



Zain Group’s governance structure is designed to align with both local laws and international best practices, ensuring that the company remains responsive, accountable, and sustainable across all its operations.

Composition of the Board:

The Board consists of ten members, nine of whom are non-executive, including the Chairman. Two members are independent.

Board members serve a three-year term, with the possibility of extension in line with legal requirements.

Each member holds various commitments and positions of importance in line with their expertise. Details on individual members’ other commitments are outlined in the company’s annual report.

Though Zain is committed to diversity and inclusion, at present, the Board is comprised only of male members. The company’s Board diversity policy aims to foster a culture of inclusivity, actively encouraging representation from various backgrounds.

The Board members bring a wide range of competencies related to the company’s impacts. They showcase a rich diversity of skills and competencies that align with contemporary principles of Environmental, Social, and Governance (ESG) practices, driving sustainable value creation. With extensive backgrounds in investment and financial management, Board members are adept at portfolio allocation and financial strategy, particularly within sovereign wealth funds and private equity. Their telecommunications expertise, drawn from significant roles in major companies, enhances their understanding of network operations and business transformation, allowing them to align strategic initiatives with ESG goals. Additionally, strong representation in corporate governance and compliance equips the Board to navigate complex regulatory landscapes while fostering transparency and accountability, key aspects of value creation in today’s market.

Members also possess substantial project management experience, ensuring that sustainability impacts are integral to project execution. Their deep knowledge of local and international markets, especially in the MENA region, provides insights into economic diversification and investment opportunities that adhere to ESG principles. The Board’s strong academic credentials, including advanced degrees in business administration and finance, further support informed decision-making that prioritizes responsible growth. Finally, with experience across diverse industries such as banking, tourism, and technology, Board members bring a multifaceted perspective to discussions on how to balance profitability with social responsibility, ensuring that the company’s strategic direction not only meets financial objectives but also contributes positively to society and the environment.

This combination of expertise positions the Board to effectively govern and guide the company toward sustainable growth and responsible business practices, reflecting a commitment to creating long-term value for all stakeholders.

Zain emphasizes transparency and encourages shareholder participation in its Annual General Meetings (AGM), where significant decisions, including the appointment of Board members, are made. All shareholders are invited to participate without fees, ensuring comprehensive representation of stakeholder interests.

Zain Group’s governance structure is designed to ensure effective decision-making and oversight of the company’s impacts on the economy, environment, and people. Below is a description of its key committees:

Committees of the Board of Directors:

1. Board Audit Committee

The Audit Committee consists of five members, with at least one being independent. The Chairman of the Board or any executive members are not permitted to sit on this committee, following Kuwait’s laws and regulations.

2. Board Risk Committee

This Committee has five members, and as per local laws, the Board Chairman does not sit on this Committee.

3. Board Nominations and Remunerations Committee



Nomination and Selection Processes for the Board and Its Committees

The nomination and selection processes for Zain Group’s Board of Directors and its committees, follow a structured approach:

1. Nominations and Remunerations Committee

This Committee is responsible for overseeing the nomination process. Candidates for the Board of Directors are nominated based on legal and regulatory criteria as well as Zain’s corporate governance framework.

2. Selection Process

The Committee evaluates candidates based on their qualifications, experience, and alignment with Zain’s strategic objectives. After screening, the final list of candidates is presented to shareholders during the Annual General Meeting for voting.

3. Shareholder Voting

Shareholders vote on the final selection of Board members. Zain employs a secret ballot voting system to ensure transparency and fairness.

Forming Board Committees:

The formation of committees in the Board structure not only aligns with governance guidelines but also enhances the overall effectiveness of the Board in delivering value creation. By establishing specialized committees, boards can focus on key strategic areas, ensuring that decisions are made efficiently and with a clear emphasis on long-term sustainability. This approach fosters thorough oversight and accountability, allowing the company to safeguard stakeholder interests while promoting initiatives that drive value and enhance corporate performance. Committees enable

a more structured examination of specific issues, thus facilitating a governance framework that supports innovation, risk management, and sustainable growth. This alignment with value creation principles ensures that the company can navigate complexities in today’s dynamic business environment while fostering trust and engagement with stakeholders.

