

Julphar GOVERNANCE REPORT 2024



Governance Report of Gulf Pharmaceutical Industries - Julphar P.J.S.C. for the Year Ended 31/12/2024

This report provides an overview of Gulf Pharmaceutical Industries - Julphar P.J.S.C.'s commitment to high standards of corporate governance in accordance with best practices and regulatory requirements. As a listed company on the Abu Dhabi Securities Exchange, Julphar recognizes the importance of transparency, accountability, and ethical conduct in enhancing stakeholder trust and increasing long-term value.

In this report, we highlight our governance framework, including the roles and responsibilities of the Board of Directors, key committees, and management. We also showcase our policies and practices that ensure compliance with applicable laws and regulations, along with our commitment to sustainability and social responsibility.

Julphar aims to demonstrate its commitment to effective governance, which is essential for adapting to the challenges in the healthcare sector and achieving our strategic objectives.

Founded in 1980 under the guidance of the late Sheikh Saqr bin Mohammed Al Qasimi, Julphar is one of the largest pharmaceutical manufacturing companies in the Middle East and North Africa. Over four decades, Julphar has strengthened its leading position by providing innovative and high-quality medical solutions and medicines at affordable prices for families worldwide.

Julphar manufactures & distributes a wide range of medical products in over 40 countries and owns 11 internationally accredited manufacturing facilities.

Our business is centred around General Medicines in the retail pharmacy channel and hospitals as well as Speciality Products. Our medicines target major therapeutic segments including Diabetes, Gastrointestinal Tract (GIT), Respiratory, Pain Management, Wounds and Scars, Anti-infectives, Anemia, Gynecology, Dermatology, Erectile Dysfunction and Cardiology.

Measures taken to complete the Corporate Governance system in 2024

In 2024, Julphar took proactive steps to strengthen its corporate governance system, ensuring alignment with global best practices and regulatory requirements. One key action was digitalizing the Human Resources function through the successful implementation world-class technologies, streamlining HR processes, and improving overall efficiency.

Additionally, the company is in the process of adopting the Internal Control-Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), reaffirming its commitment to global best practices and local legislation, including compliance with the Securities and Commodities Authority's (SCA) Corporate Governance regulations. Furthermore, Management has introduced a Control Self-Assessment Program empowering individual departments to assess and monitor their own controls, enabling them to tackle emerging challenges while staying ahead of potential risks, and capitalizing on new opportunities. These initiatives, along with various other strategic actions across different departments, reflect Julphar's continuous effort to enhance its governance framework and operational performance.

Ownership and transactions of Board Members and their families

Transparency and credibility are fundamental pillars of corporate governance, as they help to build trust between the company and its investors. In 2024, there were no transactions involving the company's shares by any members of the Board of Directors, their spouses, or children in the company's securities. Additionally, they do not hold any securities in the company.

Formation of the Board of Directors

Board members are committed to performing their roles in accordance with applicable laws and regulations while promoting the principles of sound governance. Julphar's Articles of Association stipulate that the company shall be managed by a Board of Directors composed of nine members elected by the General Assembly of shareholders through cumulative secret voting.

The composition of the Board complies with Federal Law No. 32 of 2021 concerning Commercial Companies and its amendments, as well as relevant decisions issued accordingly. It also aligns with the vision for gender equality by ensuring representation of women on corporate boards.



Current Board members overview

Below is an overview of the current Board members, each possessing extensive experience in administrative, financial, and industrial fields.



Chairman **Shaikh Saqer Humaid Alqasimi**

Shaikh Saqer Humaid Alqasimi serves as the Chairman of the Board of Julphar. Sheikh Saqer is a Non-Executive and Non-Independent Member. He holds a Bachelor's degree in Finance from California State University, USA, and has over 25 years of experience in stock markets, commodities, and foreign exchange. In addition to his financial expertise, he has significant experience in private equity management across various sectors, including logistics, education, healthcare, real estate, and F&B management. Sheikh Saqer also has a background in the military. He has been a member of the Board since 2005. He does not hold any memberships or positions in other publicly listed companies or regulatory entities in the UAE.



Vice Chairman
Rabih Khouri

Mr. Rabih Khouri serves as the Vice Chairman of the Board of Julphar. Mr. Khouri is a Non-Executive and Independent Member. He holds a Master's degree in Engineering from Centrale Paris and an MBA from Cambridge University. A Certified Public Accountant (CPA), Mr. Khouri has over 25 years of experience in investments and consulting. He has been a member of the Board since 2021. In addition to his role at Julphar, Mr. Khouri holds several positions in other companies, including Board Member at Ras Al Khaimah Gas and Ras Al Khaimah Economic Zones (RAKEZ), as well as an Executive Committee Member at Ras Al Khaimah Ports, RAKEZ, and Stephen Rock. He holds no memberships in other publicly listed companies. He also serves as Chief Investment Officer, Investment and Development Office (IDO), Ras Al Khaimah.



Board of Directors Member
Abdulaziz Abdullah Al Zaabi

Mr. Abdulaziz Abdullah Al Zaabi serves as a Board Member of Julphar. Mr. Al Zaabi is a Non-Executive and Independent Member. He holds a Bachelor's degree in International Business from San Jose State University, USA, and has over 30 years of experience in business management within the real estate and banking sectors, as well as in real estate and banking investments. He also has experience in matters related to the Federal National Council. Mr. Al Zaabi has been a member of the Board since 2017. In addition to his role at Julphar, he serves as the Chairman of RAK Properties. He has held significant positions in other important regulatory and governmental entities, including serving as the former Second Deputy Chairman of the Federal National Council and currently as the Chairman of the Ras Al Khaimah Charity Foundation.



