

GOVERNANCE REPORT 2023

Gulf Pharmaceutical Industries - **Julphar**



CONTENT TAB

Overview of Gulf Pharmaceutical Industries-Julphar	3
Corporate governance system measures taken during 2023 and implementation	4
Ownership and transactions in company securities by Board members, their spouses, and their children during 2023	4
Formation of Board of Directors	6
External Auditor	16
Audit Committee	18
Nomination and Remuneration Committee	20
Insider Transaction Follow-up and Supervision Committee	21
Board Committees	22
Internal Audit	25
Details of violations committed during 2023, the causes, and how to address them and avoid recurrences in the future	26
The company's cash and in-kind contributions to local community development and environmental conservation during 2023	26
General information	28

Overview of Gulf Pharmaceutical Industries - Julphar Company

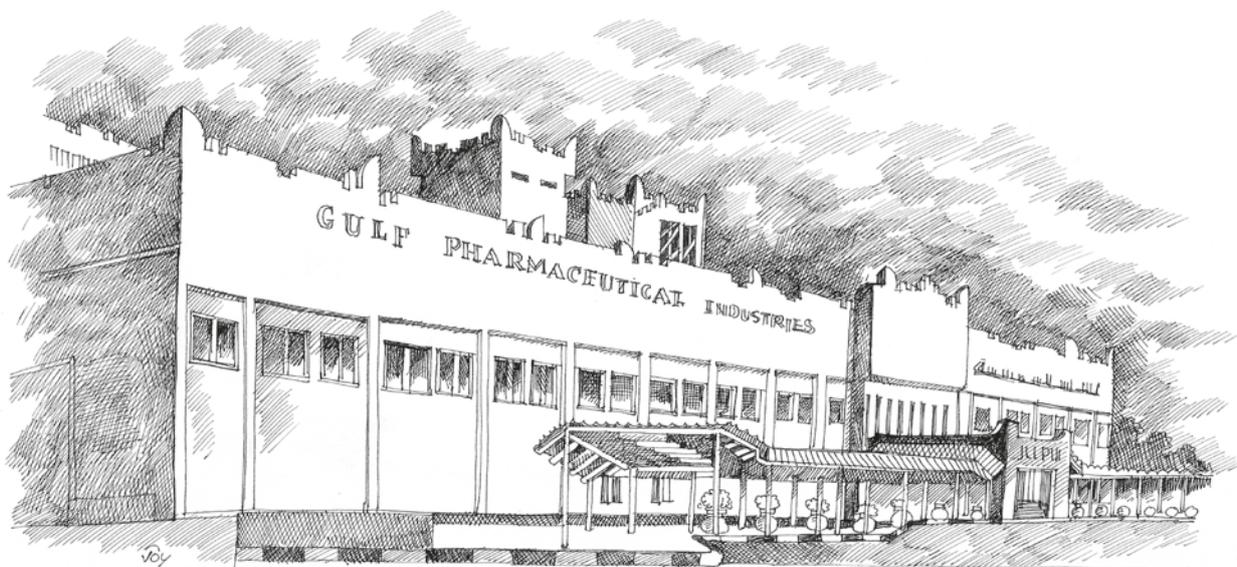
Gulf Pharmaceutical Industries - Julphar, which was established in 1980 under the guidance of His late Sheikh Saqr bin Mohammed Al Qasimi, is one of the largest pharmaceutical manufacturing companies in the Middle East and Africa. It is listed on the Abu Dhabi Securities Exchange.

The company has cemented its leading market position over four decades by providing high-quality medical solutions and medications at affordable prices to families around the world. It is one of the largest insulin manufacturers in the world and the only one in the United Arab Emirates. Julphar has a strong market position in the UAE, Saudi Arabia, Iraq, Egypt, Algeria, Libya, Kuwait, Bahrain, Lebanon, Jordan, Oman, Tunisia, Ethiopia and Yemen.

Its business revolves around two main units: General Medicines and Julphar Diabetes. The company exports a wide range of pharmaceutical products in more than 30 countries. It operates 12 internationally accredited manufacturing facilities.

Planet Pharmacies, a wholly owned subsidiary of Julphar, is a leading pharmaceutical distributor in the Middle East, including a strong retail pharmacy network in the UAE, Saudi Arabia and Oman.

The company conducts robust research and development activities with more than 100 scientific staff, medical and regulatory affairs experts and has more than 3,385 employees in 16 countries.



Corporate governance system measures taken during 2023 and how they were implemented.

Gulf Pharmaceutical Industries Company - Julphar is committed to providing accurate, integrated, and up-to-date information to stakeholders, in accordance with legislative and regulatory requirements within a framework of transparency.

In accordance with the Corporate Governance Rules, the Board of Directors elected during 2023 is composed by a majority of independent and non-executive members. Its standing committees Nomination and Remuneration Committee and Audit Committee were established. Furthermore, the Strategy and Investment Committee and the Quality and Technical Committee were also established. The company complied with women's representation on the Board of Directors.

The company follows a transparency and disclosure policy which in turn reflects all the disclosure requirements (financial and non-financial disclosures) within the applicable statutory periods.

