



Governance Report 2022

Gulf Pharmaceutical Industries Julphar

Julphar

CONTENT TAB

Actions taken by the Company to complete the corporate governance system during 2022 and method of application	4
Statement of the directors' transactions, wives and children in the Company's securities during 2022	4
Formation of the Board of Directors.	5
External Auditor	14
Audit Committee	14
Nomination and Remuneration Committee	15
Board Committees	16
Any Committee(s) approved by the Board of Directors	17
Internal Control System	21
Details of violations committed during 2022, reasons for them, how to address them and avoid their recurrence in the future.	22
Statement of the cash and in-kind contributions made by the Company during 2022 in the development of local community and preservation of the environment.	22
General Information	23

Brief on Gulf Pharmaceutical Industries (**Julphar**)

Established in 1980, Julphar is one of the largest pharmaceutical Companies in the Middle East and Africa region, listed on Abu Dhabi Securities Exchange.

The Company distributes more than 200 pharma products to +50 countries.

Planet Pharmacies (fully acquired by Julphar in 2021) is a leading pharmaceutical distributor of the Middle Eastern region. It has a multi country footprint across the GCC, including strong retail pharmacy network in UAE, Oman & Saudi Arabia.

Key Highlights

One of the largest pharma manufacturers in MENA region.

Ranked number 1 pharmaceutical manufacturer in the UAE.

Among the largest manufacturers of insulin in the world and the only one in the UAE.

Vast product portfolio targeting major therapeutic segments.

12 internationally certified facilities.

Robust distribution network.

Strong R&D activities with more than 50 scientists, medical and regulatory experts.

2400+ staff across the globe present in 23 countries

Key Therapy Presence

- Anti infectives
- Derma
- Alimentary & metabolism
- Nervous system
- Blood & blood forming organs

Market presence

Strong presence in Middle East & Africa region: UAE, Saudi Arabia, Iraq, Egypt, Morocco, Algeria, Libya, Kuwait, Bahrain, Lebanon, Jordan, Oman, Tunisia, Ethiopia, Ecuador, Yemen, Sudan, Kenia



Actions taken by the Company to complete the corporate governance system during 2022 and method of application

Gulf Pharmaceutical Industries (**Julphar**), a leading pharmaceutical Company in the Middle East and North Africa, has been keen to draw the best models and practices from international and global standards. It seeks to be part of the UAE vision to build a integrated and cohesive economy.

The Company has exerted efforts to apply the standards of corporate discipline and corporate governance based on the Chairman of the Securities and Commodities Authority Decision No. 03/2020 regarding the Governance Guide for Public Joint-Stock Companies and updated laws.

Julphar has complied with the Authority Chairman Decision No. (08/R.M) of 2020 regarding Representation of Women in the Board of Directors, which stipulates that women's representation shall be no less than one director in the formation of the Board of Directors. This is by appointing Ms. Olfa Gam as a director of the Company during 2021.

Julphar has released its first Sustainability Report in 2021, which represents a new chapter in enhancing stakeholder awareness of its Environmental, Social and Governance (ESG) themes and revealing how Julphar performed in the non-financial metrics. This report was prepared in accordance with Global Standards (GRI)

and included 31 KPIs. Julphar is committed to issue it annually with the Governance Report, which reflects a comprehensive overview of financial performance, governance and risk.

The Board works closely through the Audit Committee with external auditors to issue reports that are transparent and credible by adhering to International Financial Reporting Standards (IFRS). In addition, the Board of Directors through its Committees is responsible for the internal control system, risk management and internal audit structure to ensure compliance with laws, regulations and Julphar policies.

As for the measures taken by the Company to complete the corporate governance system during 2022, it has done the following:

- Amending the Articles of Association in accordance with the updated legislation and laws.
- Appointing a compliance officer and assigning duties of the Board of Directors secretary.
- Preparing bylaws of the Audit Committee and the Internal Audit Department.
- Reformation of the Insiders Committee.

Statement of the directors' transactions, wives and children in the Company's securities during 2022

S.N	Name	Position	Shares held as at 31/12/2022	Total sale	Total purchase
1	Sheikh Saqer Humaid Alqasimi	Chairman	0	0	0
2	Mr. Rabih Khouri	Vice-Chairman	0	0	0
3	Mr. Abdulaziz Abdulla Alzaabi	Director	0	0	0
4	Mr. Hamody A.H. Al limy	Director	0	0	0
5	Mr. Jamal Salem Bin Darwish AlNuaimi	Director	523,248	0	0
6	Mr. Raman Garg	Director	0	0	0
7	Ms. Olfa Gam	Director	0	0	0
8	Mr. Abboud Bejjani	Director	0	0	0
9	Mr. Medhat Mohamed Abouelasrar	Director	0	0	0

During 2022, the shares were not traded by any of the spouses or children of the directors in the Company's securities, nor do they own any securities in them.

Formation of the Board of Directors

Statement of Current Board of Directors Formation:

The Company shall be managed by a Board of Directors, consisting of nine (9) directors elected by the General Assembly of Shareholders by secret cumulative voting.

At the General Assembly held on 18th April, 2021, it was approved to amend Clause B of Article (19) of the Company's Articles of Association to read as follows: "The formation of the Board of Directors shall take into account provisions of the Commercial Companies Law, as amended and decisions issued in implementation thereof."

The directors were elected at the General Assembly on 09th April, 2020. From 2020 to 2022, a number of elected directors resigned. In addition, the representative of the Arab Company for Drug Industries and Medical Appliances (ACDIMA) was changed, which resulted in the appointment of new directors, which each of them shall complete the period of its former.