Board of Directors Member
Hamody A.H. Al Limy

Dr. Hamody A.H. Al Limy serves as a Board Member of Julphar. Dr. Hamody is a Non-Executive and Independent member. He holds a Ph.D. in Chemistry and brings over 40 years of experience in the pharmaceutical industry. Dr. Al Limy has been a member of the Board since 2022. In addition to his role at Julphar, he holds several significant positions, including Board Member at the Arab Company for Drug Industries and Medical Appliances (ACDIMA) in Jordan, Chairman of the Arab Pharmaceutical Company in Sudan, and Chairman of the Arab Pharmaceutical Company Taseeli in Algeria. He does not hold any memberships or positions in other publicly listed companies or regulatory entities in the UAE.



Board of Directors Member
Raman Garg

Mr. Raman Garg serves as a Board Member of Julphar. Mr. Garg is a Non-Executive and Independent Member. He has 30 years of experience in global and private investment funds, as well as multinational companies such as Sequoia Capital, Max New York Life Insurance, The Coca-Cola Company, PepsiCo, Akzo Nobel, and others. Mr. Garg is 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 the Costs and Works Accountant of India. He has been a member of the Board since 2020. In addition to his role at Julphar, he is the General Manager of RAPCO Investment PJSC. He also serves as the Chief Financial Officer of Al Hamra Group in Ras Al Khaimah.



Board of Directors Member
Olfa Gam

Ms. Olfa Gam serves as a Board Member of Julphar. Ms. Olfa is a Non-Executive and Independent Member. She brings over 25 years of experience in the pharmaceutical and biotechnology sectors, particularly in Europe, with a focus on operations. Ms. Gam is an Industrial Engineer with an MBA and holds a Black Belt certification. She has been a member of the Board since 2021. Ms. Gam does not hold any memberships or positions in other publicly listed companies or regulatory entities in the UAE.



Board of Directors Member
Abboud Bejjani

Mr. Abboud Bejjani serves as a Board Member of Julphar. Mr. Abboud is a Non-Executive and Independent Member. He has completed Advanced Management studies at Harvard Business School in Boston and holds a Master of Finance from Saint Joseph University of Beirut, Lebanon. Mr. Bejjani is the CEO of GEN-MEA and the Global Managing Partner at Infomed International for Events Company, Healthcare and Life Sciences. He is also a Certified Principal Consultant for multinational healthcare consultancy companies. He has been a member of the Board since 2020. In addition to his role at Julphar, Mr. Bejjani is a Board Member in several private equities. He does not hold any memberships or positions in other publicly listed companies or regulatory entities in the UAE.



Board of Directors Member
Medhat Abouelasrar Al Gamal

Mr. Medhat Abouelasrar Al Gamal serves as a Board Member of Julphar. Mr. Medhat is a Non-Executive and Non-Independent Member. He holds a Bachelor's degree in Pharmaceutical Sciences and brings over 45 years of experience in the field of sale, distribution and management of various departments in drugs and pharmaceutical companies. Mr. Medhat has been a member of the Board since 2019. He does not hold any memberships or positions in other publicly listed companies or regulatory entities in the UAE.



Board of Directors Member
Mr. Jean Maroun Diab

Mr. Jean Maroun Diab serves as a Board Member of Julphar. Mr. Diab is a Non-Executive and Independent Member. He holds a Bachelor's degree in Economics from the American University of Beirut and a Master's degree in Finance from the University of Durham. Mr. Diab's professional experience includes roles as a Consultant at Ernst and Young (2004-2008), Vice President at Eastgate Capital (2008-2015), Director at Kamco (2015-2020), and Senior Director at the Investment and Development Office of Ras Al Khaimah. He has been a member of the Board since 2023. In addition to his role at Julphar, Mr. Diab serves as a Board Member at Planet Pharmacies LLC, Arabian Healthcare Group, the American University of Ras Al Khaimah, and Ras Al Khaimah University of Medical and Health Sciences. He does not hold any positions in other publicly listed companies.

Female representation on the Board for 2024

The representation of women on the Board reflects the company's commitment to diversity and inclusion, which are essential factors for business success and sustainable development. It also promotes gender balance, positively impacting society by enhancing social equity.

At the General Assembly meeting held on April 13, 2023, Ms. Olfa Gam was re-elected as a non-executive and independent Board Member.

Remuneration and fees for Board Members

Board Member remuneration for the Year 2023

The Remuneration and fees granted to Board Members are essential elements that reflect the appreciation of their leadership roles and contributions to achieving the company's goals. In 2023, no remuneration was paid to Board Members. However, according to Article 38 of the company's bylaws, conditions related to the payment of fees were established. This article allows for the payment of a fixed fee to Board Members not exceeding AED 200,000 at the end of the financial year, subject to the approval of the General Assembly in cases where the company does not achieve profits.

In the General Assembly meeting held on April 22, 2024, it was approved to pay a total of AED 1,800,000 in fees to Board Members.

Proposed Board member remuneration for the year 2024

The item regarding Board Member remuneration will be presented and discussed on the agenda of the General Assembly meeting scheduled for 2025, as it had not been determined by the time this report was prepared.

Details of attendance fees for committee meetings paid to Board Members for the financial year 2024

No attendance fees for committee meetings arising from the Board were paid to any of its members during the year 2024.



