MOBILE TELECOMMUNICATIONS COMPANY (ZAIN)

CORPORATE COMPLIANCE POLICY

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Abbreviations

ABBREVIATION	FULL FORM
DoA	Delegation of Authority
BoD	Board of Directors
BRC	Board Risk Committee
OpCos	Operating Companies

Definitions

TERM	DEFINITION
Applicable Laws, Rules, Regulations and Board-approved policies	Any applicable laws, rules, regulations and Board-approved policies in Kuwait that are to be followed by Zain
Clients	Individuals or entities benefiting from the services provided by Mobile Telecommunications Company (Zain)
Department (s)	Any (all) department(s) operating within Mobile Telecommunications Company (Zain)
Employees	Individuals working for the benefit of Mobile Telecommunications Company (Zain), and under its management whether permanent, fixed term or temporary.
The Policy / This Policy	The corporate compliance policy.
Third Party / Third Parties	Individuals or entities with whom Mobile Telecommunications Company (Zain) has a written agreement to provide a product or service on its behalf.

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1. Introduction

1.1 Purpose

1.1.1 The purpose of this policy is to define Zain corporate compliance framework and responsibilities for the compliance program within the company. It aims to establish clear guidelines for compliance, enhance Zain's compliance capabilities and foster a strong culture of compliance throughout the company.

1.1.2 The policy objectives are to:

a) Clearly define corporate compliance program and assign compliance responsibilities within Zain;

b) Serve as a reference for the Board of Directors (BoD), Board Risk Committee (BRC), and Head of Corporate Compliance to implementing effective compliance program;

c) Proactively identify and address non-compliance issues; and

d) Promote compliance awareness and culture within Zain.

1.2 Scope

1.2.1 This policy applies to all individuals who have a relationship with Zain including the Board of Directors, management, employees, trainees, clients and any third parties/vendors contracted with Zain or any other stakeholder.

1.3 Responsibility for policy Implementation

1.3.1 The Corporate Compliance Department is the owner of the Corporate Compliance policy ("the policy/this policy") and is responsible for overseeing the implementation of this policy.

1.4 Confidentiality

1.4.1 The contents of this policy are confidential.

1.4.2 The Corporate Compliance employees within Zain shall have timely access to this policy and understand the strategic/operational implications of this policy along with any of its amendments/updates.

1.5 Policy Revisions

1.5.1 The Corporate Compliance Department shall review this policy on an annual basis and update it in response to any relevant regulatory or context changes. These amendments shall be made, if required, after the relevant approvals are obtained as per the Delegation of Authority ("DoA").

2. Policy Statements

2.1.1 Zain is committed to upholding the highest standards of corporate compliance across all its subsidiaries and activities within the scope approved by the Board. With the exception of compliance matters related to Communications and Information Technology Regulatory Authority (“Citra”), telecom as well cybersecurity compliance which are specifically handled by the regulatory department, this policy aims to ensure the company's full compliance with all applicable laws, rules, regulations, and Board-approved policies governing its internal and external activities, thereby safeguarding the company’s integrity and reputation while minimizing compliance risks.

2.1.2 Zain shall establish a comprehensive Compliance Framework, encompassing processes and procedures aligned with international standards, to ensure consistent adherence to applicable laws, rules, regulations and board-approved policies.

2.1.3 To facilitate efficient compliance management, the Corporate Compliance Department shall conduct regular and systematic reporting, disseminating reports to relevant stakeholders within the Corporate Compliance Framework to ensure comprehensive awareness and understanding of compliance risks.

2.1.4 The Corporate Compliance Department shall be adequately resourced and empowered, ensuring its capacity to offer an independent perspective to the Board and Executive Management in the identification and management of compliance risks.

2.1.5 As part of its proactive mandate, the Corporate Compliance Department shall review critical regulatory reports prior to submission—particularly those where inaccuracies may lead to significant legal, regulatory, or reputational consequences for Zain. This review, conducted from a compliance perspective, ensures timely alignment with applicable laws and regulations through the use of defined checklists, timelines, and review criteria (as specified in the procedures).

2.1.6 The Department shall also maintain proactive involvement in key events and processes, including but not limited to Annual and Extraordinary General Meetings (AGM/EGM), ensuring awareness of and adherence to associated dates, deadlines, and meeting minutes. While Compliance’s role remains non-operational, ownership of each process resides with the respective function. Any differing views or compliance observations should be documented during the process and, if necessary, escalated to the Board Risk Committee (BRC) following submission to the relevant authorities.

