
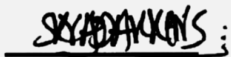


DIVIDENDS POLICY



Dividends Policy

Document Version Control

Version No.	Effective Date	Revision Description	Approved By	Signature	Date of Approval
1.0.1	09 May 2024	Original Version Revised	Board Endorsement		12 December 2024
1.0.1	09 May 2024	Original Version Revised	Chief Executive Officer		12 December 2024
1.0.1	09 May 2024	Original Version Revised	General Assembly Submission		

1. Purpose

The purpose of this Dividends Policy is to clearly outline the principles and guidelines governing the distribution of dividends by Spinneys 1961 Holding PLC (the "**Company**"), ensuring alignment with shareholder interests and compliance with applicable legal and regulatory requirements. This policy aims to:

1. **Provide Sustainable Returns:** Ensure that dividend distributions reflect the Company's commitment to providing sustainable and attractive returns to its shareholders, balancing the need for long-term growth with immediate shareholder value.
2. **Financial Stability and Growth:** Maintain financial stability by distributing dividends in a manner that supports the Company's strategic objectives, including reinvestment in business growth, market expansion, and operational efficiency.
3. **Equitable Treatment of Shareholders:** Ensure fair and equitable treatment of all shareholders in dividend distribution, considering the Company's financial performance, capital requirements, and market conditions.
4. **Clear Communication:** Provide clear and timely communication to shareholders regarding dividend distribution decisions, including the rationale and timing of dividend payments, to foster transparency and trust.

By adhering to these principles, Spinneys 1961 Holding PLC strives to enhance shareholder value while preserving capital for future growth and prosperity.

2. Applicability

This Dividends Policy applies to all shares of Spinneys 1961 Holding PLC that are eligible for dividends, as governed by the Company's Articles of Association and applicable laws and regulations.

3. Key Parameters for Dividend Recommendation/Declaration

In alignment with our objectives, the Board of Directors will consider certain parameters before declaring or proposing dividends including without limitation:

(I) Financial Parameters/Internal Factors:

- Profit after taxes for the year.
- Profit available for distribution.
- Accumulated reserves, including retained earnings.
- Mandatory transfers to statutory reserves.
- Expansion plans including growth plans, both organic and inorganic.
- Operating cash flow requirements.
- Company's liquidity position.
- Level of debt, covenants in loan agreements, debt servicing obligations and debt maturity profile.
- Earnings per share.
- Historical dividend payout trends.
- Earnings stability and outlook.
- Capital restructuring and debt reduction needs.
- Alternate uses of cash.
- Future financial requirements, including capital expenditures (CAPEX) and contingencies.
- Crystallization of any contingent liabilities.

(II) External Factors:

- General economic and market conditions, both domestic and global.

- Legal and regulatory requirements, including tax laws.
- Cost of raising funds from alternative sources.
- Inflation rates.
- Industry risks.

4. Circumstances Affecting Dividend Expectations

Given the Company's operations across various retail formats and regions, profits may fluctuate annually, influencing dividend payouts, this would include:

- Inadequate profits or incurred losses.
- Significant expansions or projects requiring higher capital.
- Significant Increase in working capital needs affecting free cash flow.
- Acquisitions or joint ventures with significant capital needs
- Buy-back of securities
- Regulatory or loan covenant restrictions on dividends

5. Quantum of Dividend Payout

Subject to the circumstances and legal provisions, the Company will aim to maintain a dividend payout ratio of 70% of annual distributable profits after tax.

6. Utilization of Retained Earnings

The Board may opt to retain earnings to enhance stakeholder value, considering the outlined parameters, and may use retained earnings as permitted by law in exceptional circumstances, including post-tax losses. The Retained Earnings shall be utilized in accordance with the applicable laws and regulations.

7. Interim Dividends

In accordance with the Company's Articles of Association, the Board may declare and pay such interim dividends as appear to the Board to be justified by the profits of the Company available for distribution.

8. Annual Dividends

(I) Assessment:

- **Proposal Submission:** On an annual basis, the Management submits a proposal for dividends distribution to the Audit & Risk Committee.
- **Financial Examination:** The Audit & Risk Committee examines financial statements to ensure the availability of sufficient profits and reserves for dividends, assessing the Company's financial health and future projections.
- **Risk Evaluation:** The Audit & Risk Committee ensures that distribution of dividends will not compromise the Company's operational capabilities or financial stability.
- **Recommendations:** The Audit & Risk Committee may provide recommendations to the Board regarding the approval of dividends distribution.

(II) Proposal:

- **Assessment Review:** Based on the Audit & Risk Committee's assessment, the Board may propose dividends distribution.
- **Approval Proposal:** This proposal is presented for approval to the Company's General Assembly.

(III) **Final Approval:** The General Assembly, basing its decision on the Board's proposal, may approve the dividends distribution.

9. Dividends Payment

Dividends Policy

In accordance with the SCA Regulations, the Company is committed to timely distribution of cash dividends to its shareholders.

The Company shall deposit the cash dividends to the registered shareholder through the Market on the tenth day after the date following the Annual General Meeting or the Board Meeting which approved the distribution, as applicable. Subsequently, the Market shall deposit the dividends to the shareholders within 30 days from the date of the AGM or the Board Meeting which approved the distribution, as applicable.

10. Amendment and Approval of the Policy

Keeping in mind the changing regulatory environment, this Dividend Distribution Policy shall be reviewed periodically by the Chief Financial Officer (CFO), preferably once a year, to incorporate necessary amendments and updates as appropriate.

The CFO shall escalate the Policy and any amendments thereafter (“The Policy”) to the Audit & Risk Committee for endorsement. Subsequently, the Audit & Risk Committee shall refer The Policy for Board Endorsement. Finally, the Board shall submit the amended Policy to the General Assembly for notice in accordance with SCA Regulations.

11. Glossary

The definitions and abbreviations used in this policy are as follows: (sorted in alphabetical order)

Term	Definition
Board	Board of Directors of the Company
CFO	Chief Financial Officer of the Company
Company	Spinneys 1961 Holding PLC.
General Assembly	The general assembly of the Shareholders of the Company.
Management	Chief Executive Officer and Chief Financial Officer of the Company
Market	Dubai Financial Market
SCA	Securities & Commodities Authority
SCA Regulations	(i) Chairman of SCA’s Board of Directors’ Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, (ii) SCA Board Decision no 3/2000 regulating disclosures, (iii) SCA Board Decision no 2/2001 regulating trading, clearing, settlement, transfer of ownership and custody of securities, collectively, as amended from time to time.