During 2022, it was approved to change the representative of the Arab Company for Drug Industries and Medical Appliances (ACDIMA), Mr. Hamody A.H. Al limy, at the General Assembly held on 21st April 2022.

The table below shows the current formation of the Board of Directors in 2022

S.N.	Title	Name	Date of last election/ date of appointment
1	Chairman	Sheikh Saqer Humaid Alqasimi	09/04/2020
2	Vice-Chairman	Mr. Rabih Khouri	11/08/2021
3	Director	Mr. Abdulaziz Abdulla Alzaabi	09/04/2020
4	Director	Mr. Jamal Salem Bin Darwish AlNuaimi	09/04/2020
5	Director	Mr. Raman Garg	09/04/2020
6	Director	Mr. Medhat Mohamed Abouelasrar	09/04/2020
7	Director	Mr. Abboud Bejjani	11/08/2020
8	Director	Ms. Olfa Gam	11/08/2021
9	Director	Mr. Hamody A.H. Al limy	21/04/2022



Sheikh Sager Humaid Alqasimi

Category: Non-Executive and Non-Independent

Experience and qualifications: Bachelor's degree in Finance from "California State University" in USA. More than 25 years of experience in the equity, commodity, and currencies market and experience in Private Equity Management in many sectors such as logistics, education, healthcare, real estate, real estate management and F&B.

Military experience.

Period spent as a director of the Company as of the date of his first election: Since 2005.

Directorship and positions in any other joint-stock companies: Nil.

Positions in any other important regulatory, governmental or commercial entities: Nil.

Mr. Rabih Khouri



Category: Non-executive and independent.

Experience and qualifications: Master of Engineering from the École Centrale in Paris and Master of Business Administration from the University of Cambridge. He holds a CPA (Certified Public Accountant).

More than 25 years of experience in the field of investments and consulting.

Period spent as a director of the Company as of the date of his first election: Since 2021.

Directorship and positions in any other joint-stock companies: Director at Ras Al Khaimah Gas and Ras Al Khaimah Economic Zone Authority (RAKEZ), Member of the Executive Committee at Ras Al Khaimah Ports, RAKEZ and Steven Rock.

Positions in any other important regulatory, governmental or commercial entities: Chief Investment Officer, Investment and Development Office (IDO), Ras Al Khaimah.

Mr. Abdulaziz Abdulla Alzaabi



Category: Non-executive and independent.

Experience and qualifications: Bachelor of International Business Administration from the University of San Jose, USA. More than 30 years of experience in the field of business administration in real estate and banking sector, and real estate and banking investments. Experience in the Federal National Council affairs.

Period spent as a director of the Company as of the date of his first election: Since 2017.

Directorship and positions in any other joint-stock companies: Chairman of Ras Al Khaimah Real Estate Company, Chairman of Gulf Investment Company.

Positions in any other important regulatory, governmental or commercial entities: Second Deputy of the Federal National Council President. Chairman of Ras Al Khaimah Charity Association.

Mr. Hamody A.H. Al limy



Category: Non-executive and independent.

Experience and qualifications: PhD in Chemistry. More than 40 years of experience in the pharmaceutical industry.

Period spent as a director of the Company as of the date of his first election: Since 2022.

Directorship and positions in any other joint-stock companies in UAE: Nil

Director of the Arab Company for Drug Industries and Medical Appliances (Acdima). Chairman of the Arab Company for Drugs – Sudan. Chairman of Arab Pharmaceutical Company Tassili – Algeria.

Positions in any other important regulatory, governmental or commercial entities: Nil.



Mr. Jamal Salem Bin Darwish AlNuaimi

Category: Non-executive and independent.

Experience and qualifications: Bachelor of Accounting and Management, Beirut Arab University.

More than 20 years of experience in banking sector in the UAE and 10 years of experience on the boards of listed companies.

Period spent as a director of the Company as of the date of his first election: Since 2014.

Directorship and positions in any other joint-stock companies: Nil

Positions in any other important regulatory, governmental or commercial entities: Nil.



Mr. Raman Garg

Category: Non-executive and independent.

Experience and qualifications: 30 Years of experience across global multi-nationals and private equity funds including Sequoia Capital, Max New York Life Insurance, The Coca-Cola Company, PepsiCo, Akzo Nobel, ITC.

A Certified Chartered Accountant from The Institute of Chartered Accountants of India, a Company Secretary from the Institute of Company Secretaries of India and a Cost Accountant from Costs and Works Accountant of India.

Period spent as a director of the Company as of the date of his first election: Since 2020.

Directorship and positions in any other joint-stock companies: General Manager of Ras Al Khaimah Poultry & Feeding Co. Al khaleej Investment (KICO) board of Director.

Positions in any other important regulatory, governmental or commercial entities: Group Chief Financial Officer of Al Hamra Group in Ras Al Khaimah.



Ms. Olfa Gam

Category: Non-executive and independent.

Experience and qualifications: 25 years of experience in pharmaceutical and biotechnology industry (in particular- in Europe). In the field of operation Industrial Engineer MBA.

Black Belt Certification.

Period spent as a director of the Company as of the date of her first election: Since 2021.

Directorship and positions in any other joint-stock companies: Nil.

Positions in any other important regulatory, governmental or commercial entities: Nil.

Mr. Abboud Bejjani



Category: Non-executive and independent.