Criteria Used for Nominating and Selecting Board Members

Stakeholders' perspectives are considered through feedback during the AGM and ensuring that nominees align with stakeholder interests and expectations. Zain’s Articles of Association (AOA) determine the requirements and the basis on which the members of the Board are elected. The General Assembly elects Board members by secret ballot. The membership term of Board members is three years, subject to renewal, provided the independent members make up 20% or more of the Board’s composition. Independent members provide unbiased oversight and protect shareholder interests.

The AOA include more details, such as the conditions for the independence of members and the loss of membership, the Board’s responsibilities, additional requirements for the selection of the Chairman, and instructions regarding Board meetings and attendance. All items in the AOA are based on relevant laws, regulations and guidelines, and the document is available on Zain’s official website. The Board elects a Chairman and a Vice-Chairman by secret ballot, and also appoints the CEO from among the members of the Board or others.

Zain’s diversity policy emphasizes the importance of having a broad range of perspectives. This includes gender diversity, social group representation, and varied professional backgrounds to ensure balanced decision-making.

Candidates are selected based on their knowledge and expertise in areas that align with Zain’s

business impacts, such as financial management, telecommunications, regulatory compliance, and sustainability.

The Chairman of the Board at Zain

The Chairman of Zain’s Board of Directors is not an executive in the organization. This separation of roles aligns with regulatory requirements and best governance practices and ensures that the Chairman can provide independent oversight of the company’s management.

The Board’s Role and Responsibilities

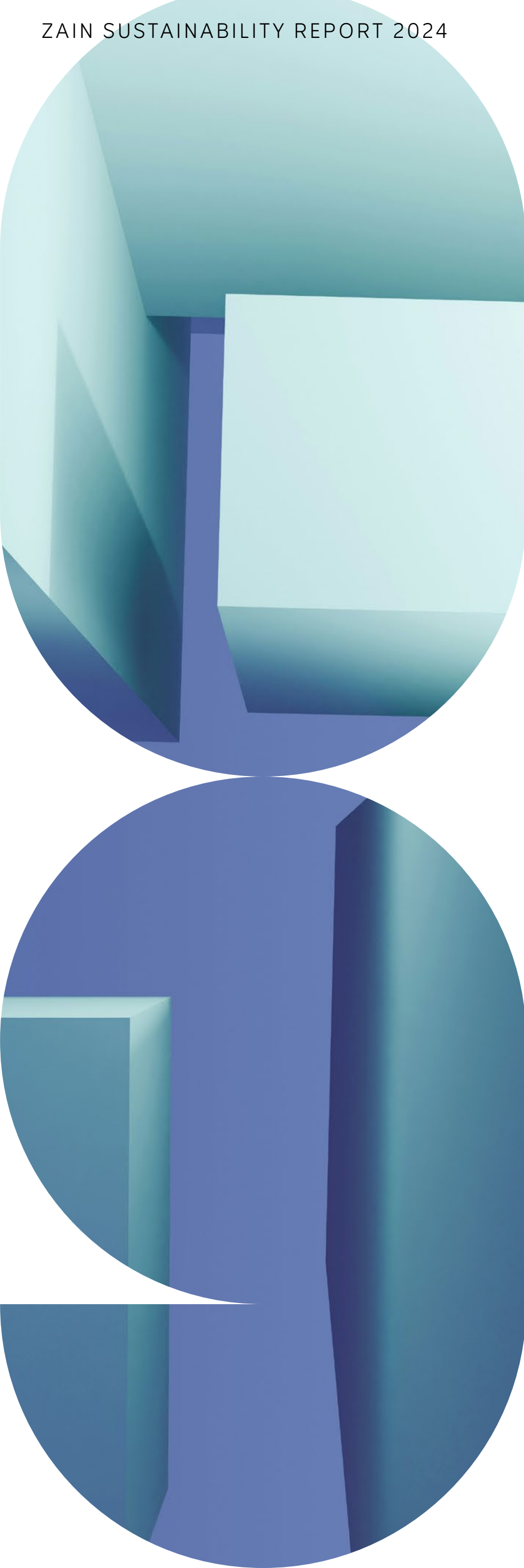
Zain Group’s Board of Directors plays a key role in shaping and approving the company’s mission, vision, and values. These are embedded within its strategic plans, which include sustainable development as a critical element. The executive management is responsible for translating the Board’s strategies into operational goals and implementing policies related to the company’s impacts on the economy, environment, and society. Zain’s Board of Directors actively oversee initiatives on climate action, human rights, and broader environmental goals. Their focus includes adopting globally recognized ESG standards. Through regular evaluations, the board ensures alignment with Zain’s long-term goals and supports sustainable innovation. This process includes assessing their impact on ESG oversight and strategic goals, helping Zain manage climate risks, innovate in sustainable tech, and add long-term value for stakeholders. Zain’s Board of Directors leads initiatives that promote children’s rights and digital safety, emphasizing secure online environments and responsible access for young users. Their approach integrates child protection with Zain’s broader commitment to ethical practices and sustainable digital innovation.

