determined by the Board based on: <ul style="list-style-type: none"> <li>• Reserves available for capitalization</li> <li>• Share capital structure</li> <li>• Market conditions</li> <li>• Long-term capital requirements</li> </ul>
<b>6.</b>	<b>Accounting treatment</b>
	<ul style="list-style-type: none"> <li>• Transfer of the required amount from free reserves / share premium / capital redemption reserve to share capital.</li> <li>• Proper disclosures in financial statements in line with accounting standards.</li> </ul>
<b>7.</b>	<b>Disclosure and Communications</b>
	Any decision to pay bonus shares to shareholders must be: <ul style="list-style-type: none"> <li>• promptly disclosed to Qatar Stock Exchange</li> <li>• communicated to shareholders in a Press release / Investor relations communication</li> <li>• Disclosed in the Board’s Report and Annual Report.</li> </ul>
<b>8.</b>	<b>Restrictions</b>
	Bonus shares shall not be issued in lieu of dividend. They should represent capitalization of real profits or reserves.

## D- Unclaimed Dividends

The Bank shall treat “Unclaimed Dividends” for more than 5 or 10 years in accordance with QCB regulations. In case of any contradiction between QCB regulations and any other regulations, in particular, QFMA rules, QCB regulations must prevail unless a pre-approval is obtained from QCB to do otherwise.

## SECTION 3 - INSTRUCTIONS

Instructions steps	Responsibility
Payment of dividends SOP	Shareholders Affairs

## SUPPORTING DOCUMENTATION

### Forms and Records Management

Form	Retention Time	Retention Location
Records of unpaid dividend	10 years	Dividend payment System

**Related Material**

Name	Location	Document Type
Board Minutes	Company Secretary files	PDF and physical
AGA minutes	Company Secretary files	PDF and physical
Regulatory Approvals	Company secretary and Compliance files	PDF/electronic

**SECTION 4 - GOVERNANCE**
**RESPONSIBILITY**

<b>Policy Owner</b>	GCFO/Investor Relations
<b>Policy Custodian</b>	Company Secretary

**VERSION CONTROL AND CHANGE HISTORY**

Version Number	Approval Date	Approved by	Amendment
V.0	17 April 2023	Board Audit Committee	New release
V.1	28 October 2025	Board Audit Committee	Amendment