Details of additional fees or salaries received by Board Members beyond committee attendance fees

Planet Pharmacies LLC is a fully owned subsidiary of Gulf Pharmaceutical Industries (Julphar). In 2024, Sheikh Saqer bin Humaid Alqasimi received an amount of 720,000/- AED for representing Planet Pharmacies LLC and its branches before government, commercial, and health authorities. This representation was necessary to meet the legal representation requirements of these entities and was essential for Planet Pharmacies, as per the regulations in the United Arab Emirates and Oman.

It is worth noting that Sheikh Saqer bin Humaid Alqasimi has been one of the representatives of Planet Pharmacies LLC and its branches in his personal legal capacity since 2016. He received the financial compensation set by the Board of Directors of Planet Pharmacies for this representation after being appointed by its Board and notifying the Board of Julphar.

Number of Board Meetings held during the financial year 2024

In 2024, the Board of Directors held five meetings at the company's headquarters, with the majority of members attending. These meetings were dedicated to discussing the agenda and making important decisions that contribute to achieving the company's goals and improving its performance.

S.N	Meeting Date	Number of Attendees	Number of Proxy Attendees	Names of Absent Directors
1	13/02/2024	9	-	-
2	14/03/2024	8	-	Mr. Rabih Khouri
3	14/05/2024	6	-	Sheikh. Saqer Bin Humaid Alqasimi Mr. Jean Diab Mr. Medhat Abo Al Asrar
4	14/08/2024	8	-	Mr. Rabih Khouri
5	14/11/2024	9	-	-

Board resolutions passed by circulation during the financial year 2024

In line with the Board of Directors' commitment to making effective decisions in accordance with best practices, and based on the company's need to ensure smooth operations, the Board of Directors issued five resolutions by circulation during the year 2024, as follows:

Sr	No. of decisions by circulation	Date
1	No.1/2024	25/04/2024
2	No.2/2024	04/07/2024
3	No.3/2024	11/10/2024
4	No.4/2024	30/10/2024
5	No.5/2024	24/12/2024

Board Committees

Audit Committee

Acknowledgment from the Chair of the Audit Committee regarding its responsibilities

The Chair of the Audit Committee acknowledges responsibility for the committee's system within the company. He has reviewed the committee's operational mechanisms and ensured their effectiveness. The committee aims to enhance the level of transparency and accountability in the company by monitoring financial performance and compliance with applicable standards.

Members of the Audit Committee, their Roles, and responsibilities

The Audit Committee is composed of the following members:

Chair of the Committee: Mr. Raman Garg

Committee Member: Ms. Olfa Gam

External Committee Member: Mr. Razi Adel Dolani

External Committee Member: 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



The number of meetings held by the Audit Committee during the year 2024 and their dates to discuss matters related to financial statements and other issues.

In line with the Audit Committee commitment to performing its duties efficiently and effectively, and to ensure timely decision-making, the committee held 9 meetings during the year 2024, and their dates were as follows:

No.	Meeting Date	Number of Attendees	Names of Absent Members	Purpose of Meeting
1	07/02/2024	4	-	1. Reviewing Preliminary Financial Results for FY 2023. 2. Compliance of Loan Agreement Covenants.
2	07/03/2024	4	-	1. Reviewing Annual Financial Results for FY 2023 2. Reviewing External Auditors quotation for FY 2024.
3	13/03/2024	4	-	1. Review of Internal Audit Risk Assessment and Plan for Year 2024.
4	09/05/2024	4	-	1. Review of Quarterly Financial Statement for the First Quarter (Q1) period ended March 31, 2024 2. Presentation by External Auditor (EY)
5	30/05/2024	4	-	1. Review Of the Second Internal Audit Report for The Year 2024.
6	06/08/2024	4	-	1. Review of Quarterly Financial Statement for the Second Quarter (Q2) period ended June 30, 2024. 2. Presentation by External Auditor (EY)
7	03/09/2024	4	-	1. Internal Audit Performance Metrics. 2. Q2 Internal Audit report.
8	06/11/2024	4	-	1. Review of Quarterly Financial Statement for the Third Quarter (Q3) period ended September 30, 2024. 2. Update on Q3, 2024 review, EY presentation.
9	10/12/2024	4	-	1. Approve 2025 Internal Audit plan, Audit charter, Audit Manual, Training budget and Q4 Audit report.

Annual Audit Committee report:

1. Significant matters reviewed by the committee concerning the financial statements.

Accounts receivables, compliance with loan agreements, corporate tax, End of service, investments, provisions, sales and the quarterly financial statements.

2. An explanation of how the committee assessed the independence and effectiveness of the external audit process, the approach taken for appointing or reappointing the external auditor, and information on the tenure of the current audit firm.

The Audit Committee is involved at all stages of the audit, to obtain comfort that a quality audit will be performed:

At the start of each annual audit cycle, the Audit Committee ensures that appropriate plans are in place for the audit.

In practice this means that before any audit fieldwork takes place, the audit firm meets with the Audit Committee to discuss the audit strategy and audit plan, demonstrating that auditing standards and quality control principles have been adhered to in their development.

The Audit Committee reviews, with the external auditors the findings of their work. In the course of its review, the Audit Committee discusses with the external auditor major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved. The committee review key accounting and audit judgements and reviews levels of errors identified during the audit, obtaining explanations from management and, where necessary, the external auditors as to why certain errors might remain unadjusted. The Audit Committee reviews and monitors management's responsiveness to the external auditor's findings and recommendations.

