



DIVIDEND POLICY

Approved by:

On behalf of Al Faleh Educational Group Q.P.S.C.

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1. Scope

- 1.1. Al Faleh Educational Group Q.P.S.C. (the “Company” or “Al Faleh”) dividend policy is driven by the Company’s financial performance, profitability, growth outlook, expansion, strategies and capital requirements.
- 1.2. This policy has been defined in line Corporate Governance Code as enacted by the Qatar Financial Markets Authority, Commercial Companies Law no.11 of 2015 and Company’s Articles of Association.

2. Entitlement to Profits

- 2.1. The shareholders shall be eligible to receive dividends pursuant to a General Assembly resolution adopted in that regard and indicating the entitlement and distribution dates. Shareholders eligible to received dividends shall be those whose names appear on Shareholder Registers at the end of the entitlement date. The Board of Directors shall implement the Ordinary General Assembly’s resolution regarding the distribution of profits to shareholders in accordance with the regulations set by Commercial Companies Law no.11 of 2015.

3. Distribution of Dividend

- 3.1. Al Faleh’s dividends shall be distributed in accordance with Article 78 of the Company’s Articles of Association.
- 3.2. Ten percent (10%) of the net profit shall be deducted every year and credited to the legal reserve fund until the total of the legal reserves funds amounts to fifty percentage of the paid-up share capital of the Company. Should the legal reserve become less than the fifty percentage subsequently, the deduction shall be resumed until such reserve reaches fifty percentage.
- 3.3. A portion of the profits as specified by the general assembly shall be deducted from the profits to meet the obligations as required by the labour law.
- 3.4. General assembly may upon the proposal of the Board of Directors, annually resolve to deduct a portion of the net profit for an optional reserve account which shall be used in the manner specified by the General Assembly.
- 3.5. As per Articles of Association of the company or the Board of Directors an amount shall be deducted annually from the gross profit of the company for the depreciation of the company assets or as a compensation for their devaluation.
- 3.6. Shareholders shall be entitled to their share of profits once a resolution is issued by the General Assembly in the place and time set by the Board as per the rules and regulations applied by QFMA and the Market where the shares are listed.
- 3.7. The statutory reserve may not be distributed to the shareholders, except what exceeds half of the paid capital which may be used for distributing dividends to the shareholders of up to (5%) in the years that the company does not fulfil net profits that are sufficient to distribute such percentage. In all situations where the Company’s earnings are low and cannot meet the

threshold of dividend advise in this policy, the Board will recommend appropriate line of action.

- 3.8. The Board of Directors will present its recommendation on the dividend distribution at the Company's General Assembly for shareholders' approval.
- 3.9. The General Assembly shall decide on the approval of dividend and the date of distribution. Dividends shall be given to the shareholders who are listed in the records kept at the Depository as they appear at the end of trading session on the day on which the General Assembly is convened.
- 3.10. 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.

4. Consistent Payment of Dividends

- 4.1. When measuring the Company's performance for the purpose of distributing any dividends for the concerned fiscal year and while maintaining the same dividend payout ratio over the medium term, the Board of Directors shall, from one year to another, maintain consistency in the cash flows and reduce the impact of any distribution of annual profits on the free cash flows, as may have attributed impact on the profit or loss in future specific years.

5. Publication and Amendments

- 5.1. The Company shall abide and comply with this policy as of the date when its approved by the Board and shall be published on the Company's website to enable shareholders, stakeholders and the general public to access them.
- 5.2. The content of this Policy shall be reviewed as and when needed based on the recommendation of the Board, and such amendments shall be approved by the Board and General Assembly.
- 5.3. This Policy has been approved by the Board of Directors of the Company at its meeting held on 20 June 2022.