Ownership and transactions in company securities by Board members, their spouses, and their children during 2023

S.N	Name	Position	Shares held as at 31/12/2023	Total Sale Transaction	Total Purchase Transaction
1	Sheikh Saqer Humaid Alqasimi	Chairman	0	0	0
2	Mr. Rabih Khouri	Vice-Chairman	0	0	0
3	Mr. Abdulaziz Abdulla Alzaabi	BOD Member	0	0	0
4	Mr. Hamody A.H. Al limy	BOD Member	0	0	0
5	Mr. Mr. Raman Garg	BOD Member	0	0	0
6	Mrs. Olfa Gam	BOD Member	0	0	0
7	Mr. Abboud Bejjani	BOD Member	0	0	0
8	Mr. Medhat Abouelasrar Al Gamal	BOD Member	0	0	0
9	Mr. Jean Maroun Diab	BOD Member	0	0	0

During 2023, the company's securities were not traded by any of the spouses or children of Board of Directors members, nor do they own any securities in it.



Formation of Board of Directors

Statement of formation of the current Board of Directors:

Julphar's articles of association stipulate that the company shall be managed by a board of directors consisting of nine members elected by the General Assembly Meeting of shareholders by secret cumulative vote.

The formation of the Board of Directors must take into account the provisions of the Commercial Companies Law, as amended, and the regulations issued in implementation thereof.

Nominations for Julphar Board of Directors membership were opened in March 2023, and the following Board members were elected at the General Assembly Meeting convened on 13 April 2023.

S.N	Name	Title
1	Sheikh Saqer Humaid Alqasimi	Chairman
2	Mr. Rabih Khouri	Vice-Chairman
3	Mr. Abdulaziz Abdulla Alzaabi	Board of Directors Member
4	Mr. Hamody A.H. Al limy	Board of Directors Member
5	Mr. Raman Garg	Board of Directors Member
6	Mrs. Olfa Gam	Board of Directors Member
7	Mr. Abboud Bejjani	Board of Directors Member
8	Mr. Medhat Abouelasrar Al Gamal	Board of Directors Member
9	Mr. Jean Maroun Diab	Board of Directors Member



Sheikh/ Saqr bin Humaid Al Qasimi
Chairman

Category: Non-executive and non-independent

Experience and qualifications: Bachelor's degree in Finance from California State University in the United States of America. More than 25 years of experience in the equities, commodities, and currency markets.

Experience in private equity management in several sectors, including logistics, education, healthcare, real estate, and its F&B and experience in the military sector.

Time as a Board of Directors member since his first election: Since 2005

Memberships and positions in any other joint-stock companies: None

Any other important regulatory, governmental, or commercial positions: None



Mr. Rabih Khouri

Vice Chairman

Category: Non-executive and independent

Experience and qualifications: Master of Engineering from École Centrale Paris and Master of Business Administration from Cambridge University, CPA, more than 25 years of experience in investments and consulting.

Time as a Board of Directors member since her first election: Since 2021.

Memberships and positions in any other joint-stock companies:

Board of Directors member at Ras Al Khaimah Gas.

Board of Directors member at Ras Al Khaimah Economic Zones (RAKEZ) Authority.

Executive Committee member at Ras Al Khaimah Ports, RAKEZ, and Stevin Rock.

Any other important regulatory, governmental, or commercial positions: Chief Investment Officer at the Investment and Development Office (IDO) in the Emirate of Ras Al Khaimah.



Mr. Abdulaziz Abdullah Al Zaabi

Board of Directors Member

Category: Non-executive and independent

Experience and qualifications: Bachelor's degree in international business administration from San Jose University in the United States of America; more than 30 years of business management experience in real estate, banking, real estate and banking investments; experience in Federal National Council affairs.

Time as a Board of Directors member since his first election: Since 2017.

Memberships and positions in any other joint-stock companies:

Chairman of RAK Properties Company.

Any other important regulatory, governmental, or commercial positions:

Former Second Deputy Speaker of the Federal National Council.

Chairman of Ras Al Khaimah Charity Association.



Mr. Hamody A.H. Al limy
Board of Directors Member

Category: Non-executive and independent

Experience and qualifications: PhD in chemistry and more than 40 years of experience in the pharmaceutical industry.

Time as a Board of Directors member since his first election: Since 2022.

Memberships and positions in any other joint-stock companies: None in UAE.

Board Member of the Arab Company for Drug Industries and Medical Appliances (Acdimia).

Chairman of the Arab Company for Drugs – Sudan.

Chairman of Arab Pharmaceutical Company Tassili – Algeria.

Any other important regulatory, governmental, or commercial positions: None in UAE.



Mr. Raman Garg
Board of Directors Member

Category: Non-executive and independent

Experience and Qualifications: 30 years of experience in global multinational companies and private equity funds including Sequoia Capital, Max New York Life Insurance Company, The Coca-Cola Company, PepsiCo, AkzoNobel, and ITC.

Certified Chartered Accountant by the Institute of Chartered Accountants of India.

Cost Accountant with the Institute of Cost Accountants of India.

Secretary with the Institute of Company Secretaries of India.

Time as a Board of Directors member since his first election: Since 2020.

Memberships and positions in any other joint-stock companies:

General Manager of Ras Al Khaimah Poultry & Feeding Company.

Any other important regulatory, governmental, or commercial positions:

Chief Financial Officer of Al Hamra Group in the Emirate of Ras Al Khaimah.



Mrs. Olfa Gam

Board of Directors Member

Category: Non-executive and independent

Experience and qualifications: More than 25 years of experience in the pharmaceutical and biotechnology industry, especially in Europe, in the operations field.

Industrial Engineer and MBA.

Certified Black Belt.