At the end of the annual audit cycle, the Audit Committee assesses the effectiveness of the audit process, by

- Reviewing whether the auditor has met the agreed audit plan and understand the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditors to address those risks.
- Considering the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the Audit Committee.
- Obtaining feedback about the conduct of the audit from key people involved, for example the CFO.
- Reviewing and monitoring the content of the external auditor's management letter (report to those charged with governance), in order to assess whether it is based on a good understanding of the company's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon, and report to the board on the effectiveness of the external audit process.

3. A statement outlining the committee's recommendation regarding the appointment, reappointment, or dismissal of the external auditor, along with reasons why the Board of Directors may reject this recommendation.

The Audit Committee recommended Ernst & Young external auditors in 2024 which was accepted by the board.

4. An explanation of how the independence of the external auditor is maintained when providing non-audit services to the company.

The Audit Committee 's objective is to ensure that the provision of such services does not impair the external auditor's independence or objectivity. Before any non-audit services are performed by the external auditors, the services have to be first approved by the Audit Committee after considering the following: -

- whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service
- whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the provision of such services by the external audit firm.
- the nature of the non-audit services
- the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee.
- The criteria which govern the compensation of the individuals performing the audit.

5. Actions taken or planned by the committee to address any deficiencies or weaknesses in the event of failures in internal control or risk management.

A clear corrective and prevention action plan has been developed with the process owners with agreed upon closure dates.

6. An evidence that the committee has reviewed all internal audit reports with medium and high risks, issued from the internal audit, to determine whether they stem from significant violations or weaknesses in internal controls.

Annual risk assessment report was presented to the Audit committee in Q1 2024 covering all Audit universe in Julphar, along with the risk scoring, and risk register of the top 10 risks in Julphar. Identified risks were presented with a risk mitigation plan with clear corrective and preventive actions and clear actions closure dates.

7. Comprehensive information about the corrective action plan to address substantial deficiencies in risk management and internal control systems.

Corrective action plans are in place with agreed upon closure dates.

8. Documentation demonstrating that the committee has audited all transactions made with related parties, the observations or results thereof, and the extent of compliance with applicable laws in this regard.

Business transactions with subsidiaries are part of the quarterly financial statements reviewed quarterly by the Audit committee. No other major transactions out of business norms were performed with related parties.

Nomination and Remuneration Committee

Acknowledgment from the Chair of the Nomination and Remuneration Committee regarding their responsibility for the committee's system within the company.

The Chair of the Nomination and Remuneration Committee acknowledges his responsibility for the committee's system within the company. He has reviewed the committee's operational framework and ensured its effectiveness, striving for the policies in place to align with best governance practices.

Names of the members of the Nomination and Remuneration Committee, along with their roles and responsibilities.

The Nomination and Remuneration Committee consists of the following members:

Chair of the Committee: Mr. Aboud Bejani

Committee Member: Mr. Jean Maroun Diab

Committee Member: Mr. Medhat Abouelasrar Al Gamal

The Nomination and Remuneration Committee conducts its activities based on Article (59) of the Decision of Chairman of the Securities and Commodities Authority's No. (3/ Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and its amendments.

Its main duties, responsibilities, and authorities include:

- **Determining Remunerations:** Establishing the remuneration for board members in accordance with approved procedures.
- **Developing Remuneration Policies:** Creating remuneration policies for the executive management linked to the company's performance, ensuring alignment with its strategic goals.
- **Preparing and Reviewing Policies:** Drafting and reviewing human resources policies to comply with relevant laws and regulations, ensuring fairness and efficiency in human resource management.
- **Nomination Procedures:** Overseeing the nomination procedures for board membership, defining the criteria and conditions necessary for selection, ensuring that qualified members who contribute to the company's success are appointed.

The committee contributes to enhancing good governance and transparency in decision-making processes related to human resources and remuneration, thereby building trust with shareholders and stakeholders.

Number of meetings held by the Nomination and Remuneration Committee in 2024

In line with the Nomination and Remuneration Committee's commitment to performing its duties efficiently and effectively, and to ensure timely decision-making, the committee held four meetings during the year 2024, with the following dates:

S.N	Date	Number of Attendees	Names of Absent Members
1	29/03/ 2024	2	Mr. Medhat Abo Al Asrar
2	03/05/ 2024	3	-
3	30/09/2024	3	-
4	30/12/ 2024	2	Mr. Jean Diab

Committee for Monitoring and Supervising the Transactions of Insider Persons

Statement from the Chair or Authorized person regarding the Committee's Responsibility

The Chairman of the Committee for Monitoring and Supervising the Transactions of Insider Persons affirms his responsibility for the committee's framework within the company. He has assessed the committee's operational procedures to ensure their effectiveness and is committed to upholding transparency and integrity in all transactions involving insider parties.

Names of the members of Committee for Monitoring and Supervising the Transactions of Insider Persons

The committee consists of the following members:

Chairman: Mr. Juergen Lauterbach

Committee Member: Mr. Gopa Kumar

Committee Member: Ms. Hessa Al-Shehhi

Statement of responsibilities, assigned tasks, and summary of the Committee's activities for 2024

The committee is fully committed to adhering to the decisions of the Securities and Commodities Authority and the Abu Dhabi Securities Exchange, including any amendments. The responsibilities of the committee include the following:

- Preparation of a Special Register: The committee prepares a special register that includes the names and details of key and temporary insiders, updating it continuously as needed.
- Internal communication about insider trading regulations and trading blackout periods: The committee issues periodic circulars to insiders to remind them of trading blackout periods and the necessity to comply with applicable laws and regulations, thereby enhancing a culture of compliance within the company.
- Updating Internal Policies: The committee also works on updating the internal policy for insiders to ensure it aligns with best practices and current standards.

