

December 07, 2025

The Shari'ah Supervisory Committee Report

Shari'ah Supervisory Committee's report to the shareholders of Al-Etihad Cooperative Insurance Company on the state of compliance with Shariah standards and guidelines during the year ended 31 December 2024.

1. Introduction

Praise be to Allah, Lord of the worlds, and peace and blessings be upon Mohammed, the leader of Prophets and Messengers, and upon his family and Companions, and upon those who follow his Guidance Until the Day of Judgment.

We, collectively, having been appointed as the Shari'ah Supervisory Committee ("SSC") of Al-Etihad Cooperative Insurance Company (the "Company"). We have fulfilled our responsibilities in respect of ensuring the Company's compliance with Shari'ah standards and guidelines approved by us and are pleased to issue this report.

2. Opinion

Primary Opinion

Based on our (i) oversight and supervision of the Company's affairs related to Shari'ah compliance, and (ii) a period-specific review of the activities performed, we report that in our opinion, the Company's financial arrangements, contracts and transactions with its customers, other financial companies and stakeholders for the year ended 31 December 2024 are in compliance with Shari'ah standards and guidelines approved by us.

Additional Opinions

- a. Convening four meetings during the year.
- b. Issuing fatwas, resolutions and opinions on matters presented to the SSC in relation to the Company's activities.
- c. Verifying the Zakat Certificate, as it is calculated by the Zakat, Tax, and Customs Authority.
- d. Approving corrective and preventive measures related to identified incidents to preclude their recurrence in the future.
- e. Providing direction to relevant parties in the Company – to rectify (where possible) incidents cited in the reports prepared by Shari'ah audit – and issuance of resolutions to set aside revenue derived

from transactions in which non-compliance were identified to be disposed towards charitable purposes.

- f. Confirming that the Company's two accounts, namely the shareholder and the Policyholders account, are being segregated.
- g. Verifying both the surplus distribution method and deficit treatment method in the policy holders account in the event of their occurrence.

3. The Purification:

The vast majority of the investment venues comply with the Shari'a Supervisory Committee guidelines. However, 1% of the Company's total investments are in Shari'a non-compliant bonds, and deposits, which generated an interest income. Consequently, this requires subsequent purification, amounting to SAR 0.086 per share. As per the management's decision, the responsibility for this purification lies with the Company's shareholders.

4. Our Responsibilities

Our responsibilities in respect of the Company's compliance with Shariah standards and guidelines include providing supervision, Shari'ah rulings on the products, services and operations of the Company, particularly regarding the design of the transactions (including approval of contracts, related documents, process flows, etc.). We are also responsible for supervising and providing our input where needed about the execution of such transactions and implementation of our decisions. We are also required to perform a period-specific review of the state of compliance of the Company with Shariah standards and guidelines.

5. Shariah Standards and Guidelines as Applicable to the Company

The Shariah Standards and Guidelines contained herein sets out as at today's date certain matters of Sharia compliance as adopted and interpreted by us for the year ended 31 December 2024, and defined for the purposes of this report (in no particular order) as follows:

- a) the Shari'ah standards issued by the Accounting and Auditing Organization for Islamic Financial Companies (AAOIFI) and Shari'ah-related requirements of the applicable financial accounting standards issued by AAOIFI;
- b) Shari'ah rulings of the Company's SSC [including the interpretation provided by the SSC of the requirements of (a) above, where needed].

6. SSC's Independence and Ethical Considerations

We confirm that we have complied with all ethical and independent requirements, as applicable to us, during the year/period of the report, until the date of issuance of this report. These requirements include those specified in [IFSB-AAOIFI RSGF/AAOIFI GS 1 and 5] and AAOIFI Code of Ethics for Islamic Finance Professionals.

7. The Responsibilities of the Management and the Board of Directors

The Responsibilities of the Board

The board of directors (the “Board”) of the Company has an oversight responsibility to ensure that an effective and robust Sharī’ah compliance environment and culture exists at the company. The Board is responsible for the establishment of a good governance and control framework for the Company and the development of a strategy for compliance with Shariah standards and guidelines, and for oversight of the management in implementing the same and in achieving the desired objectives.

Responsibilities of the Management

Management has the responsibility to implement the Sharī’ah governance framework and to ensure that Sharī’ah compliance is embedded in the day-to-day functioning of the company. The management is responsible for ensuring that the financial arrangements, contracts, and transactions having Sharī’ah implications, entered into by the company with its customers and other stakeholders and related policies and procedures, are, in substance and in their legal form, in compliance with the requirements of Shariah standards and guidelines. Management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to compliance and maintenance of relevant accounting records.

8. Report Approval and Authentication

This report is duly approved and signed by all the members of the SSC, as follows. The report has been approved unanimously except for the dissenting opinion(s) provided below.

We beg Allah the Almighty to keep us on the right path and to grant us success.

No	Name	Designation	Signature
1	Shaikh Muhammad Ahmad	Chairperson (Sharī’ah scholar)	
2	Shaikh Dr. Salah Al Shalhoob	Member (Sharī’ah scholar)	



SHARIYAH
REVIEW BUREAU
C.R. 56329-01
KINGDOM OF BAHRAIN