Experience and qualifications: Advance Management Program (AMP199) - Harvard Business School, Boston (Alumni Status)

Master In Finance - St Joseph University - Beirut- Lebanon

Managing Partner of Informed, Health and Life Sciences Consulting Division.

Certified Principal Consultant for multinational healthcare consulting firms

Period spent as a director of the Company as of the date of his first election: Since 2020.

Directorship and positions in any other joint-stock companies in UAE: Nil.

Director at Ultra Group (Saudi Arabia).

Ex-Vice President of Abbvie and Abbott

Ex-Chairman of the PhRMA association for the Middle East & Africa Region

Positions in any other important regulatory, governmental or commercial entities: Nil.

Mr. Medhat Mohamed Abouelasrar



Category: Non-executive and Non-independent.

Experience and qualifications: Bachelor of Pharmaceutical Sciences . 44 years of experience in the field of sale, distribution and management of various departments in drugs and pharmaceutical companies.

Period spent as a director of the Company as of the date of his first election: Since 2019.

Directorship and positions in any other joint-stock companies: Nil.

Positions in any other important regulatory, governmental or commercial entities: Nil.

Statement of the percentage of female representation in the Board of Directors for 2022.

At the Board of Directors meeting held on 11th August, 2021, the resignation of director, Mr. Khalid Abdullah Yusuf Al Abdullah was accepted to be replaced by Ms. Olfa Gam, a non-executive and independent director. Thus, the Company has met the requirement of women representation in the Board of Directors.

Ms. Olfa Gam, Belgian national, holds Bachelor's degree in Industrial Engineering from the National School of Engineers in Tunisia and an MBA from the Vlerick Business School in Belgium.

Olfa Gam has more than 24 years of experience in pharmaceutical and biotechnology industry, and has a proven track record of pioneering industrial transformation, operational excellence and strategic and operational planning.

Statement of the reasons for non-nomination of any female in the Board of Directors for 2022.

The nomination for directorship was opened in the Board session in 2020, but no female director was nominated in the Board formation. However, the Company met the requirement of women representation in the Board of Directors through the appointment of Ms. Olfa Gam on 11th August, 2021.

Total Directors' remuneration paid for 2021.

At the Annual General Assembly Meeting of the Company held on 21st April, 2022, the Board of Directors proposal was approved, and an amount of AED 1,946,665.37 was disbursed towards the Board of Directors remuneration for the fiscal year ended 31 December 2021.

Total remuneration of the Board of Directors proposed for 2022, 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 agenda of the General Assembly to be voted on at its meeting to be held during 2023, as it has not been determined to date.

Statement of the details of fees to attend meetings of Committees emanating from the Board that the directors received for fiscal year 2022.

No fees were paid to attend the meetings of Committees emanating from the Board during 2022 for any of their members.

Details of the fees, salaries or additional remuneration charged by the director other than the attendance fees of the Committees and their reasons.

Until Jun 30,2021 Planet Pharmacies LLC was only 40% held by Julphar. In July 2021 the remaining 60% shares were acquired by Julphar, which led Julphar to be holding 100% of Planet shares starting from the second half of 2021.

In 2022, Sheikh Saqer Humaid Alqasimi received an amount of AED 720,000 for representing Planet Pharmacies LLC and its branches before the commercial and health governmental authorities for meeting the requirements of such authorities in legal representation and the need of Planet for this, as is the case in the United Arab Emirates and Sultanate of Oman.

In addition, it is worth mentioning that Sheikh Saqer Humaid Alqasimi was one of the representatives of Planet Pharmacies LLC and its branches, in his personal legal capacity mentioned above since 2016. He has received the remuneration prescribed by the Board of Directors of Planet for such representation after being appointed by its Board of Directors and notified to the Board of Directors of Julphar.

Number of Board of Directors meetings held during fiscal year 2022

The Board meetings are held in presence of the majority of directors. During 2022, five meetings of the Board of Directors were held. The dates of the Board meetings and the number of in-person attendance of all Board directors are as follows:

S.N.	Date of meeting	No. of present	No. of present by proxy	Names of absent directors
1	10/02/2022	8	–	Mr. Adel Karim
2	17/03/2022	7	–	Mr. Adel Karim and Mr. Medhat Abouelasrar
3	13/05/2022	9	–	-
4	11/08/2022	7	–	Mr. Rabi Khouri and Mr. Medhat Abouelasrar
5	09/11/2022	9	–	-



Number of Board of Directors decisions issued by circulation during fiscal year 2022, along with indicating the issue dates thereof.

During 2022, the Board of Directors issued 8 decisions by circulation. The table below shows dates of the Board meetings subsequent to the decisions:

S.N.	No. of decisions by circulation	Board Meeting Date
1	3	10/02/2022
2	2	11/08/2022
3	3	09/11/2022