These efforts contribute to enhancing transparency and accountability, which in turn boosts the confidence of shareholders and stakeholders in the company.

Other committees approved by the Board of Directors

In addition to the permanent committees of the company's Board of Directors, two additional committees have been formed: the Strategy & Investment Committee and the Quality & Technical Committee. The Board has defined their members, responsibilities, and tasks in accordance with the company's needs.

Strategy & Investment Committee

The Chair of the Strategy & Investment Committee acknowledges his responsibility for the committee's system within the company and has reviewed its operational mechanisms to ensure their effectiveness.

The Strategy & Investment Committee consists of the following members:

Chairman: Mr. Jean Maroun Diab
Committee Member: Ms. Olfa Gam
Committee Member: Mr. Abboud Bejjani
External Committee Member: Ms. Karol Michalak
External Committee Member: Ms. Carol Blery

Statement of responsibilities and assigned tasks

The committee serves as a liaison between the Board of Directors and the company's management by adopting executive decisions regarding matters referred to the committee that fall within its scope of responsibilities. The committee's powers include, but are not limited to, the following:

- Reviewing and approving strategies presented to the Board of Directors.
- Preparing and monitoring compliance with relevant laws and regulations.
- Overseeing initiatives that may have a material impact from an organizational or competitive perspective on the company's reputation and other factors.
- Reviewing the company's annual plan and budget, submitting recommendations for Board approval, and overseeing the evaluation of the company's performance against the business plan, followed by recommendations to the Board.
- Reviewing contracts related to significant strategies and other material matters concerning accounting and finance and approving them within the limits outlined in the committee's charter.
- Other responsibilities, such as reviewing reports, conducting feasibility studies, assessing investment risks, and approving or rejecting them before presenting them to the Board for approval, as well as monitoring strategic projects and important transformation initiatives.
- Discussing and approving management's studies and recommendations regarding direct or indirect investments as permitted by the company's bylaws.
- Carrying out any other tasks assigned by the Board of Directors.

Number of meetings held by the Strategy & Investment Committee in 2024

In line with the Strategy & Investment Committee's commitment to performing its duties efficiently and effectively, and to ensure timely decision-making, the committee held 17 meetings during the year 2024, with the majority of its members in attendance.

S.N	Meeting Date	Number of Attendees	Names of Absent Members
1	09/01/2024	5	-
2	19/01/2024	5	-
3	06/02/2024	5	-
4	23/02/2024	5	-
5	22/03/2024	5	-
6	23/04/2024	5	-
7	22/05/2024	5	-
8	20/06/2024	5	-
9	23/07/2024	5	-
10	21/08/2024	5	-
11	24/09/2024	5	-
12	22/10/2024	5	-
13	30/10/2024	5	-
14	06/11/2024	5	-
15	22/11/2024	5	-
16	13/12/2024	5	-
17	20/12/2024	5	-





Quality & Technical Committee

The Chair of the Quality & Technical Committee acknowledges her responsibility for the committee's system within the company and has reviewed its operational mechanisms to ensure their effectiveness.

Quality & Technical Committee consists of the following members:

Committee Member: Ms. Olfa Gam

Committee Member: Mr. Abboud Bejjani

Committee Member: Mr. Hamody A.H. Al Limy

Statement of responsibilities and assigned tasks

The Quality & Technical Committee, established by the Board of Directors, contributes to fulfilling the Board's oversight responsibilities regarding quality, compliance issues, and scientific and technical direction. The committee's powers include, but are not limited to, the following:

- Conducting periodic reviews of reports related to significant compliance issues in coordination with the quality and compliance department.
- Assuming initial oversight responsibility for all quality areas and compliance matters (non-financial compliance).
- Overseeing the company's innovations and production line strategies & performance assessing the competitive position of the pharmaceutical portfolio, exploring potential new treatments, monitoring the company's approach to developing new markets, and evaluating its effectiveness in research, development, and intellectual property.
- Reviewing the development and implementation of key business policies by management, including policies on security and safety, quality assurance, control policies, corporate social responsibility policies, regulatory affairs policies, production policies, and others.
- Following up on tasks and duties assigned by the Board from time to time.

Number of meetings held by Quality & Technical Committee in 2024

In line with the Quality & Technical Committee's commitment to performing its duties efficiently and effectively, and to ensure timely decision-making, the committee held 4 meetings, each quarter during the year 2024, with the following dates:

S.N	Meeting Date	Number of Attendees	Names of Absent Members
1	25/01/2024	3	-
2	15/04/2024	3	-
3	19/07/2024	3	-
4	04/10/2024	3	-

Responsibilities and powers of the Board of Directors undertaken by a Board Member or Executive Management in 2024 based on delegation from the Board:

During the year 2024, aside from the implementation of resolutions by circulation, the Board of Directors members or Executive Management have not delegated any duties or powers of the Board of Directors.

Details of transactions with related parties (stakeholders) during 2024

The company is committed to positive engagement with stakeholders and enhancing transparency and credibility in all its activities. During the year 2024, no transactions were made with related parties.

Assessment of the Board of Directors

The annual assessment of the performance of the board of directors, its members and committees. Julphar conducted its annual evaluation of the Board of Directors to improve its effectiveness and ensure the best results in managing the company. The evaluation included a comprehensive analysis of the Board's duties, its commitment to the company's strategies and future vision, as well as assessing the constructive interaction between the Board and the executive management.

