MOBILE TELECOMMUNICATIONS COMPANY (ZAIN)

ANTI-MONEY LAUNDERING POLICY

Contents

1. Introduction

Mobile Telecommunications Company's (Zain Group) commitment to the highest ethical and legal standards extends to its business operations across all countries. Accordingly, Zain Group takes all necessary measures to prevent money-laundering activities within its footprint.

Money laundering and terrorism financing is the process of converting money produced through criminal or illegal activities into "clean money" by eliminating any traces of evidence leading to the criminal activity.

These financial crimes have serious economic effects against which the international community has reacted positively and adopted measures and precautions to fight and curb such crimes. Given the negative effects this phenomenon may leave on the international community, the competent and regulatory authorities in Kuwait have issued necessary legislations and the appropriate resolutions to ensure compliance with the international standards.

This Anti-Money Laundering (AML) Policy Standard is intended to ensure that Zain is committed to complying with all requirements of relevant Anti-Money Laundering and Counter-Terrorist Funding Laws, Regulations and Standards.

This Policy aims to ensure the completion of risk-based controls that prevent the misuse of Zain Group assets by money launderers and those involved in financing terrorism. It also protects Zain, its employees, and stakeholders from involuntarily committing money laundering and terrorist financing violations.

2. Scope

This Policy Standard applies to Zain Group, its subsidiaries, employees at all levels, directors, officers, suppliers, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with and all stakeholders, wherever located.

3. Application

Implementation and compliance will be monitored on a regular basis, and results will be reviewed by executive management and the board within the AML governance structure. Any breach or violation of this Policy by an employee, supplier, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with will be treated as a serious disciplinary offence and will be subject to disciplinary action per the provisions of the relevant laws, regulations and internal policies.

4. Roles and Responsibilities:

Zain Group recognizes that adherence to the legislations & regulatory instructions pertinent to AML & CFT will not only result in Zain Group's being in compliance with the local legislation, mitigate the risks Zain Group may be exposed to but it will also serve as platform within an important cycle of measures adopted by all public & private institutions across the globe which all endeavor to fight and curb the devastating impacts of money laundering and financing of terrorism.

Zain Group has the following in place:

- Executive Management is responsible for managing the day-to-day AML compliance process, with sufficient resources and access to all necessary customer and transaction information to carry out their duties effectively.
- The relevant person must take steps to identify and assess the risks of money laundering to which its business is subject, they must take into account: the profile of customers.
- Risk policies and procedures to ensure compliance with laws and regulations and provisions of this Policy.
- A process to verify the identity of customers: the company shall provide a System to support the profiling of customers (risk- based profiling rather than system rule base).
- A process to verify the identity of Suppliers, the countries, or geographic areas in which it operates; products or services; and delivery channels
- Due diligence on third parties performing activities on behalf of Zain if they: (i) Suspect money laundering or terrorism financing (ii) Doubt the veracity or adequacy of documents or information previously obtained for the purposes of identification or verification.
- Transactional limits comparable to the risk profile and degree of identity verification held on the customer or third party.
- Monitoring of customer and third-party transactions for the activity that may be linked to money laundering or the financing of terrorism as per sanctions lists issued by international organizations (UN, EU, OFAC, HMT, Lists issues by Local Authorities) terrorism if they Suspect an activity of money laundry or doubt the veracity or adequacy of documents or information previously obtained for the purposes of identification or verification. Zain Group is committed to ensure its compliance with the following: Law 106/2013 on AML & CFT and its Executive directives and any other related laws; and Issued Ministerial Resolutions on AML & CFT transactions.
- A channel for reporting suspicious activities by employees, customers or third parties, both internally and externally, to relevant law enforcement bodies (refer to whistleblowing policy)
- Executive Management shall provide the board with records of transactions, identification checks, AML training and suspicious activity reports
- Periodic training for all relevant employees and associates on their AML responsibilities.
- Screening of all customers and associates to identify those that are sanctioned and manage them accordingly

- Scenario based analysis according to pre-defined input that gets updated regularly based on previous incidents. (e.g., bulk sale scenarios)
- Board of directors may appoint third party experts depending on the situation to ensure the adequacy and effectiveness of the AML practice at Zain Group.

5. Relevant Internal Policies:

This Policy shall be read in conjunction with the following board-approved policies at Zain Group:

Anti-Corruption

The anti-corruption Policy outlines the principles Zain Group follows to achieve zero tolerance against bribery and corruption. This Policy aims to ensure that appropriate anti-corruption and bribery measures are in place across all our operations to avoid any violations of relevant laws and regulations. This Policy aims to provide all Zain Group employees with a framework of principles to comply with in all our business operations. In addition, this Policy includes examples of prohibited conduct as they may fall under the definition mentioned above.

Code of Conduct

The ethical guidelines of the Code of Conduct exist to guide and empower the Board and Management to make the right choices — as individuals and as a company. Adhering to the Code of Conduct is the responsibility of every employee at Zain Group and across the operating companies. By doing so, Zain can positively impact the industry, communities in which it operates, and beyond — and build a company all can be proud of, where corporate responsibility is a key competitive advantage. Zain's Code of Conduct requires that business dealings be undertaken with the utmost honesty, integrity, and fairness.

Whistleblowing

This Policy is intended to encourage and enable employees to raise serious concerns within the company by offering an objective, confidential and independent reporting and investigation mechanism before seeking resolution outside the company. In addition, an effective reporting framework is expected to encourage employees to report suspected or known acts of fraud and improper conduct by making it easier, confidential, and less adversarial.

Sanctions

Zain Group has developed this Policy in line with the applicable Sanctions Laws and Regulations. It summarizes preventive actions imposed by Sanctions Authorities which control the ability of the company to undertake any activity in certain high-risk territories or with Sanctioned Persons. The Sanctions Policy also outlines the restrictions and protective measures to be consistently followed by each company employee. The company is committed to complying with Sanctions Laws and Regulations in all jurisdictions of its operations.

Regulation of Insider Dealings

Zain Group maintains strict confidentiality of Inside Information by taking adequate measures to maintain confidentiality when dealing with such Inside Information, except as stipulated by disclosure requirements under the Law and Bylaws. It is also essential for the companies to prepare and maintain effective contractual arrangements that bind any third party with knowledge of Inside Information related to the company or its customers to maintain the confidentiality of that Inside Information and not to misuse it or transfer it or cause it to be transferred directly or indirectly to other persons or urge others to deal in securities based on that Inside Information. Moreover, the company shall always keep an updated record of insider dealings in the securities. Based on that, The Exchange shall receive the Insider watch list and verify the compliance of the Insiders whose names are included in the list with the provisions of the executive bylaw when dealing in securities.

Related-Party Transactions

This Policy has been prepared in line with the Corporate Governance Rules issued by the Capital Markets Authority and other related regulatory requirements. Accordingly, it is considered part of the Company's Corporate Governance Framework. This Policy provides a governance framework which controls the related parties' transactions across Zain Group according to an agreed methodology of identifying, declaring, and approving such transactions in line with Zain's Corporate Governances rules, international reporting standards and other applicable rules and regulations.

6. Policy revisions

Corporate Governance Department shall coordinate with other teams including the Corporate Compliance Department at Zain Group to perform revisions of this Policy to assess the AML controls' effectiveness, identify areas that require improvement and report to executive management and the board. The revisions are done whenever necessary to reflect regulatory requirements and industry changes.