The Board ensures that sustainability principles are woven into business strategies, driving long-term value

creation. These principles encompass environmental impact reduction, ethical governance, and community development. Executive management works closely with the Board to update these frameworks as needed, ensuring alignment with both local regulations and global ESG standards (e.g., MSCI, FTSE, S&P).

The Board regularly reviews the effectiveness of the company’s processes for identifying and managing impacts. This review typically happens quarterly, where the Board’s purpose is to assess how well the company’s policies align with regulatory requirements and strategic goals.

This governance framework ensures that Zain remains accountable to its stakeholders, drives sustainable growth, and continuously improves its operational and governance standards.





Delegating Responsibility for Managing the Company’s Impacts on the Economy, Environment, and People

Appointment of Executives

Zain’s Board appoints specific executives to manage the company’s impacts. These roles include:

- Chief Sustainability Officer (CSO): Responsible for the development of the company’s sustainability strategy, oversees strategies for reducing environmental impacts, achieving net-zero emissions, and ensuring the company’s alignment with global sustainability standards. The CSO collaborates with the Board, stakeholders, and other executives to shape and implement Zain’s sustainability agenda.
- Chief Inclusion, Diversity and Equity Officer: Focuses on promoting diversity, equity, and inclusion in the workforce.
- Chief Purpose and HR Officer: Manages the company’s human capital focusing on topics such as well-being and organizational culture, aligning with the company’s overall mission and values.
- Chief Corporate Affairs & Communications Officer: Ensures compliance with corporate governance and transparency regulations, including communication on the company’s social, economic, and environmental performance.

Delegation to Other Employees

Executives further delegate responsibilities to various employees across operational levels. Specific employees within the departments of sustainability, corporate governance, and operations are given the responsibility to ensure the execution of initiatives and compliance with the company’s policies regarding its economic, environmental, and social impacts. These employees work closely with executive management to implement sustainability initiatives and monitor progress.

Reporting Process and Frequency for Managing Organizational Impacts

Executive management report back to the Board on the progress toward its strategic objectives and how the company manages its impacts. This process includes preparing quarterly performance reviews and publishing the consolidated annual Sustainability Report, Annual Governance Report, and the comprehensive Company Annual Report. These annual reports encompass all social, economic, environmental, and human rights-related impacts and are provided by the management to the Board for review and final approval.

These reporting efforts reflect the Board’s commitment and oversight on Zain’s sustainability strategies and outcomes. It also empowers executives and employees to manage and address sustainability challenges efficiently.

Governance and Reporting Process

A. Responsibility of the Board

The Board of Directors, is responsible for reviewing and approving the reported information, including the company’s material topics. The process for reviewing and approving the information generally includes the following steps:

1. Reporting Intervals: Executive management provides comprehensive reports to the Board at regular intervals, such as quarterly, semi-annually, or annually. This ensures that the Board receives timely updates and can effectively monitor the company’s performance.
2. Detailed Reporting: The reports submitted to the Board cover key performance indicators, progress updates on sustainability KPIs , initiatives undertaken, challenges faced, and future action plans. These reports are detailed and include both qualitative and quantitative data, relevant metrics, and benchmarks as needed.
3. Holistic Understanding: The reports provide a comprehensive view of the company’s sustainability performance and its impacts on the economy, environment, and people. This includes insights into regulatory environment, emerging trends, risks, and opportunities.
4. Review Process: The Board conducts assessments of the reported data. This involves evaluating the alignment of the information with the company’s strategic objectives, stakeholder commitments, and industry standards.
5. Specialized Committees and Auditors: The review process often involves specialized committees, independent auditors, and internal stakeholders to ensure a robust governance framework. These entities facilitate detailed discussions, analyses, and recommendations.