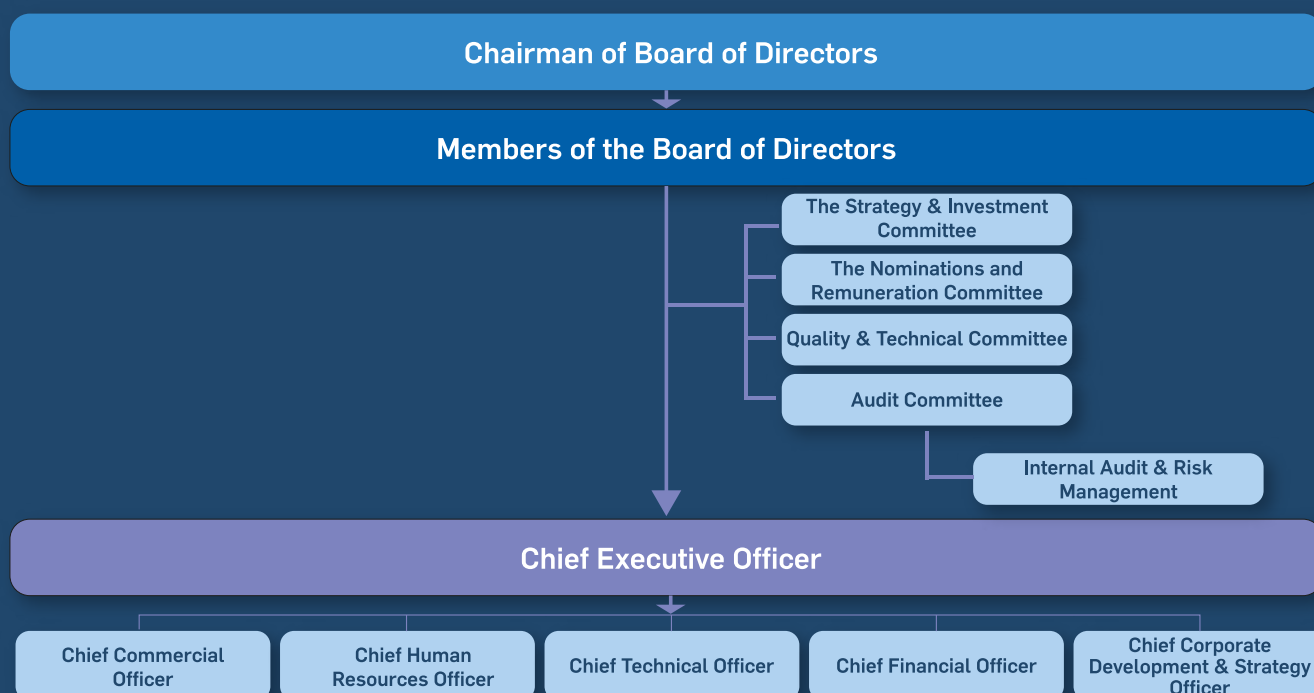
Statement of the tasks and competences of the Board of Directors carried out by a director or Executive Management during 2022 based on an authorization from the Board

S.N.	Name of authorized director	Authorization validity	Authorization term
1	Mr. Raman Garg	Authorization with the execution of any and all transaction documents related to the divestment from Julphar Ethiopia.	Until completion thereof
2	Strategy and Investment Committee	Authorizes SICO to take decisions on binding offer term changes in the Kaiser project	Until complete performance of the task

Statement on details of transactions made with related parties (stakeholders) of the Julphar group during 2022

S.N.	Description of Related Party	Classification of Relationship	Transaction Type	Transaction Volume(AED)
1	Majan Printing and Packaging	Investment	Packaging materials purchase	14,719,251

Organizational Chart



Detailed statement of senior executives in the first and second grades as stated in the organizational chart of the Company, their jobs and dates of appointment with a statement of total salaries and bonuses paid to them:

The executive management of Julphar Company conducts daily business management in accordance with the responsibilities and tasks entrusted to it and the powers authorized to them by the Board of Directors, within the framework of the rules of governance, provisions of the articles of association and the powers authorized by the Company's Board of Directors, and performs its functions in accordance with the mechanism of achieving the Company's planned objectives. The CEO, together with the executive management team, is responsible for implementing the strategies and policies adopted to achieve the Company's objectives. In addition, they are responsible to the Board of Directors for the effective application of internal control system and all related recommendations by the auditors and external regulatory authorities, as well as by the Board and its committees.

During 2022, a new Chief Financial Officer was appointed, and the former chief financial officer was appointed as Chief Corporate Development & Strategy Officer. The job title of the Chief Quality Officer was also changed, and he became the Chief Technical Officer.

The following table reviews senior executives in the first and second grades as at the end of 2022:

S.N.	Position	Date of Appointment	Total salaries and remuneration paid in 2022 (AED)	Total Bonuses paid in 2022 (AED)	Any other cash/ in kind bonuses for 2022 or due in the future	Date of Resignation
1	Chief Executive Officer	05.04.2020	3,591,828	2,000,000		
2	Chief Financial Officer	09.05.2022	938,483	-		
3	Chief Corporate Development & Strategy Officer	01.10.2019	1,421,000	255,000		
4	Chief Commercial Officer	03.08.2020	930,000	155,000		
5	Chief Scientific Officer	15.04.2020	240,000	80,000		31.03.2022
6	Chief Technology Officer	28.04.2019	918,000	213,000		
7	Chief Human Resources Officer	03.05.2020	604,800	151,200		
8	Chief Operating Officer	19.04.2021	898,032	82,000		14.10.2022

External Auditor

About the Company's Auditor:

At the General Assembly meeting held on 21st April, 2022, M/S. Ernst & Young was reappointed as auditor for the fiscal year 2022 and their fees were set at AED 563,500.

Ernst & Young is one of the largest professional services firms, one of the four largest audit firms in the world, existing in more than 140 countries around the world, a leading provider of audit services, professional consultancy and taxation, and has been operating in the UAE since 1966.