Key Evaluation Results:

- **Board Composition and Competence:**
 - The current composition of the Board is appropriate in terms of size and expertise, aligning with the company's strategy.
 - There is a good diversity of skills and experiences among the members.
 - The Board adheres to gender diversity principles, and there is an adequate number of independent members.
- **Roles and Responsibilities of the Board:**
 - Roles and responsibilities are clearly defined in the Board's internal regulations.
 - The Board works effectively as a team and fosters a collaborative work environment based on trust.
- **Board Meetings and Provided Information:**
 - Meetings are held regularly, and necessary information is provided in advance to facilitate preparation and decision-making.
 - The allocated time for discussions is sufficient, and decisions are made after thorough deliberation.
- **Training and Development:**
 - The orientation program for new members is effective. However, there is a need to focus more on training programs to ensure that the Board keeps up with developments.

- **Collaboration with Executive Management:**
There is effective communication between the Board and executive management, enhancing the achievement of the company's interests.
- **Performance and Risk Management:**
The Board effectively monitors performance and has established key performance indicators. Risks are identified and appropriate measures are taken to address them.
- **Investor Relations and Internal Controls:**
The investor relations program is effective, and the Board places significant emphasis on reviewing the internal control system.

Conclusion: Based on the evaluation, the Board demonstrates commitment to achieving the company's objectives and continuously improving its performance in line with best corporate governance practices. However, the board strives for continuous improvement in some areas to enhance the effectiveness of its performance in the future.

Organizational Structure and Executive Management:

Organizational Structure:

The organizational structure consists of several levels, starting with the Board of Directors, which defines general policies and oversees the executive management, followed by the senior management that handles daily operations, and reaching the teams and employees who carry out the assigned tasks.

Functionally the organization is structured into Commercial, Finance, HR & Administration, Corporate Development & Strategy, IT, Technical Operations and General Management under respective CXOs. The functional structure enables Julphar to optimize the synergies, enhancing efficiency and foster specialized expertise in respective areas. The structure enables each function to focus on core deliverables leveraging specialized expertise for achieving the company's vision and business objectives.

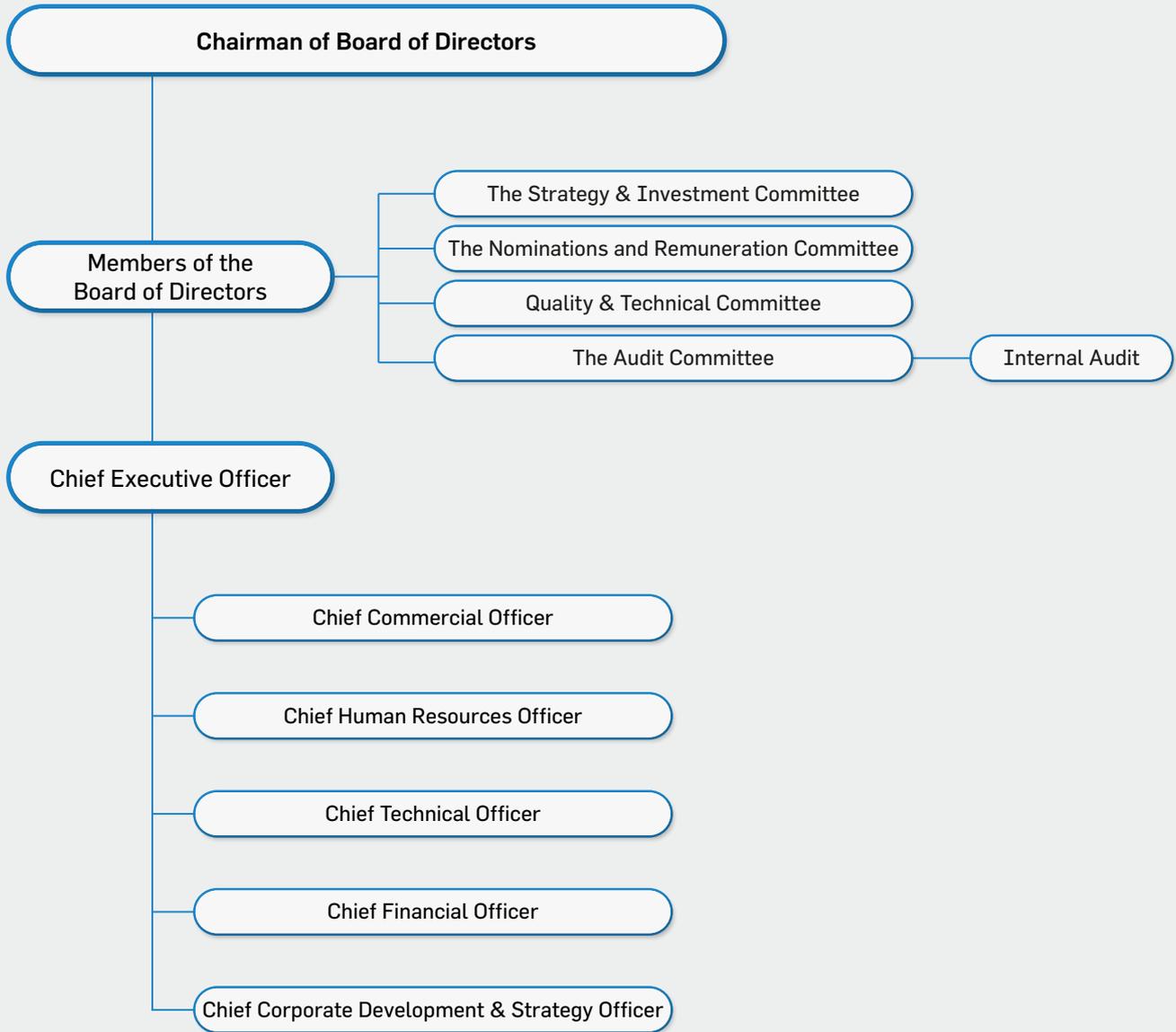
Executive Management:

The Executive Management is responsible for implementing the strategies and policies approved by the Board of Directors.