6. Final Approval: The Board’s final approval of the reported information signifies the company’s commitment to transparency and accountability. It reinforces trust and confidence among shareholders, stakeholders, and the broader business community.

Conflicts of Interest

Zain implemented a robust governance framework designed to uphold transparency and accountability. Central to this framework is a conflict-of-interest policy that ensures potential conflicts between personal and company interests are managed effectively. The Board of Directors and executive management are required to disclose any actual or potential conflicts of interest in line with this policy, which aligns with local legal requirements and global best practices.

Key processes for preventing and mitigating conflicts include:

- Disclosure Requirements: Board members must declare any personal interests related to company business or contracts to ensure transparency.
- Voting Restrictions: If a Board member has a personal interest in a decision, they are prohibited from participating in the relevant vote. This practice mitigates the risk of biased decision-making.
- Independent Expert Review: For transactions valued at 10% or more of the company’s total assets, an independent expert is appointed to submit a report to the General Assembly. This measure ensures objective evaluation before approving such transactions.
- Comprehensive Investigations: The Board investigates all reported conflicts of interest, assessing the extent and intentions behind the conflict. Where a Board member is involved, they are excused from the discussions to prevent undue influence.
- Disciplinary Measures: In cases where conflicts are confirmed, the Board retains the authority to impose disciplinary actions, including potential suspension or termination of employment.

The conflict-of-interest policy is a vital component in Zain’s value creation strategy, ensuring that the governance structure promotes long-term sustainability by aligning business practices with stakeholder interests. Transparency, accountability, and stakeholder engagement are key ESG tenets that Zain upholds through its Governance Framework. To ensure alignment with these standards, awareness training material on conflict of interest was distributed to all employees across our operations. This training serves to reinforce the importance of upholding these ethical guidelines and ensures all employees are equipped to recognize and address potential conflicts of interest. This proactive stance not only mitigates risk but also fosters trust with shareholders, employees, and the broader community, supporting the company’s value creation efforts in a competitive and responsible manner.

B. Disclosure of Conflicts of Interest to Stakeholders

Zain is committed to full transparency regarding conflicts of interest, disclosing such matters to all relevant stakeholders, including shareholders, directors, employees, and regulatory bodies. The company’s governance framework outlines the following key areas for disclosure:

- i. Cross-Board Membership: Zain requires Board members to disclose any memberships on boards of other organizations, particularly where such memberships might present a conflict of interest. These disclosures are recorded and discussed at Board meetings to prevent any influence.
- ii. Cross-Shareholding with Suppliers and Stakeholders: If a Board member or executive management holds shares in a supplier or other stakeholders, these interests must be disclosed in line with the conflict-of-interest policy. The Board evaluates such disclosures to ensure impartiality in business decisions.



- iii. Existence of Controlling Shareholders: Any transactions or arrangements involving controlling shareholders are carefully monitored. Independent reports are generated for transactions exceeding 10% of the company's total assets, with the findings presented to the Board and eventually to the AGM. This ensures that controlling shareholders do not exercise influence over company operations.
- iv. Related Parties Transactions Policy: The policy ensures that all related-party transactions, including relationships, transactions, and outstanding balances, are disclosed to the Board and stakeholders. These disclosures are also subject to auditor review, adding another layer of scrutiny to safeguard stakeholder interests.

Communication of Critical Concerns to the Board

Zain developed a comprehensive Whistleblowing policy that serves as a key mechanism for communicating critical concerns to the Board. This policy empowers employees and stakeholders to report any instances of misconduct, unethical behavior, or violations of environmental or social responsibilities. Reports submitted through this confidential and secure platform are treated with utmost seriousness and are swiftly escalated to the Board of Directors or executive management when deemed critical.