Statement of fees and costs of audit or services rendered by the external auditor:

Name of the audit office and name of the partner auditor	Ernst & Young, Partner in Charge: Mr. Warda Ibrahim.
Number of years spent as external auditor of the Company:	4
Number of years spent by the partner auditor in auditing the Company's accounts	1
Total Audit Fees for 2022 (AED)	AED 563,500/-.
Fees and costs of special services other than auditing for the financial statements for the year 2022 (AED)	AED 157,918.
Details and nature of other services provided (if any)	Preparing Sustainability Report 2022
Statement of other services provided by another external auditor during 2022	
Auditor's Name	Details of services provided
Moore Stephens	Inventory count
Moore Stephens	Actuarial valuation
Pricewaterhouse Coopers	Tax consulting services
KPMG	Consultation for the accounting matter
NIRA	Submission of the quarterly VAT return
NIRA	Filing of the ESR return for the FY21
KGRN Accounting Associates	Assistance with VAT refund

Reservations made by the Company's auditor of in the interim and annual financial statements for 2022

No reservations have been made by the Company's auditor in the Company's interim financial statements for 2022. The annual financial statements for 2022 are still under review and preparation while this report is issued.

Audit Committee

Declaration by the Audit Committee Chairman that he is responsible for the Committee's system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

Mr. Raman Garg, the Audit Committee Chairman, declares his responsibility for the Committee's system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

Names of the Audit Committee members and statement of the competencies and tasks entrusted to it.

The Audit Committee carries out its work in accordance with Article (61) of the Authority's Chairman Decision No. (03/ R.M.) of 2020 regarding the adoption of Governance Guide for Public Joint-Stock Companies. The main tasks, responsibilities and powers of the Audit Committee are to control and audit the financial statements, as well as the internal control and risk management systems of the Company, and to issue the necessary recommendations to the Board of Directors regarding the internal administrative and financial control systems of the Company. The Committee is also concerned with organizing the contracting and dealing with the external and internal auditors of the Company. In addition, it plays its main role in ensuring the Company's compliance to implement all approved operational and financial policies and procedures.

The Committee was reformed at the Board of Directors meeting No. (4) of 2021, held on Wednesday, August 11, 2021. The Audit Committee consists of the following members:

- Committee Chairman, Mr. Raman Garg.
- Committee Member, Ms. Olfa Gam.
- Committee member, Mr. Abdulaziz Abdulla Alzaabi.
- Committee member from outside the Company's Board of Directors, Mr. Razi Adel Ahmed Dolani.

Number of meetings held by the Audit Committee during 2022

S.N.	Date	Present	Excused	Meeting Purpose
1	07/02/2022	4	-	Audit of financial statements and other financial and administrative matters.
2	11/03/2022	4	-	Other financial and administrative matters.
3	14/03/2022	4	-	Audit of financial statements and other financial and administrative matters.
4	30/03/2022	4	-	Report of audit results.
5	06/05/2022	3	Ms. Olfa Gam	Audit of financial statements and other financial and administrative matters.
6	09/05/2022	4	-	Other financial and administrative matters.
7	30/06/2022	4	-	Internal audit report
8	08/08/2022	3	Mr. Razi Dolani	Audit of financial statements and other financial and administrative matters
9	26/09/2022	4	-	Internal audit report
10	26/10/2022	4	-	Review internal results with management.
11	04/11/2022	4	-	Other financial and administrative matters.
12	07/11/2022	4	-	Audit of financial statements and other financial and administrative matters

Nomination and Remuneration Committee

Declaration by the Nomination and Remuneration Committee Chairman that he is responsible for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

Mr. Abboud Bejjani, the Nomination and Remuneration Committee Chairman, declares his responsibility for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

The names of the Nomination and Remuneration Committee members, and statement of competencies and tasks entrusted to it.

The Nomination and Remuneration Committee carries out its work in accordance with Article (59) of the Authority's Chairman Decision No. (03/R.M) of 2020 regarding the adoption of Governance Guide for Public Joint-Stock Companies. Its tasks, responsibilities and powers are mainly to determine the set of individual and total remuneration for directors in accordance with the approved procedures, and to develop the remuneration policy for the executive management associated with the Company. The Committee is also responsible for preparing and reviewing human resources policies in accordance with the relevant laws and regulations. The Committee supervises the procedures for nominating the directors as well as basis and conditions for their selection. The Nomination and Remuneration Committee was reformed at the Board meeting No. (4) of 2021, held on Wednesday, August 2021, 11. The Nomination and Remuneration Committee consists of the following members:

- **Committee Chairman, Mr. Abboud Bejjani**
- **Committee Member, Mr. Jamal Salem Bin Darwish AlNuaimi**
- **Committee Member, Mr. Rabih Khouri**

Number of meetings held by the Nominations and Remuneration Committee during 2022

S.N.	Date	Present	Excused
1	24/01/2022	2	Mr. Jamal Salem Bin Darwish AlNuaimi
2	08/02/2022	3	-
3	22/03/2022	3	-
4	06/09/2022	3	-
5	24/11/2022	2	Mr. Rabih Khouri

Follow-up and Supervision of Insiders' Transactions Committee

Declaration by the Committee Chairman or the person authorized that he is responsible for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness

The Committee Chairman, Mr. Juergen Lauterbach, with his responsibility for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

Names of the Follow-up and Supervision of Insiders' Transactions Committee members, and a statement of the competencies and tasks entrusted to it.

The Follow-up and Supervision of Insiders' Transactions Committee has been reformed in line with the governance system. It carries out its tasks and competence, including the following persons:

- Chief Corporate Development & Strategy Officer, Mr. Juergen Lauterbach, Committee Chairman.
- Chief Human Resources Officer, Mr. Gopa Kumar, Committee Member.
- Hessa Ali Al-Shehhi, Committee Member.