3. Legal and Regulatory Framework

3.1.1 Adhering to applicable laws, rules, regulations and Board-approved policies, as well as best international practices, including ISO 37301:2021, Zain commits to a structured compliance management system that emphasizes integrity, accountability and sustainability.

4. Compliance Program

4.1 Compliance Program Management

4.1.1 The Corporate Compliance Department establishes and maintains a robust compliance management program to ensure strict adherence to all relevant laws, rules, regulations and board-approved policies. This includes proactive management of the compliance universe, conducting compliance risk assessments, and developing annual compliance monitoring plans approved by the Board Risk Committee (BRC) as well as executing compliance monitoring activities.

4.2 Compliance Universe

4.2.1 Managed by the Corporate Compliance Department, the Compliance Universe comprises all relevant laws, rules, regulations and Board-approved policies. It is regularly updated to reflect changes, guiding Zain's compliance risk assessment and monitoring activities.

4.3 Compliance Risk Assessment

4.3.1 Obligations shall be extracted from all applicable regulations and consolidated in a comprehensive compliance risk register.

4.3.2 Assess compliance risks for each obligation based on the inherent likelihood and impact, ensuring proactive management of these risks appropriately.

4.3.3 Identified obligations shall be assigned to responsible departments, prioritized as per the risk rating and regularly reviewed.

4.3.4 Collaboration with Risk Management and Internal Audit shall ensure alignment and adaptability to emerging risks.

4.4 Compliance Monitoring Plan

4.4.1 The risk-based Compliance Monitoring Plan shall be developed based on the established compliance risk assessment and shall prioritize departments based on the assigned risk ratings.

4.4.2 This plan shall be reported to the Board Risk Committee for approval.

4.5 Compliance Monitoring Execution

4.5.1 Through systematic compliance missions, the Corporate Compliance Department assesses adherence to legal and regulatory requirements, ensuring adequate controls are in place.

4.5.2 The Corporate Compliance Department shall review and provide recommendations regarding the policies addressing laws and regulations.

4.5.3 The Corporate Compliance Department shall actively oversee, monitor and ensure the adherence to all Board-approved policies to ensure compliance and effectiveness.

5. Reporting

5.1 Internal Reporting

5.1.1 The Corporate Compliance Department shall submit a quarterly performance report to the Board Risk Committee (BRC). This report shall follow the compliance reporting protocol which clearly dictates minimum reporting requirements, including but not limited to the below:

a) Progress on the strategic objectives of the Corporate Compliance Department;

b) Material changes in regulations and their impact on Zain Group;

c) High-level assessment of compliance performance, including critical cases of non-compliance and action plans to address the non-compliance;

d) Information on the compliance management program's effectiveness, achievements and trends;

e) Challenges faced by the Corporate Compliance Department (if any);

f) Proposed recommendations to limit recurring the violations and identified breaches;

g) Follow-up reviews/missions in the pipeline along with previously recommended actions.

5.1.2 The Corporate Compliance Department shall share the report with the CEO to coordinate corrective actions to be taken by the relevant departments regarding identified compliance risks.

6. Corporate Compliance Review and Advisory

6.1 Agreements

6.1.1 The Corporate Compliance Department shall review potential compliance matters related to new products/services agreements prior to their launch, ensuring adherence to relevant compliance requirements and international standards, to mitigate associated compliance risks.

6.2 Corporate Compliance Advisory Requests

6.2.1 The Corporate Compliance Department shall offer guidance on compliance inquiries from various departments, including those from the Board of Directors and CXOs.

6.2.2 Compliance advice shall be supported by reliable sources, ensuring uniformity across Zain's compliance efforts.

6.3 Subsidiary Compliance Oversight

6.3.1 The Corporate Compliance Department at Group level shall exercise oversight and coordination over all compliance-related activities across subsidiaries to ensure consistent implementation of Group standards, policies, and regulatory requirements. Subsidiaries shall share their compliance frameworks, annual plans, and reports with the Group Corporate Compliance Department for review and consultation. The Group shall provide guidance and recommendations on compliance matters and inquiries raised by the subsidiaries, which serve as a key reference for subsidiaries in managing their compliance obligations. While subsidiaries remain independently accountable for their compliance decisions and actions, they are required to keep the Group informed and aligned on significant compliance developments, risks, and regulatory interactions.

6.3.2 This Policy shall be read in conjunction with the Subsidiary Governance Framework, which defines the oversight mechanisms, escalation protocols, and reporting obligations governing the relationship between Zain Group and its subsidiaries to ensure effective alignment, monitoring, and accountability in compliance management.