The Executive Management Team is composed of the Chief Executive Officer and Chief Officers who contribute to decision-making and oversee daily activities.

The Executive Management team brings a wealth of diverse expertise, with members collectively offering decades of experience across various domains, including Finance, Commercial, Sales & Marketing, Human Resources, Strategy, Business Development, Technical Operations and Information Technology. Their extensive background and reputable professional track record enables the team to strategically navigate challenges and opportunities, ensuring achievement of the Company's objectives. Their combined knowledge and leadership skills foster an environment of innovation, sound decision-making, and operational excellence, driving the organization's growth and success.

Below is the current organizational structure of the company:



The Executive Management at Julphar carries out its primary role in executing a company's strategy according to the responsibilities and tasks assigned to them, as well as the powers delegated by the Board of Directors. This is done within the framework of governance rules and the company's bylaws, ensuring compliance with best practices.

The executive management contributes to enhancing the company's performance and effectively achieving its strategic objectives in an organized manner.

Among the key appointments in 2024 is the appointment of a new Chief Financial Officer (CFO) and a new Chief Commercial Officer (CCO), following the resignation of the previous holders of these positions.

Remuneration of the Executive Management Team in 2024:

The following table provides a detailed statement of the senior executive employees in the first and second ranks as of 2024:

S.N	Position	Date of Appointment	Total salaries and Remuneration paid in 2024 (AED)	Total Bonuses paid in 2024 (AED)	Any Other Cash/Non-Cash Bonuses for 2024 or Payable in the Future	*Date of resignation
1	Chief Executive Officer	13/02/2023	2,594,141	1,041,700		-
2	Chief Financial Officer	17/09/2024	450,667	0		-
3	Former Chief Financial Officer	09/05/2022	1,345,836	116,917		03/09/2024
4	Chief Corporate Development & Strategy Officer	01/10/2019	1,421,000	138,720		-
5	Chief Commercial Officer	01/10/2024	367,978	0		-
6	Former Chief Commercial Officer	03/08/2020	930,000	88,964		30/09/2024
7	Chief Human Resources Officer	03/05/2020	604,800	94,147		-
8	Chief Technical Officer	03/07/2023	1,380,000	140,935		-

*Date of resignation: for those who resigned during 2024

Auditor

Overview of the Company's Auditor:

Ernst & Young (EY) is one of the largest professional services firms and one of the "Big Four" auditing firms in the world. It operates in over 150 countries and is a leader in providing audit, consulting, and tax services.

During the Annual General Meeting held on April 22, 2024, the shareholders decided to reappoint Ernst & Young as the company's external auditor for the fiscal year 2024, with their fees set at AED 857,000.

The audit fees and costs for services provided by the external auditor during 2024 are detailed in the following table:

Name of the Audit Firm:	Ernst & Young Middle East (Dubai Branch)
Name of the Partner Auditor:	Ms. Wardah Ebrahim
Number of years the auditor has served as the Company's External Auditor:	6 years
Number of years the partner auditor has spent auditing the Company's accounts:	3 years
Number of years the partner auditor has spent auditing the company's controlling entities accounts:	5 years
Total audit fees for 2024 (AED):	AED 1,612,280
Value of fees and costs for other services (excluding financial statement audit) for 2024	AED 839,277
Details and nature of other services provided by the Company's auditor:	
Moore Stephens	Inventory count
KPMG	Corporate tax consulting services
NIRA	Submission of the quarterly VAT return
NIRA	Filing of the ESR return for the FY23
KGRN Accounting Associates	Assistance with VAT refund
Actuarial Consultants (Abdul Rahim Abdul Wahab)	Actuarial valuation
UHY Jamed Chartered accountants	ESR
UHY Jamed Chartered accountants	Sales audit for Retail outlets
Push Digit Chartered Accountants	Sales audit for Retail outlets

Reservations included by the company's auditors in the interim and annual financial statements for the year 2024.

It is worth noting that the annual financial statements for 2024 are still under review and preparation as of the date of this report, reflecting the company's commitment to accurate and transparent accounting standards.

Internal Audit System

The Board's acknowledgment of its responsibility for the Internal Audit system in the Company, and its review of its operation and effectiveness.

The Board of Directors acknowledges its responsibility for the internal audit system at Gulf Pharmaceutical Industries (Julphar) and its review of the operation of the internal audit department, ensuring its effectiveness through the work and tasks of the committees derived from it. The company's internal audit department organizes audit and internal control procedures, follows up on external audit activities, which are an important part of implementing an effective internal control system, in addition to applying the governance system. The internal audit department operates under the supervision and monitoring of the Audit Committee formed by the Board of Directors.

Name of the Internal Audit Department Manager, his qualifications, and date of appointment

The Internal Audit Department is headed by Mr. Yasser Fouad, who was appointed on May 16, 2021. He is a Certified Internal Auditor (CIA) from the United States, an Association of Chartered Certified Accountants (ACCA) member from the UK, and a Certified Management Accountant (CMA) from the United States. He holds a Bachelor of Commerce degree from the Arab Republic of Egypt.