The tasks of the Follow-up and Supervision of Insiders' Transactions Committee are:

- Compliance with the Securities and Commodities Authority and the Abu Dhabi Securities Exchange resolutions, as amended.
- Responsible for supervising the insiders' transactions and their properties, maintaining the register, and submitting periodical statements and reports to the market.
- Updating the list of insiders in case any change occurred, and informing the concerned authorities.

Summary of the Committee work report during 2022.

The Committee shall periodically update the list of the Company's insiders, and provide Abu Dhabi Securities Exchange with it. It shall comply with the Authority and Market resolutions, and any amendments related thereto.

Board Committees

Any Committee(s) approved by the Board of Directors

The Company has other Committees together with the permanent Committees; namely: Strategy and Investment Committee and Quality & Technical Committee.

Strategy and Investment Committee

Declaration by the Strategy and Investment Committee Chairman that he is responsible for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness. Mr. Rabih Khouri, the Committee Chairman, declares his responsibility for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

Names of the Committee and its members

The Strategies and Investment Committee is a Committee of the Julphar Board of Directors, It consists of:

- Committee Chairman, Mr. Rabih Khouri.
- Committee Member, Ms. Olfa Gam.
- Committee Member, Mr. Abboud Bejjani.
- Committee member from outside the Company's Board of Directors/ Mr. Jean Diab.
- Committee Member from outside the Company's Board of Directors/ Mr. Carol Blery, who was appointed on 11th August, 2022
- Committee member from outside the Company's Board of Directors/ Mr. Karol Michalak, who was appointed on 09th November, 2022

Main tasks and competencies of the Strategy and Investment Committee are:

The Committee acts as a link between the Company's management and the Board of Directors, through adoption of executive decisions on matters referred to the Committee that fall within its competences. The Committee competences include, but are not limited to, the following:

- Review and approval of strategy by the Board of Directors. Develop and control compliance with relevant legislation and regulations; supervise initiatives that are likely to have a material impact from an organizational or competitive perspective on the Company and others' reputation.
- Review, approve and recommend the annual plan of the Company's business, and the estimated budget for approval by the Board of Directors. Supervise and evaluate the Company's performance compared to the work plan, and submit recommendations to the Board of Directors.
- The Committee is also responsible for reviewing and approving contracts related to important strategy and other essential matters related to accounting and finance within the limits set out in the Committee charter.
- Other responsibilities such as reviewing reports, economic feasibility studies and investment risk assessment, approving or rejecting them before submitting them to the Board of Directors for approval as well as monitoring strategic projects and important transformation initiatives. Discussing and approving studies and management recommendations regarding participation or making direct or indirect investments as permitted by the Company's Articles of Association.
- Carry out any other work entrusted to it by the Company's Board of Directors of the Company.

Statement of the number of meetings held by the Committee during 2022 and the dates of their convening, indicating the number of times all members of the Committee attended in person:

During the year 2022, the Strategy and Investment Committee held 21 meetings, in the presence of the majority of its members

Quality & Technical Committee

Declaration by the Quality & Technical Committee Chairman that he is responsible for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

The Committee Chairman, Ms. Olfa Gam, declares its responsibility for the Committee system in the Company, reviewing its work mechanism, and ensuring its effectiveness.

The name of the Committee and its members, and statement of its competencies and tasks entrusted to it.

The Quality & Technical Committee is a Committee emanating from the Board of Directors. It was reformed at the Board of Directors meeting No. (4) held on Wednesday, August 2021 ,11 and consists of:

- Committee Chairman, Ms. Olfa Gam.
- Committee member, Mr. Medhat Mohamed Abouelasrar.
- Committee member, Mr. Abboud Bejjani.

Statement of the main tasks and competences of the Quality & Technical Committee:

The Quality & Technical Committee, emanating from the Board of Directors, contributes to the fulfilment of its supervision responsibilities with regard to quality, compliance issues and scientific and technical direction.

As well as the following responsibilities, including, but are not limited to:

- Periodically review reports on significant compliance matters with stakeholders in the Company's Quality and Compliance Section.
- The Committee is responsible for primary supervision of all areas of quality and compliance issues (non-financial compliance).
- Supervising the Company's innovations and production line strategies, as well as evaluating the competitive position of the Company's pharmaceutical portfolio and new potential treatments, following up the Company's approach to developing new markets, and following up the Company's effectiveness in the field of research, development and intellectual property.
- Review the development and implementation of key business policies by the management, including security and safety policies, quality assurance and control policies, the Company social responsibility policies, regulatory affairs policies, production policies...etc.
- Follow up the tasks and duties assigned by the Board of Directors from time to time.

Statement of the number of meetings held by the Committee during 2022 and the dates of their convening, indicating the number of times all members of the Committee attended in person:

During the year 2022, the Quality & Technical Committee held 5 meetings, in the presence of the majority of its members.



Internal Control System

Declaration by the Board with its responsibility for internal control inside the Company, reviewing the mechanism of its work, and ensuring its effectiveness.

The Board of Directors declares its responsibility for the internal control system in Julphar, reviewing the mechanism of internal control system work, and ensuring its effectiveness through the work and tasks of the Committees emanating from it. The Internal Control Section of Gulf Pharmaceutical Industries (Julphar) organizes the audit and internal control procedures and follows up the external audit work, which is an important part of the application of an effective internal control system in addition to the application of governance system. The Internal Control Section works under the supervision and follow-up of the Audit Committee emanating from the Board. Its role is represented by the following tasks:

- Ensure the correctness and safety of work procedures in administrative and financial departments.
- Verify the effectiveness and efficiency of financial and administrative performance.
- Follow up and address problems and correct errors found out during work.
- Develop an assessment of the Company's risk management methods and procedures, and properly apply its governance rules.
- Verify compliance of the Company and its employees with the laws, regulations and decisions in force that regulate its business.
- Contribute to the financial and administrative development by providing recommendations and suggestions to stakeholders in the Company.
- Ensure application of internal policies and procedures.
- Review the financial statements presented to the senior management of the Company, and used in the preparation of financial statements.