Time as a Board of Directors member since her first election: Since 2021.

Memberships and positions in any other joint-stock companies: None.

Any other important regulatory, governmental, or commercial positions: None.



Mr. Abboud Bejjani

Board of Directors Member

Category: Non-executive and independent

Experience and qualifications: Advanced Management Harvard Business School, Boston.

Master of Finance, Saint Joseph University of Beirut, Lebanon.

Managing Partner in Informed Company in the Healthcare and Life Sciences Consulting Department.

Certified Principal Consultant for multinational healthcare consultancy companies

Time as a Board of Directors member since his first election: Since 2020

Memberships and positions in any other joint-stock companies: None in UAE

Board of Directors member at Ultra Group, Saudi Arabia

Former Vice President of AbbVie and Abbott, Former MENA chairman for PhRMA

Any other important regulatory, governmental, or commercial positions: None



Mr. Medhat Abouelasrar Al Gamal

Board of Directors Member

Category: Non-executive and non-independent

Experience and qualifications: Bachelor's degree in pharmaceutical sciences; more than 45 years of experience in sales, distribution, and management of various departments in pharmaceutical and medical preparations companies.

Time as a Board of Directors member since his first election: Since 2019.

Memberships and positions in any other joint-stock companies: None.

Any other important regulatory, governmental, or commercial positions: None.



Mr. Jean Maroun Diab

Board of Directors Member

Category: Non-executive and independent

Experience and qualifications: Master's in Finance, Durham University.

Head of Investment at the Investment and Development Office (IDO) in the Emirate of Ras Al Khaimah.

Former Director of KAMCO, former Associate in Eastgate Capital and Consultant in Ernst & Young.

Time as a Board of Directors member since his first election: 2023.

Memberships and positions in any other joint-stock companies: None.

Any other important regulatory, governmental, or commercial positions: Board of Directors member at:

Planet Pharmacies LLC.

Arabian Healthcare Group.

Ras Al Khaimah Medical and Health Sciences University.

American University of Ras Al Khaimah.

Statement of women's representation on the Board of Directors for 2023

The company fulfilled the required women's representation on the Board of Directors. At the General Assembly Meeting convened on 13 April 2023, Ms Olfa Gam was re-elected to the company's Board of Directors as a non-executive and independent member. Ms Gam holds a Bachelor's degree in Industrial Engineering from the National Engineering School of Tunis and an MBA from Vlerick Business School in Belgium. She has more than 24 years of experience in the pharmaceutical and biotechnology industry and a proven track record of leading industrial and operational transformation.



Rewards, allowances, and fees received by Board of Directors members

Total remuneration paid to Board members for 2022

No remuneration was paid to Board of Directors members for 2022. Article 38 of the company's Articles of Association, however, stipulates that "Fees may be paid to a Board of Directors member in a lump sum not exceeding AED 200,000 (two hundred thousand dirhams) at the end of the fiscal year, subject to Meeting approval, in the following cases:

The company does not achieve profits. ..."

On that basis, the payment of total fees of AED 1,800,000 to Board of Directors members was approved at the General Assembly Meeting convened on 13 April 2023.

Total proposed remuneration for Board of Directors members for 2023, which will be presented at the annual General Assembly Meeting for approval

The Board of Directors remuneration item will be presented and discussed in the General Assembly Meeting on April 22nd, 2024.

Details of the allowances that Board of Directors members received for 2023 for attending sessions of the Board committees

No allowances were paid during 2023 to any Board members for attending sessions of the Board committees.

Details of the additional allowances, salaries, or fees received by a Board of Directors member, other than committee attendance allowances, and the reasons for the same

In 2023, Sheikh Saqer bin Humaid Al Qassimi received an amount of AED 720,000 for representing Planet Pharmacies LLC and its branches in front of governmental bodies concerned with commerce and health. He undertook this action to adhere to the legal representation mandates of those entities and to accommodate Planet's corresponding necessity, in accordance with the prescribed procedure in both the United Arab Emirates and the Sultanate of Oman.

Sheikh Saqer bin Humaid Al Qassimi has been one of the representatives of Planet Pharmacies LLC and its branches in this legal capacity since 2016. He received the financial compensation determined by the Planet board of directors for that representation after having been appointed by its board of directors and notified the Julphar Board of Directors.

Number of Board of Directors meetings held during fiscal year 2023

S.N	Date of Meeting	Number of Attendees	Number of Proxy Attendees	Names of Absent Directors
1	14/02/2023	9	0	0
2	16/03/2023	8	0	Jamal Salem Al Nuaimi *
3	11/05/2023	9	0	0
4	10/08/2023	6	0	Rabih Khouri, Olfa Gam, and Medhat Abu Al-Asrar
5	10/11/2023	8	0	Rabih Khouri

*Former Board of Directors member

Number of Board of Directors resolutions issued by circulation during fiscal year 2023

During the year 2023, the Board of Directors issued seven decisions by circulation, and the table below shows their dates:

Date of Passing Decision	08/02/2023	02/03/2023	13/06/2023	20/06/2023	11/09/2023	23/11/2023
No.	1	1	2	1	1	1