Critical concerns are communicated through a structured process that involves:

- Confidential Reporting Channels: Zain provides secure, anonymous channels for employees and stakeholders to report concerns, which include issues relating to governance, ethics, and violations of ESG principles.
- Direct Escalation: Once a report is received, internal mechanisms ensure that serious matters are escalated promptly to the Board for immediate review and action.

- Regular Updates: The executive management also provides the Board with periodic updates on the status of reported concerns, ensuring that the Board is informed of the nature, extent, and corrective actions related to these issues.

This process strengthens Zain's governance structure by embedding transparency and accountability into decision-making processes. By addressing critical concerns efficiently, Zain not only mitigates potential risks but also enhances its value creation, as a company committed to ethical practices, long-term sustainability, and stakeholder trust.

During the reporting period, no critical concerns were communicated to the Board.

The Board and Sustainable Development

Zain places a strong emphasis on advancing the knowledge, skills, and experience of its Board in sustainable development. To achieve this, the company continuously updates training programs for Board members to include relevant ESG principles, industry-specific guidelines, and emerging regulatory requirements. These training modules equip the Board with the knowledge necessary to proactively address sustainability challenges and align the company's operations with its broader objectives of responsible growth and value creation.

Board Evaluation

The Board conducts a self-assessment process annually to evaluate its performance in overseeing the company's impacts on the economy, environment, and people. This comprehensive evaluation assesses the Board's effectiveness in several key areas:

- Governance and Compliance: Ensuring adherence to corporate governance principles and ethical standards.
- Strategic Direction and Decision-making: Evaluating the Board's role in setting strategic goals and integrating sustainability into business strategies.
- Risk Management: Reviewing the Board's effectiveness in identifying and mitigating ESG-related risks.
- Stakeholder Engagement: Measuring the Board's communication and engagement with shareholders, employees, and other key stakeholders.
- Financial Oversight: Ensuring the sustainability of the company's financial health through responsible financial oversight.

Through this evaluation, the Board assesses its alignment with Zain's mission and vision, particularly in terms of creating long-term sustainable value.