Name of the Director of Internal Control Department, his qualifications, and date of his appointment.

The Company's Internal Control 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, Chartered Management Accountant (CMA), USA and holds Bachelor of Commerce of the Arab Republic of Egypt.

Name, qualifications and date of appointment of the Compliance Officer.

At the Company's Board of Directors meeting held on 10th February, 2022, it was approved to appoint Mr. Ahmed Kamal Eldin as a Compliance Officer in the Company, in addition to his position as Head of Legal Department since joining the Company in April 2021.

He is a qualified legal consultant, holding Bachelor of Laws and a lawyer enrolled at the level of appeal by the Egyptian Bar Association, with extensive legal and professional experience for more than 10 years in several sectors, for example: the real estate sector and pharmaceutical industry 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 Control Department deals with any major problems in the Company or those disclosed in the annual reports and accounts.

The Internal Audit Department has a continuous follow-up program for audit observations, by working with the competent department and developing agreed preventive corrective actions with a committed deadline, and through continuous follow-up to ensure that the agreed corrective and preventive actions are completed on time.

Number of reports issued by the Internal Control Department to the Company's Board of Directors

The Internal Control Department issued five reports to the Company's Board of Directors during 2022.

Details of violations committed during 2022, reasons for them, how to address them and avoid their recurrence in the future.

The Company did not commit any violations during 2022 with regard to the disclosure of the interim and annual financial reports as well as other disclosures required.

Statement of the cash and in-kind contributions made by the Company during 2022 in the development of local community and preservation of the environment.

During 2022, the Company did not pay any cash that would contribute to the development of the local community and preservation of the environment.

Believing in the importance of environment and its preservation, during 2022, without limitation, Julphar has social initiatives such as:

- Organized many events in the fields of healthcare and sports to enhance Julphar's social standing.
- This is in addition to what it has done during the previous years in relation to the preservation of the environment.

General Information:

Statement of the Company's share price in Abu Dhabi Securities Exchange at the end of each month during the fiscal year 2022

Month	Top price	Minimum Price	Closing Price
1	1.87	1.70	1.73
2	1.75	1.36	1.45
3	1.52	1.36	1.39
4	1.46	1.31	1.38
5	1.38	1.20	1.29
6	1.32	1.23	1.29
7	1.42	1.29	1.37
8	1.38	1.28	1.31
9	1.31	1.15	1.20
10	1.30	1.20	1.22
11	1.23	1.14	1.19
12	1.23	1.13	1.16

Statement of the comparative performance of the Company's share with the general market indicator and the indicator of sector to which the Company belongs during 2022

Month	Company's share price	General indicator Abu Dhabi Securities Exchange	Healthcare Sector Indicator
1	1.73	8,704.26	4,724.44
2	1.45	9,319.40	4,465.61
3	1.39	9,948.78	4,346.60
4	1.38	10,081.35	4,328.33
5	1.29	10,054.87	4,163.89
6	1.29	9,374.70	4,163.91
7	1.37	9,663.47	3,889.29
8	1.31	9,874.51	3,773.13
9	1.20	9,750.82	3,578.80
10	1.22	10,412.25	3,549.59
11	1.19	10,552.37	3,494.80
12	1.16	10,211.09	3,538.61

Statement of equity distribution as at 2022/12/31 (Individuals, Companies, Governments) classified as follows: Local, Gulf, Arab and Foreign:

S.N.	Classification of Shareholder	Percentage of Shares Held			
		Individuals	Companies	Government	Total
1	Local	24.26%	37.77%	12.24%	74.27%
2	Gulf	11.95%	0.44%	0	12.39%
3	Arab	1.15%	11.31%	0	12.46%
4	Foreigner	0.76%	0.12%	0	0.88%
5	Total	38.12%	49.64%	12.24%	100%

Statement of shareholders holding 5% or more of the Company capital as at 31/12/2022

S.N.	Name	Number of shares held	Percentage of shares held from the Company capital
1	Middle East Pharma Investments	278,334,700	24.09%
2	Government of Ras Al Khaimah	141,400,221	12.24%
3	Arab Company for Drug Industries & Medical Appliances Acdima	105,713,772	9.15%
4	Yasser bin Yousef bin Mohammed Naghi	103,970,503	9.00%
5	Mohamed Abdulaziz Rabie Shaheen Al Muhairi	87,552,538	7.58%
6	Sheikh Faisal bin Saqr bin Mohamed Al Qassimi	82,919,262	7.18%
	Total	799,890,996	69.24%

Statement of shareholders distribution according to the volume of ownership as at 31/12/2022

S.N.	Share ownership	No. of Shareholders	Number of shares held	Percentage of shares held from capital
1	Less than 50,000	1469	8,546,249	0.74%
2	50,000 to less than 500,000	240	39,531,953	3.42%
3	500,000 to less than 5,000,000	78	99,315,401	8.6%
4	More than 5,000,000	17	1,007,834,208	87.24%
5	Total	1,804	1,155,227,811	100%