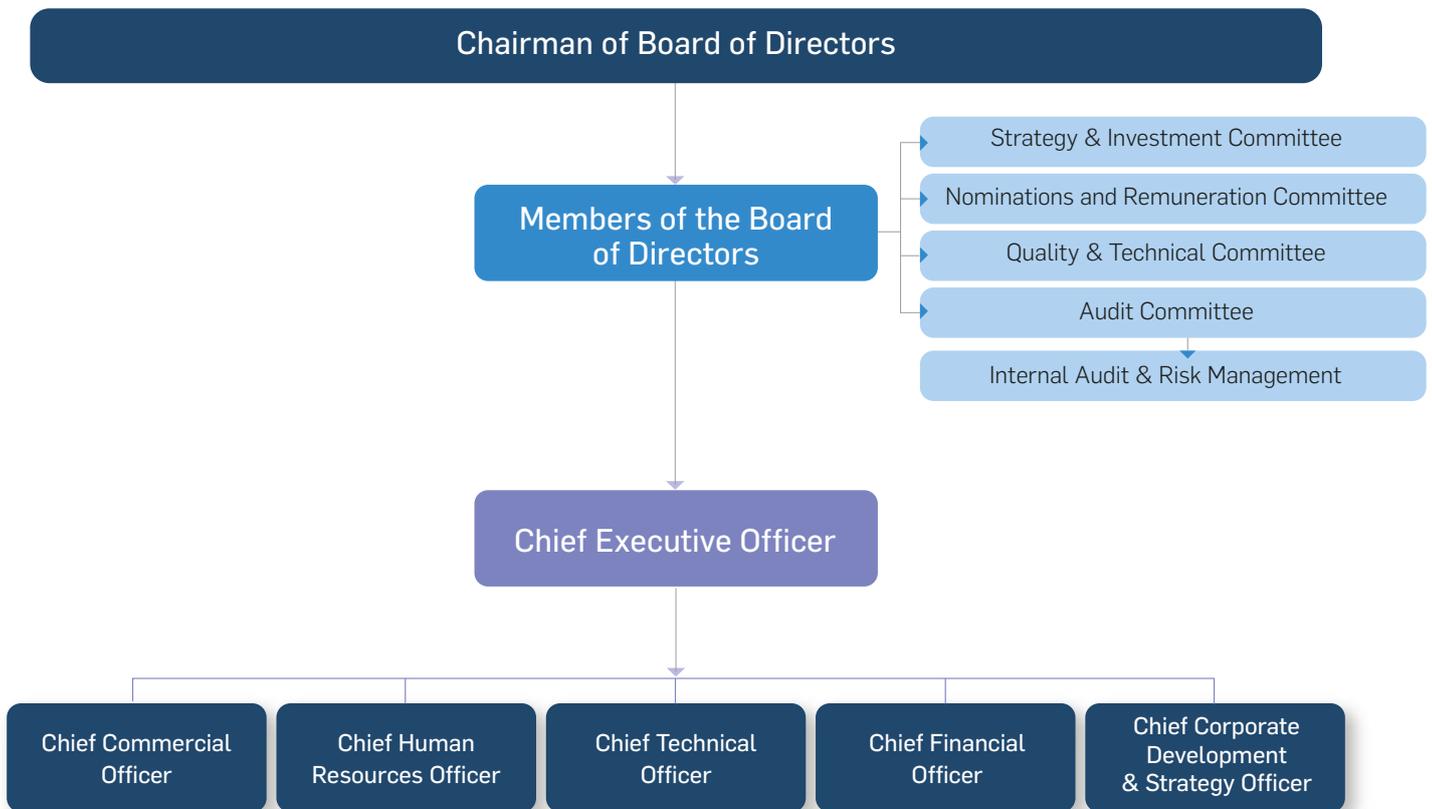
Board of Directors duties and powers carried out by a Board or Executive Management member during 2023 based on a delegation from the Board:

During 2023, none of the members of the Board of Directors or Executive Management were delegated any Board of Directors duties or powers.

Details of transactions with related parties (stakeholders) during 2023:

No transactions with related parties (stakeholders) occurred during 2023.

Company current organizational structure



Detailed statement of senior executives in the first and second ranks as per the organizational structure, their jobs and dates of appointment, and a statement of the total salaries and bonuses paid to them:

The Julphar executive management carries out its primary role of managing day-to-day business in accordance with the responsibilities and tasks entrusted to it and the powers delegated to them by the Board of Directors, within the framework of the Governance Rules, the articles of association and the powers delegated by the Board of Directors. It carries out its work in accordance with the mechanism for achieving the company's planned goals.

“ On February 13, 2023, Mr Basel Ziyadeh was appointed as the new CEO of the company after Mr Essam Farouk, the previous CEO, resigned for personal reasons. Furthermore, on July 3, 2023 Mr Malik Metahri was appointed to the position of Chief Technical Officer, succeeding Mr Georges Ibrahim, who resigned for personal reasons. ”

The following table presents a detailed statement of senior executives in the first and second ranks as of 2023:

S.N	Position	Date of appointment	Total salaries and remuneration paid in 2023 (AED)	Total bonuses paid in 2023 (AED)	Any other cash/ in kind bonuses for 2023 or due in the future	*Date of resignation
1	Chief Executive Officer	13/02/2023	2,286,523	-		-
2	Chief Financial Officer	09/05/2022	1,345,836	99,972		-
3	Chief Corporate Development & Strategy Officer	01/10/2019	1,421,000	142,800		-
4	Chief Commercial Officer	03/08/2020	930,000	124,620		-
5	Chief Human Resource Officer	03/05/2020	604,800	82,253		-
6	Chief Technical Officer	03/07/2023	683,501	-		-
7	Chief Executive Officer	05/04/2020	521,283	945,000		28/02/2023
8	Chief Quality Officer	28/04/2019	364,000	112,464		28/04/2023

*Date of resignation: for those who resigned during 2023

External Auditor

Overview Of The Company's Auditor:

Ernst & Young is one of the largest professional services firms and one of the four largest audit firms in the world. It has a presence in more than 150 countries around the world and is a leader in providing audit, professional consultancy, and tax services.