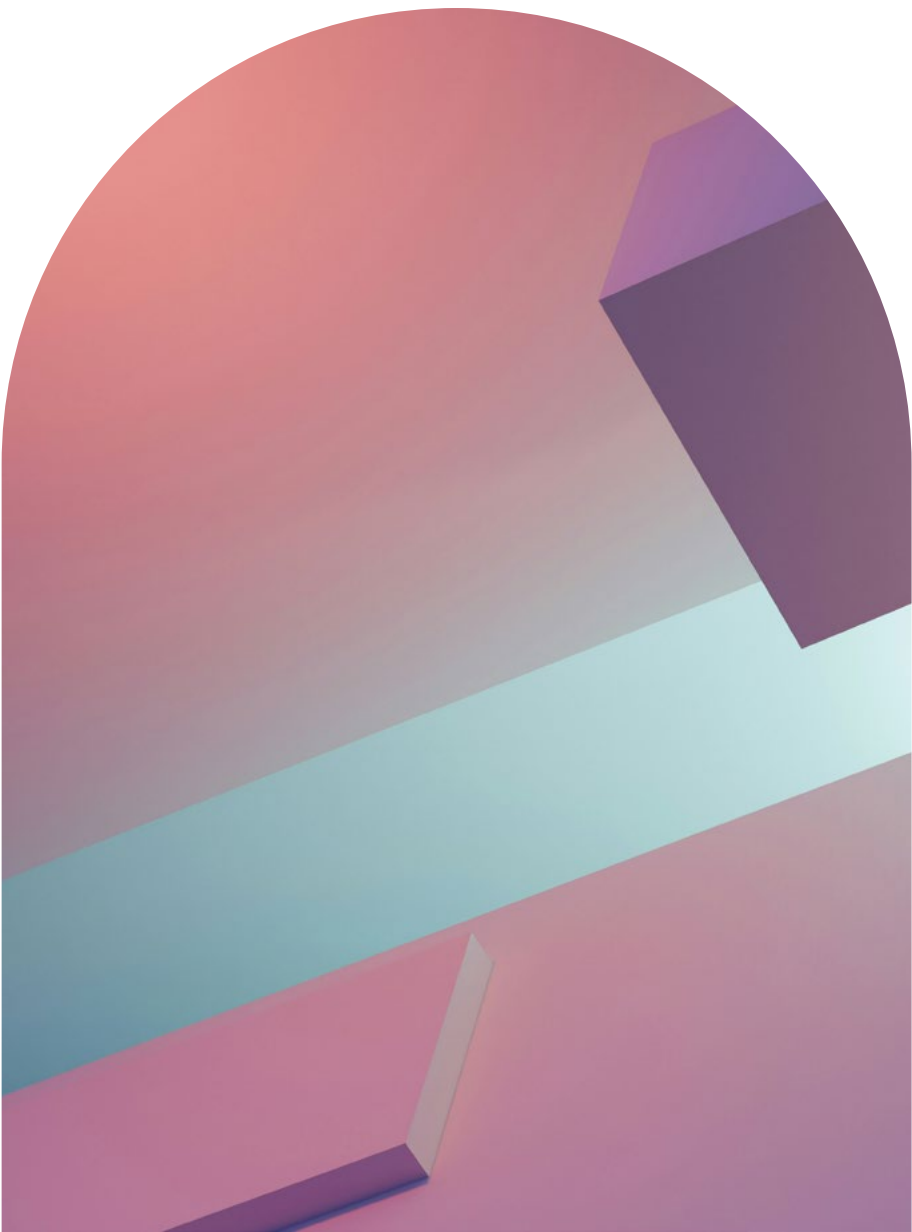
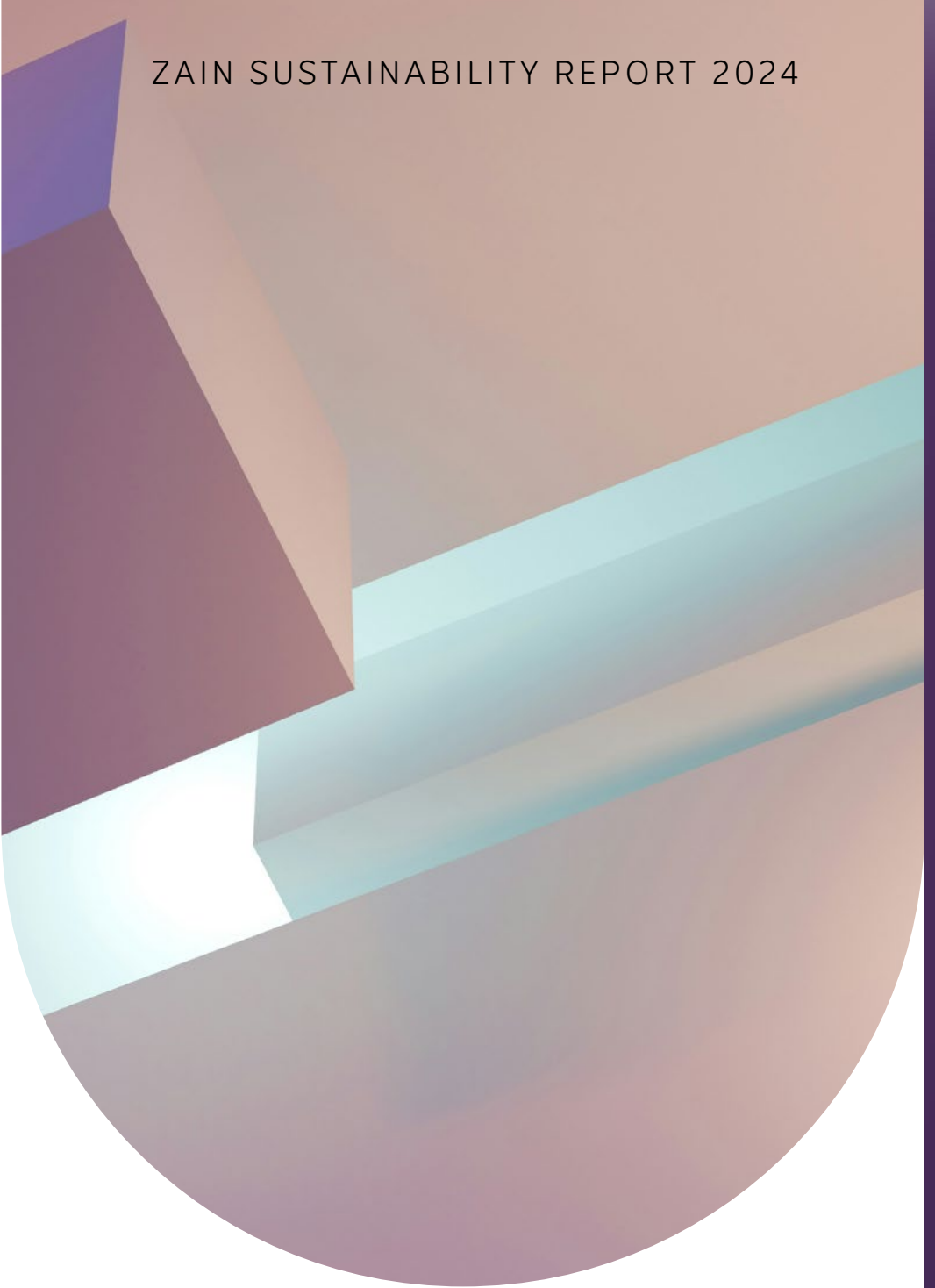
A. Independence and Frequency of Evaluations