7. Incident Management and Response

7.1 Managing and Containing Incidents

7.1.1 Zain Group mandates a structured and accountable approach to managing incidents that may affect compliance, operations, or reputation. In collaboration with key stakeholders and various departments, the Corporate Compliance Department shall contain the incident by closely assessing its nature and related activities in a confidential manner while also coordinating with respective regulators for any further information requested to safeguard Zain's reputation.

8. Cooperation and Exchange Information

8.1 Compliance Support

8.1.1 Effective cooperation shall be established between the Corporate Compliance Department, and any other related department or subsidiary, especially the control functions in the group and within the concerned subsidiary to ensure comprehensive compliance oversight and risk mitigation.

9. Corporate Compliance Training

9.1 Training and Awareness Program

9.1.1 The Corporate Compliance Department shall foster a compliance culture through employee training, emphasizing relevant laws, rules, regulations, Board-approved policies and internal obligations. Training sessions are customized annually and as required to address specific regulatory updates, with materials archived for future reference.

9.2 Compliance Department Training and Development

9.2.1 Corporate Compliance Department employees shall undergo ongoing education and training, including participation in compliance workshops and pursuit of relevant certifications, to enhance their understanding and capability in compliance.

10. Roles and Responsibilities

The set of responsibilities and expectations associated with Zain key stakeholders for ensuring the implementation of this policy are outlined below:

10.1.1 The Board of Directors shall maintain oversight of this policy, including its approval and any necessary updates. This policy shall be read in conjunction with the Board Charter, which further details the roles and responsibilities of the BoD.

10.1.2 The Board Risk Committee (BRC) shall actively support and supervise the Corporate Compliance Department by holding periodic meetings, overseeing internal controls, approving key compliance documents and fostering a compliance culture. This policy shall be read in conjunction with the Board Risk Committee Charter, which further details the roles and responsibilities of the BRC.

10.1.3 The Chief Executive Officer (CEO) shall, including but not limited to:

a) Demonstrate ‘Tone from the Top’ to promote the highest legal, regulatory and ethical standards while cascading those values to Zain Group;

b) Reinforce the importance of adherence to laws, regulations, and internal policies in all strategic communications and leadership engagements;

c) Ensure the Corporate Compliance Department has the authority, independence, and resources necessary to fulfill its mandate;

d) Advocate compliance priorities and collaborate decision making;

e) Collaborate with the Board Risk Committee to ensure compliance risks are effectively monitored and addressed

10.1.4 The Corporate Compliance Department shall, including but not limited to:

a) Promote the desired compliance culture within Zain Group;

b) Develop an effective compliance monitoring plan approved by the Board Risk Committee (BRC) to ensure that compliance risks are monitored and reviewed;

c) Provide advice and/or consultation to Departments with regards to applicable rules, regulations and Board-approved policies to ensure compliance;

d) Monitor Zain’s adherence to applicable laws, rules, regulations and Board-approved policies, while identifying compliance risks and suggesting appropriate action plans to mitigate those risks;

e) Conduct missions to detect non-compliance to applicable rules, regulations and Board-approved policies;

f) Follow up on the corrective actions taken by management in response to any non-compliance issue identified in the monitoring reports;

g) Review the findings of independent audits in the Corporate Compliance Department and ensure the implementation of appropriate action plans;

h) Monitor and maintain a reporting calendar consisting of all reporting requirements applicable to Zain by different regulators, while also ensuring timeliness of those reports by following up with the respective Head of Departments.

i) Cascade roles and responsibilities efficiently within the team to best service the effective execution of a comprehensive compliance management program.

10.1.5 The Head of the different Department shall, including but not limited to:

a) Implement and monitor the compliance-related activities in the respective department, and ensure that compliance policies and procedures are being followed to mitigate the risk of compliance breaches;

b) Promote awareness of the importance of compliance within their departments to encourage strong compliance culture and ensure effective compliance with all applicable regulatory requirements;

c) Report promptly to the Corporate Compliance Department on identification of any non-compliance.

d) Send the periodic information/reports covering department-specific requirements to external regulatory authorities as per specified timelines.

e) Any major additions or changes in the control environment within a department must be reported immediately to the Corporate Compliance Department. Upon receiving such updates, the Compliance Department will revise and update the compliance checklist accordingly.

f) Update the compliance registers and coordinate with Corporate Compliance Department in ensuring that adequate corrective actions have been taken on all compliance issues/violations identified by the Corporate Compliance Department.

g) The Head of Departments shall establish, communicate and facilitate the use of appropriate compliance methodologies, tools and techniques.