At the annual General Assembly Meeting convened on 13 April 2023, the shareholders voted to reappoint Ernst & Young as auditor for fiscal year 2023, and their fees were set at AED 654,025.

Statement of fees and costs for the audit or services provided by the external auditor, according to the following table:

Name of the Audit office:	Ernst & Young Middle East (Dubai Branch)
Name of the partner Auditor:	Ms. Wardah Ebrahim
Number of years spent as an external Auditor or the company:	5 years
Number of years the partner Auditor has spent Auditing the company's accounts:	2 years
Number of years the partner Auditor has spent Auditing the company's controlling entities accounts:	4 years
Total audit fees for 2023 (AED)	AED 1,266,225
Fees and costs of other special services other than Auditing the financial statements for the year 2023 (AED):	AED 3,927,350

Statement of other services provided by another external Auditor during 2023

Name of Auditor:	Details of services provided
Moore Stephens	Accounting consulting services
Moore Stephens	Inventory count
Price water rhouse Coopers	Tax consulting services
Price water house Coopers	Accounting consulting services
Price water house Coopers	Reorganisation and structuring advisory services
KPMG	Corporate tax consulting services
NIRA	Submission of the quarterly VAT return
NIRA	Filing of the ESR return for the FY22
KGRN Accounting Associates	Assistance with VAT refund
Actuarial Consultants (Abdul Rahim Abdul Wahab)	Actuarial valuation
Grant Thornton	Corporate Tax Impact assessment
UHY Jamed Chartered accountants	ESR
UHY Jamed Chartered accountants	Authority matrix review & SOP updates
UHY Jamed Chartered accountants	ADHICS audit
UHY Jamed Chartered accountants	Sales audit for Retail outlets
Push Digit Chartered Accountants	Sales audit for Retail outlets
KPMG	Advisory services

Reservations included by the company's auditor in the 2023 interim and annual financial statements

No reservations were expressed by the auditors in the company's 2023 audited annual financial statements were published on March 15, 2024.

Audit Committee

Audit Committee chair's acknowledgement of his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Committee chair, Mr. Raman Garg, acknowledges that he is responsible for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

Names of the Audit Committee members, and a statement of its powers and the tasks assigned to it:

The company's Board of Directors committees were reconstituted at its meeting No. 3 of 2023, held on 11 May 2023. The Audit Committee consists of the following members:

Committee Chairman: Mr. Raman Garg
Committee Member: Ms. Olfa Gam
Committee member from outside the company's Board of Directors: Mr. Razi Adel Dulani
Committee member from outside the company's Board of Directors: Mr. Carol Blery

The Audit Committee carries out its work in accordance with Article 61 of Securities and Commodities Authority Chairman's Resolution No. 03/Chairman of 2020 concerning Approval of the Joint Stock Companies Governance Guide. The main functions, responsibilities, and powers of the Audit Committee are to monitor and review the financial statements as well as the company's internal control and risk management systems and make the necessary recommendations to the Board of Directors regarding the administrative and financial internal control systems at the company.

The Committee also organizes contracting and interactions with the company's external and internal auditors. This is in addition to its primary role of ensuring the company's commitment to implementing all approved operational and financial policies and procedures.

Number of meetings held by the Audit Committee during 2023

S.N	Date	Attendees	Not in attendance	Purpose of meeting
1	06/02/2023	4	0	Presentation of the quarterly internal audit report and preliminary results for YE 2022
2	06/03/2023	4	0	Approval of the financial results for YE of 2022
3	04/05/2023	4	0	Review of the financial results for Q1 of 2023
4	09/05/2023	4	0	Review and approval of the financial results for Q1 of 2023
5	08/05/2023	4	0	Presentation of the quarterly internal audit
6	08/08/2023	3	1	Review and approval of the financial results for Q2 of 2023
7	15/08/2023	3	1	Presentation of the quarterly internal audit
8	07/11/2023	4	0	Review and approval of the financial results for Q3 of 2023
9	08/11/2023	4	0	Presentation of the quarterly internal audit



Nomination and Remuneration Committee

Nominations and Remuneration Committee chair's acknowledgement of his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Committee chair, Mr. Abboud Bejjani, acknowledges that he is responsible for the committee's system in the company and for reviewing its working mechanism and ensuring its

Names of the Nomination and Remuneration Committee members, and a statement of its powers and the tasks assigned to it:

As previously mentioned, the company's Board of Directors committees were reconstituted at its meeting No. 3 of 2023, held on 11 May 2023.



The Nomination and Remuneration Committee consists of the following members:

Committee Chairman : **Mr. Abboud Bejjani**

Committee Member : **Mr. Jean Maroun Diab**, who replaced Mr. Rabih Khouri in November 2023

Committee Member : **Mr. Medhat Abo Al Asrar El-Gamal**



The Nomination and Remuneration Committee carries out its work in accordance Article 59 of Securities and Commodities Authority Chairman's Resolution No. 03/Chairman of 2020 concerning Approval of the Joint Stock Companies Governance Guide. Its functions, responsibilities, and powers are principally to determine the total individual and overall remuneration for Board of Directors members in accordance with the approved procedures and to develop a remuneration policy for executive management linked to the company's performance.