The evaluations of the Board are conducted annually to ensure a regular and systematic review of the Board's performance in overseeing the company's ESG impacts. While the evaluations are not independent, they are comprehensive and incorporate best practices, including criteria used by PwC in previous years. The Board also includes amendments to reflect recent regulatory trends and sustainability requirements, making the process robust and aligned with evolving governance standards.

B. Actions Taken in Response to Evaluations

Based on the findings from the self-assessments, the Board takes several key actions to enhance its governance practices:

1. Updating Training Plans: In response to identified gaps, the Board refines its training programs to ensure that members are current with the latest ESG trends, regulations, and best practices.
2. Enhancing Board Composition: Changes to the Board's composition, where necessary, including adding an independent member who brings a strong background in corporate governance, risk management, and finance, with extensive experience consulting for regulatory bodies and overseeing banking institutions. His expertise includes chairing risk and investment committees, contributing to the development of governance policies, and participating in key government initiatives aimed at improving performance and sustainability.
3. Organizational Improvements: Adjustments are made to organizational practices, particularly around risk management, governance, and stakeholder engagement, to align with sustainable business practices and the company's long-term objectives.





Anti-Corruption

The Board plays a pivotal role in establishing a robust control framework that integrates a comprehensive set of standards, processes, and structures, ensuring effective internal controls throughout the organization. It oversees the implementation of a thorough anti-corruption system, closely monitoring the executive management’s performance in executing the policy. A key priority of the Board is to embed awareness of the anti-corruption policy within the corporate culture, highlighting its critical importance. Notably, in 2024, Zain incurred zero costs related to corruption fines or penalties, reflecting the strength of its governance practices.

In addition, the Board maintains open and transparent communication with shareholders and stakeholders, ensuring the timely and accurate disclosure of essential information. This approach is in line with the highest industry standards, promoting accuracy, coherence, and credibility. Both the Board and executive management are committed to addressing the company’s social impacts and creating sustained value for its communities in an inclusive and progressive manner.

Zain’s anti-corruption policies and procedures were communicated to all relevant stakeholders, including Board members, employees, business partners, and suppliers, across all the company’s operational markets. The policy is also publicly available on the company’s website, ensuring easy access for all stakeholders to familiarize themselves with the company’s ethical standards.

Board members, employees, and other stakeholders were provided with training on the anti-corruption policy through email communications and video materials, available on the company’s website. To ensure accountability, tracking mechanisms have been implemented to verify that all stakeholders have received and reviewed the information, and this will continue to be monitored throughout 2025.