Statement of measures taken regarding investor relations controls:

The Company has a special section for investor relations in order to provide all the necessary facilities, services and information required by investors. The webpage of investor relations has been updated to enable easy access to the Company's information and all related disclosures. The information below is related to the Investor Relations Section:

- **Name of Investor Relations Officer:** Hessa Al Shehhi
- **Tel.:** 0097172045273
- **Email:** investors@julphar.net
- **Investor Relations Website:** <https://www.julphar.net/en/investors>

Special resolutions presented at 2022 General Assembly and actions taken thereon

During the Company's General Assembly Meeting held on April 21, 2022, the following special decision was discussed:

Approve the amendment of the preamble and articles 1, 5, 14, 20, 21, 38, 40, 44 and 58 of the articles of association of Gulf Pharmaceutical Industries Company (Julphar) PJSC in accordance with Federal Decree-Law No. 32 of 2021 on Commercial Companies, subject to obtaining the approval of competent authorities.

All the items of the articles to be amended were presented to the General Assembly, and then the amendments to the above-mentioned articles were approved by majority. The Company's Articles of Association were then amended.

Name of the Board of Directors meetings rapporteur and date of his appointment.

Assigning duties of the board secretary to Ms. Lulwa Sorour Al-Shehhi. She holds a Bachelor of Laws from the University of Sharjah with grade: Excellent with first class honors. She has practical experience in the banking sector. She joined the Company as of August 9, 2022.



Detailed statement of the significant events and disclosures encountered by the Company during 2022.

Date	Events/ Disclosures
31/01/2022	Receiving the SAP Digital Supply Chain Award for Winning Against the Odds, during an event organized by SAP at Expo 2020 Dubai.
24-27/01/2022 21-24/02/2022	Participation in the annual conference of both Arab Health & Duphat Conference.
10/3/2022	Discussed of investment opportunities in the Kurdistan Region of Iraq.
14/3/2022	Reception of the Consul General of the Republic of Korea in Dubai with a delegation of senior officials and businessmen to discuss the prospects for future cooperation, and ways to raise economic and investment exchange between the UAE and the Republic of Korea.
23/3/2022	Entered into a licensing and supply agreement with Hetero, one of India's leading generic pharmaceutical Companies and the world's largest producer of anti-retroviral drugs.
24/3/2022	Joined the membership of the UAE International Investors Council (UAEIIC) which has under its umbrella a consortium of mega Emirati Companies investing abroad in all economic sectors.
27-30/3/2022	Receiving a delegation from the UAE Ministry of Health.
20/4/2022	Announces its Strategy 2030 with more than 100 New Products to Drive Sustainable Growth.
27/4/2022	Entered into a agreement with Quantum Genomics to subscribe new ordinary shares of Quantum Genomics share capital for an aggregate subscription price of USD 2 million
7-15/6/2022	Received the Egypt MOH Inspectors.
17/6/2022	Receiving a delegation from the Ministry of Industry and Advanced Technology to learn about the important achievements witnessed by the Company, and to identify the pioneering model in the production of raw insulin based on its unique and first-of-its-kind biotechnology facilities.
25/6/2022	Signing of a joint cooperation agreement with Huadong Medicine of China to manufacture and market liraglutide in the Middle East and North Africa markets.
14/10/2022	Receiving the Republic of Kosovo Ambassador to the State to discuss means of joint cooperation between Julphar and the Republic of Kosovo.
21/10/2022	Under the umbrella of the Ministry of Industry and Advanced Technology enter into a strategic partnership to establish the first factory in the Middle East to produce Glargine (the most vital alternative to insulin) and lunch Glargine in the UAE in partnership between Pure Health and Julphar.

Statement of the transactions carried out by the Company with related parties during 2022, which are equal to 5% or more of the Company capital.

The Company has not entered into any transaction equivalent to 5% or more of the Company's capital with related parties during 2022.

Statement of the percentage of Emiratization in the Company by the end of 2020, 2021 and 2022

S.N.	Year	No. of UAE national employees	Percentage
1	2020	148	6.2%
2	2021	163	6.6%
3	2022	190	9.8%

Statement of the innovative projects and initiatives undertaken by the Company or under development during 2022.

- Signing the MoU on October 11, 2022, with Pure Health under the auspices of the Ministry of Industry and Advanced Technology, Ministry of Health and Ministry of Education to support Julphar to produce Glargine at Julphar in Ras Al Khaimah. Once implemented, it will be the first manufacturer in the MENA region to produce Glargine API and anti-diabetic drugs that meet the needs of GCC countries and MENA region, especially as the diabetes prevalence has reached 16% of the population in the UAE and the cost of treating the diabetes patients in the UAE is about \$2.0 billion annually.


Consequently, the early diagnosis and treatment is a must to address the needs of this growing patient group.

- In 2022, Julphar was able to register 13 new products in different therapeutic areas for patient needs.
- Develop a leading range of generic pharmaceutical products that fall under "Proton Pump Inhibitors and Immediate Action Antacids". Prorise 40 mg capsules has been successfully introduced to the market, which is the first product of its kind for this pharmacological group in the GCC region.
- Development of the primary filling system using "cold-dried aluminum strips" to improve stability of pharmaceutical grade antibiotic products with high sensitivity to moisture and heat.

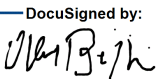
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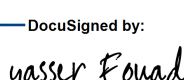
Chairman

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**Audit Committee
Chairman**

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**Nominations and
Remuneration
Committee Chairman**

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**Head of Internal
Audit**

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