The Committee is also responsible for preparing and reviewing human resources policies in accordance with relevant laws and regulations. The Committee supervises the procedures for nominating Board of Directors members and the standards and conditions for their selection.

Number of meetings held by the Nomination and Remuneration Committee during 2023

S.N	Date	Number of attendees	Number of absent
1	13/01/2023	2	1
2	06/03/2023	3	0
3	12/12/2023	2	1

Insider Transaction Follow-up and Supervision Committee

Follow-up and Supervision Committee chair's acknowledgement of his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Committee chair, Mr. Juergen Lauterbach, acknowledges that he is responsible for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

Names of the Follow-up and Supervision Committee members, and a statement of its powers and the tasks assigned to it:



Committee Chairman : **Mr. Jurgen Lauterbach**

Committee Member : **Mr. Gopa Kumar**

Committee Member : **Ms. Hessa Al Shehhi**



The functions of the insider transaction follow-up and supervision committee are to:

- ✓ Comply with the regulations of the Securities and Commodities Authority and the Abu Dhabi Securities Exchange and the amendments contained therein.
- ✓ Prepare a special register that includes principal and temporary insiders' names and information.
- ✓ Update it continuously and whenever necessary.
- ✓ Supervise insiders' records, transactions, and holdings.
- ✓ Send periodic reminders to insiders on trading ban periods and the necessity of compliance with the applicable laws and regulations.

Summary of Report on The Committee's Work During 2023

The Committee updated the list of company insiders throughout the year and on an ongoing basis with the Abu Dhabi Securities Exchange. The Committee is also in the process of reviewing and updating its internal policies.

Other Committees Approved By The Board Of Directors

In addition to the Board of Directors standing committees, it has two other committees, namely the Strategy and Investment Committee and the Quality and Technical Committee, which were reconstituted during 2023. The Board of Directors determined their members, powers, and functions as needed.

Strategy and Investment Committee

Strategy and Investment Committee chair's acknowledgement of his responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness

The Committee chair, Mr. Jean Maroun Diab, acknowledges that he is responsible for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Strategy and Investment Committee consists of the following members:

Committee Chairman	: Mr. Jean Maroun Diab
Committee Member	: Ms. Olfa Gam
Committee Member	: Mr. Abboud Bejjani
Committee member from outside the company's Board of Directors	: Mr. Karol Michalak
Committee member from outside the company's Board of Directors	: Mr. Carol Bleiry
Served as Committee Chair until September 2023	: Mr. Rabih Khouri

Competences and Assigned Functions

The Committee acts as a link between the Board of Directors and the company's management by adopting executive resolutions on matters referred to the Committee that fall within its competence.

The committee's competences include, but are not limited to, the following:

- ✓ Review and approval of strategies by the Board of Directors
- ✓ Prepare and monitor compliance with relevant legislation and regulations
- ✓ Oversee initiatives that are likely to have a material impact from a regulatory or competitive perspective on the reputation of the company and others
- ✓ Review the company's annual business plan and budget and submit recommendations for Board of Directors approval
- ✓ Supervise the evaluation of the company's performance compared to the business plan and then submit recommendations to the Board of Directors
- ✓ Review contracts related to important strategies and other essential matters related to accounting and finance, approve them within the limits stated in the Committee's charter
- ✓ Other responsibilities such as reviewing reports, economic feasibility studies, and investment risk assessments, and approving or rejecting them before presenting them to the Board of Directors for approval, and monitoring strategic projects and important transformation initiatives
- ✓ Discuss and approve management studies and recommendations regarding partnerships or making direct or indirect investments as permitted by the company's articles of association
- ✓ Carry out any other work assigned by the company's Board of Directors

Number of meetings held by the Strategy and Investment Committee During 2023

During 2023, the Strategy and Investment Committee held 16 meetings with the majority of its members in attendance.

Quality and Technical Committee

Quality and Technical Committee chair's acknowledgement of responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.

Committee chair Ms. Olfa Gam acknowledges her responsibility for the committee's system in the company and for reviewing its working mechanism and ensuring its effectiveness.



Quality and Technical Consists of The Following Members:

Committee Member: **Ms. Olfa Gam**

Committee Member: **Mr. Abboud Bejjani**

Committee Member: **Mr. Hamoudi Abbas**



Competences and assigned functions

The Board of Directors Quality and Technical Committee contributes to fulfilling the Board's oversight responsibilities with regard to quality, technical and regulatory compliance as well as scientific and technical direction.

The Committee's competences include, but are not limited to, the following:

- ✓ Review reports related to important non-financial compliance issues with the relevant personnel in the company's quality and compliance department.
- ✓ The Committee has primary oversight responsibility for all areas of quality and compliance issues (non-financial compliance).
- ✓ Supervise the company's innovations and product line strategies, evaluate the competitive position of the company's pharmaceutical portfolio and potential new treatments, monitor the company's approach to developing new markets, and monitor the company's effectiveness in research, development, and intellectual property.
- ✓ Review the development and implementation of key business policies by management, including security and safety policies, quality assurance and control policies, corporate social responsibility policies, regulatory affairs policies, production policies, etc.
- ✓ Undertake the tasks and duties assigned by the Board of Directors from time to time.