In 2024, the Board met for a total of 11 meetings. Meetings between the Board and Zain’s executive management occur periodically or as necessary. The Board delegates authority over economic, social, environmental, and human rights matters to the executive management team, in alignment with the specific responsibilities of each senior executive. Zain is committed to aligning its business strategy with its Corporate Sustainability strategy, which focuses on delivering "Meaningful Connectivity" that drives systemic change.

Incidents of Corruption: Zain reported zero confirmed incidents of corruption during the course of 2024. No employees were dismissed or disciplined for corruption-related activities. No contracts with business partners were terminated or not renewed due to corruption violations. There were no public legal cases brought against the company or its employees regarding corruption during the reporting period.

The Board meets with Internal Audit, Risk Management, and Finance teams at least quarterly, as mandated by laws and regulations, receiving regular updates on performance and strategy. Additionally, the Board retains the discretion to invite any member of the executive management to participate in these meetings as needed.

Remuneration Policies for Members of the Board and Executive Management

A. Remuneration Policy Overview:

Zain’s remuneration policy ensures a balance between fixed, and variable pay for members of the Board and executive management. Fixed remuneration is based on the responsibilities and the specific career paths of individuals, reflecting their value to the company. Variable remuneration, on the other hand, is tied to the achievement of predefined goals, both financial and non-financial, to motivate and reward executive management based on individual and company performance.

- i. Sign-on Bonuses or Recruitment Incentive Payments:

Sign-on bonuses or recruitment incentives are provided as needed, particularly when attracting top-tier talent. These incentives are aligned with the company’s strategic objectives and competitive market conditions.

- ii. Termination Payments:

Termination payments are included as part of the approved contractual agreements, compliant with applicable laws. These may consist of end-of-service indemnity as stipulated by Zain’s human resources policies and contractual agreements.

- iii. Retirement Benefits:

Retirement benefits include end-of-service indemnities and other benefits as per the applicable laws and regulations, ensuring that these packages remain competitive and aligned with Zain’s human resources policies.

Board Remuneration

The total remuneration for the Board shall not exceed 10% of the company’s net profits, calculated after accounting for depreciation, reserves, and the distribution of dividends to shareholders, which will not be less than 5% of the company’s capital, or a higher percentage as outlined in the Articles of Association.

Board remuneration is subject to approval during the Annual General Meeting of shareholders, based on recommendations from the Board Nomination and Remuneration Committee (BNRC) and the Board itself.

The Executive Management Remuneration System considers the operational environment, performance results, and the company’s risk tolerance. The key components of this system include:

Fixed Remuneration

Fixed remuneration is determined by the level of responsibilities assigned and the specific career path of each executive member. A remuneration index is established for each position, reflecting its value to the company. This index is reviewed annually by the BNRC, in collaboration with relevant departments such as Human Resources, to reassess the total remuneration package, market conditions, and the performance of various divisions. Fixed remuneration encompasses salaries, allowances, benefits, and end-of-service indemnities, all awarded in accordance with the approved salary and grading structure, applicable laws and regulations, and the manual of contractual agreements issued by Human Resources.

Variable Remuneration

Variable remuneration is contingent upon the achievement of predefined goals and is designed to motivate and reward members of executive management. Variable bonuses are allocated based on both individual performance and the overall

performance of the company. At Zain, variable remuneration consists of two elements: annual variable remuneration, granted to employees on a yearly basis, and multi-annual variable remuneration, awarded over multiple years to emphasize the Board’s focus on short-, medium-, and long-term objectives. The annual objectives include both financial indicators, representing financial targets for the company and its departments, and non-financial indicators, reflecting operational objectives achieved through specific activities and initiatives, such as product launches or strategic investments.

Independent Oversight:

The BNRC oversees the design and implementation of Zain’s remuneration policies. It operates independently, ensuring that remuneration aligns with best practices in good governance, shareholder interests, and regulatory requirements. Annually, the BNRC reviews and updates the remuneration policy to reflect changes in the market and internal performance.

Reporting of Stakeholder Votes:

Votes on remuneration policies and proposals are conducted during the AGM, where shareholders are invited to vote on the recommendations made by the BNRC. Results of these votes are disclosed transparently as part of Zain’s commitment to good governance and accountability.