Number of meetings held by the Quality and Technical Committee during 2023

During 2023, the Quality and Technical Committee held two meetings with the majority of its members in attendance.



Internal Audit

Board's acknowledgement of its responsibility for the internal Audit in the company and for reviewing its working mechanism and ensuring its effectiveness.

The Board of Directors acknowledges that it is responsible for the Internal Audit at Julphar and for reviewing the working mechanism of the Internal Audit and ensuring its effectiveness through the work and functions of its committees. The company's Internal Audit organizes the audit and Internal Audit working procedures and follows up on the external audit work, which is an important part of implementing an effective Internal Audit, in addition to the implementation of the governance system. The Internal Audit Department works under the supervision and monitoring of the Board of Directors Audit Committee, and its role is represented in the following tasks:

- ✓ Ensure the validity and integrity of working procedures in the administrative and financial departments.
- ✓ Verify the effectiveness and efficiency of financial and administrative performance.
- ✓ Identify, address problems and monitor the implementation of corrective actions.
- ✓ Evaluate the company's risk management methods and procedures and the proper application of its governance rules.
- ✓ Verify that the company and its employees comply with the provisions of the applicable laws, regulations, and decisions that regulate its work.
- ✓ Contribute to the furtherance of financial and administrative performance by providing recommendations and suggestions to stakeholders in the company.
- ✓ Ensure the implementation of internal policies and procedures.
- ✓ Review the financial data presented to the company's senior management for the preparation of the financial statements.

Internal Audit department director's name, qualifications, and date of appointment

The Company's Internal Audit Department is headed by Mr. Yasser Fouad who was appointed on 16th May, 2021, a Certified Internal Auditor (CIA) USA and Associated Chartered Accountant (ACCA), Association of Chartered Certified Accountants, UK, Certified Management Accountant (CMA), USA and holds a Bachelor Degree of Commerce of the Arab Republic of Egypt.

Compliance officer's name, qualifications, and date of appointment

Mr. Ahmed Kamal holds the position of compliance officer in the company in February 10, 2022 in addition to his position as Head of the Legal Affairs Department.

He is a qualified legal counsellor. He holds a Bachelor of Law Degree and is registered as an appellate lawyer with the Egyptian Bar Association. He has more than 10 years of extensive legal and professional experience in several sectors, including, real estate and pharmaceutical industries, in the Middle East and North Africa.

He has worked in the legal departments of several companies and institutions, such as Al Hamra Group LLC, Al Marjan Island, DAMAC Properties, and other prestigious institutions and law firms in the UAE.

How the Internal Audit Department handles any major problems in the company or those disclosed in the annual reports and accounts

The Internal Audit Department has a continuous monitoring program for audit observations. It involves working with the relevant departments, developing agreed-upon corrective and preventive procedures, setting deadlines for compliance with the same at the specified times, and continuous follow-up to ensure that they are completed as agreed upon.

Number of reports issued by the Internal Audit Department to the company's Board of Directors.

The Internal Control Department issued four reports during 2023 to the Audit Committee, which in turn presents them to the company's Board of Directors.

Details of disclosure violations committed during 2023, the causes, and how to address them and avoid recurrences in the future

The company did not commit any violations during 2023 with regard to the disclosure of interim and annual financial reports or other required disclosures.

The company's cash and in-kind contributions to local community development and environmental conservation during 2023

During 2023, the company made no cash payments. However, it has significantly contributed to enhancing the local community's environmental development through the following measures.

Blood donation campaign: In 2023, Julphar Clinic partnered with the Emirates Cancer Society and Emirates Health Service to organize four vital blood donation campaigns. Julphar Clinic was established as an integrated medical facility and aiming to provide healthcare services to our employees and their families. The clinic coordinates with hospitals and medical centres to ensure the highest quality of medical support is provided and strives to continuously add new scopes of services to accommodate for the changing needs of our employees. Through these initiatives, 194 Julphar staff members voluntarily donated blood for patients in need.

Campaign for early detection of breast Cancer: Additionally, Julphar Clinic, in collaboration with Emirates Cancer Society, actively participated in the Zayed al Khair Pharmacy event, providing essential medication to approximately 200 attendees and patients in need. This partnership is aligned with our commitment to supporting the patient community and improve access to healthcare.

Family day: Marking International Family Day, Julphar and the Emirates Cancer Society collaborated on a unique initiative: a field trip for families coping with cancer. This heartwarming event provided a day of shared joy and connection, reminding participants of the importance of family and community support.

Empowering local communities during Ramadan: During the Holy Month of Ramadan, we actively participated in a local community event alongside the community police and the Zayed Charitable and Humanitarian Foundation. Our dedicated employees volunteered their time and resources to distribute meals to fasting individuals near traffic intersections.

Our environment is clean: Furthermore, our people participated along other entities in the Emirate in a sustainability event entitled "Our Environment is clean" organized by the Community Police Department and the Tourism Police Department. The event aimed at cleaning up the desert, beaches and mountainous, as well as raising awareness and guidance to citizens, residents and tourists on how to reduce environmental pollution.



General Information

Company's share price on the Abu Dhabi Securities Exchange at the end of each month during fiscal year 2023

Month	Maximum Price	Minimum Price	Closing Price
January	1.120	1.090	1.100
February	1.060	0.997	1.030
March	0.987	0.910	0.910
April	0.970	0.965	0.970
May	0.908	0.880	0.895
June	0.855	0.832	0.854
July	0.877	0.865	0.870
August	0.862	0.840	0.853
September	0.849	0.820	0.838
October	0.816	0.770	0.770
November	0.757	0.749	0.749
December	0.771	0.769	0.769

Distribution of shareholder equity as of 31/12/2023 (individuals, companies, governments), categorized as local, Gulf, Arab, or foreign

S.N	Shareholder category	Percentage Of Shares Owned			
		Individuals	Companies	Government	Total
1	Local	24.656%	36.901%	12.240%	73.797%
2	Gulf	12.201%	0.437%	0%	12.638%
3	Arab	1.236%	11.305%	0%	12.541%
4	Foreigner	0.875%	0.149%	0%	1.024%
	Total	38.968%	48.792%	12.240%	100%

Performance of the company's stock compared with the general market index and the relevant sector index during 2023

Month	Company Share Price	General Index (Abu Dhabi Securities Exchange)	Healthcare Sector Index
January	1.100	9,811.560	3,310.700
February	1.030	9,844.810	3,057.950
March	0.910	9,430.250	3,216.050
April	0.970	9,789.170	3,187.550
May	0.895	9,406.570	3,083.980
June	0.854	9,550.400	3,099.290
July	0.870	9,787.130	3,024.270
August	0.853	9,810.210	3,600.320
September	0.838	9,785.320	3,790.010
October	0.770	9,343.880	3,653.250
November	0.749	9,559.570	4,055.190
December	0.769	9,577.850	3,721.030

Shareholders who own 5% or more of the company's share capital as at 31/12/2023

S.N	Name	Number of Shares Held	Percentage of Shares Held From the Company Capital
1	Middle East Pharma Investments	278,334,700	24.093%
2	Government of Ras Al Khaimah	141,400,221	12.240%
3	Arab Company for Drug Industries & Medical Appliances Acdima	105,713,772	9.151%
4	Yasser bin Yousef bin Mohammed Naghi	103,970,503	9.000%
5	Mohamed Abdulaziz Rabie Shaheen Al Muhairi	87,552,538	7.579%
6	Sheikh Faisal bin Saqr bin Mohamed Al Qassimi	82,919,262	7.178%
	Total	799,890,996	69.241%

Shareholders distribution according to shareholding as at 31/12/2023

S.N	Share ownership	No. of shareholders	Number of shares owned	Shareholding percentage in the share capital
1	Less than 50,000	1,570	8,847,094	0.766%
2	50,000 to less than 500,000	249	40,503,769	3.506%
3	500,000 to less than 5,000,000	85	109,985,001	9.521%
4	More than 5,000,000	16	995,891,947	86.207%
	Total	1,920	1,155,227,811	100%

Measures taken regarding investor relations controls, indicating the following:

The company has a department for investor relations in order to provide the necessary services to shareholders. The website has a page for investor relations to enable easy access to company data and all disclosures.

Name of Investor Relations Officer: **Hessa Al Shehhi**

Phone Number: **0097172045273**

Email: **investors@julphar.net**

Link to Investor Relations page: **<https://www.julphar.net/en/investors>**

Special resolutions presented in the General Assembly Meeting convened during 2023 and the actions taken in relation there to.

At the General Assembly Meeting convened on 13 April 2023, the meeting items were ordinary items. No special resolutions were included or discussed.

Name and date of appointment of the rapporteur for Board of Directors meetings:

The duties of the rapporteur for Board of Directors meetings were assigned to Loulwa Al Shehhi in 09 August 2022, who holds a bachelor's degree in law from the University of Sharjah. She has practical experience in the banking sector and pharmaceutical sector.

Detailed statement of material events and important disclosures that the company encountered during 2023.

Date	Events/disclosures
13/01/2023	Julphar participated in the 28th edition of the Dubai International Pharmaceutical Technologies Conference and Exhibition (DUPHAT 2023)
09/02/2023	The former CEO, Mr Essam Mohamed, resigned from his position for personal reasons, and Mr Basel Ziyadeh was appointed as the new CEO.
27/04/2023	The former Chief Technical Officer, Mr Georges Ibrahim, resigned from his position for personal reasons.
18/05/2023	A licensing and technology transfer agreement was signed with Sunshine Lake Pharma of China to begin manufacturing insulin biosimilars in the Middle East and North Africa.
03/07/2023	Mr. Malik Metahri was appointed as the new Chief Technical Officer.

The company's transactions with related parties during 2023 which are equal to 5% or more of the company's capital.

The company did not have any transactions equivalent to 5% or more of the company's capital with related parties during 2023.

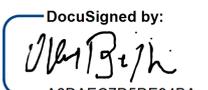
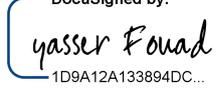
The company's Emiratisation percentage at year-end in 2021, 2022, and 2023.

S.N	Year	Number of UAE national employees	Percentage
1	2021	163	6.6%
2	2022	190	9.8%
3	2023	202	11%

Innovative projects and initiatives the company has undertaken or is currently developing during 2023.

The company has been working on several projects and initiatives to improve its environmental footprint, including:

- ✓ Water saving projects (under development) to save 5% of consumed water annually.
- ✓ Diesel saving project (under development) to save 3-5% of consumed diesel annually.

Chairman	Audit Committee Chairman	Nominations and Remuneration Committee Chairman	Head of Internal Audit
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