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

The role of Compliance Officer was previously handled by Ahmed Kamal, who served as the Head of Legal and Compliance Officer before the new regulations were implemented. During 2024, while the company was actively seeking a new Compliance Officer, Ahmed Kamal, along with the Audit Committee, jointly supported and guided compliance-related activities. Furthermore, in line with the amendment to Clause (5) of Article (67) of Decision No. 03/2020, the company will adhere to the provisions of this amendment in 2025 by appointing a new Compliance Officer, ensuring alignment with the updated regulations.

How the Internal Audit Department handles major issues in the Company or those disclosed in annual reports and accounts.

The Internal Audit Department has an ongoing follow-up program for audit observations. It works in collaboration with the relevant departments to develop agreed-upon corrective and preventive actions. Deadlines are set for compliance with these actions, and they are monitored periodically to ensure their implementation as agreed and within the specified timelines.

Number of reports issued by the Internal Audit department to the Company's Board of Directors.

The Internal Audit Department issued four reports during the year 2024 to the Audit Committee, which, in turn, presents them to the company's Board of Directors. These reports aim to enhance transparency and accountability, providing strategic insights into performance and compliance.

Details of violations committed during 2024, the reasons for them, how they were addressed, and how to prevent their recurrence in the future.

The company adhered to transparency and applicable accounting standards and did not commit any violations during 2024 regarding the disclosure of interim and annual financial reports, as well as other required disclosures.

Monetary and in-kind contributions made by the Company in 2024 for community development and environmental conservation.

A series of community events and initiatives were organized in 2024, with a focus on promoting social responsibility and humanitarian work. No cash donations were disbursed during the year. The events included, but were not limited to:

- 1 International Day of Older Persons: This initiative aimed to raise awareness of the rights of the elderly and encourage their participation in society.
- 2 Your Health Matters: A campaign to raise health awareness among employees about various health issues and how to address them, with the goal of maintaining good health.
- 3 Iftar for the Fasting under the theme "Supporting Humanitarian Work and Social Responsibility" by distributing iftar meals.
- 4 International Workers' Day: Highlighting the vital role of workers in society.
- 5 Blood Donation Campaign: Organizing blood donation drives in coordination with relevant authorities. These efforts aim to enhance social responsibility and contribute to the community by providing blood units that help save the lives of patients in need.
- 6 Several other initiatives, in coordination with relevant authorities, including free health screenings and the World Diabetes Day initiative, among others.

Our commitment to environmental conservation goes beyond current social responsibility. It reflects our desire to leave a better world for future generations. Based on this, we implemented the "Go Green" initiative at the company headquarters, where we focus on reducing plastic waste, especially from water bottles, and promoting recycling. As part of another initiative called "Towards a Green Environment," we also aim to reduce water consumption and cut down on electricity usage.

Throughout 2024, several training courses on health, safety, and environmental awareness were organized to promote sustainability, in addition to encouraging innovation in humanitarian work and fostering volunteerism.



General Information

A statement of the company's share price in the market at the end of each month during the fiscal year 2024.

Month	Highest Price	Lowest Price	Closing Price
January	1.220	1.100	1.170
February	1.030	0.990	1.000
March	0.958	0.945	0.951
April	0.941	0.937	0.941
May	0.900	0.865	0.868
June	0.855	0.815	0.820
July	0.900	0.864	0.887
August	0.949	0.934	0.940
September	0.885	0.854	0.867
October	1.660	1.520	1.580
November	1.330	1.290	1.300
December	1.320	1.290	1.300

A statement of the comparative performance of the company's stock with the general market index and the sector index to which the company belongs during the year 2024.

Month	Company Share Price	General Index (Abu Dhabi Securities Exchange)	Healthcare Sector Index
January	1.170	9,508.320	3,459.930
February	1.000	9,254.810	2,951.000
March	0.951	9,228.090	2,929.260
April	0.941	9,067.420	2,939.500
May	0.868	8,862.580	2,732.690
June	0.820	9,060.730	2,955.250
July	0.887	9,338.960	2,851.270
August	0.940	9,284.930	2,612.510
September	0.867	9,425.490	2,577.240
October	1.580	9,327.920	2,558.270
November	1.300	9,234.800	2,396.100
December	1.300	9,419.000	2,408.060

A statement of shareholder ownership distribution as of 31/12/2024 (individuals, companies, governments) classified as follows: Local, Gulf, Arab, and Foreign.

S.N	Shareholder Classification	Percentage of Shares Owned			
		Individuals	Companies	Government	Total
1	Local	25.283%	36.636%	12.24%	74.159%
2	Gulf	11.802%	0.426%	-	12.228%
3	Arab	1.493%	10.873%	-	12.366%
4	Foreigner	1.01%	0.237%	-	1.247%
	Total	39.588%	48.172%	12.24%	100%

A statement of shareholders owning 5% or more of the company's capital as of 31/12/2024.

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	12.24%
3	Yasser bin Youssef bin Mohammed Naghi	103,970,503	9.000%
4	Arab Company for Drug Industries and Medical Appliances (Acdima)	100,749,517	8.721%
5	Mohammed Abdulaziz Rubaya Al Muhairi	87,552,538	7.579%
6	Sheikh Faisal bin Saqr bin Mohamed Al Qasimi	80,932,564	7.006%
	Total	792,940,043	68.639%

A statement of how shareholders are distributed according to the size of their ownership as of 31/12/2024.

S.N	Share Ownership (Shares)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned from Capital
1	Less than 50,000	1,969	12,232,016	1.059%
2	From 50,000 to less than 500,000	351	53,559,905	4.636%
3	From 500,000 to less than 5,000,000	75	89,786,455	7.772%
4	More than 5,000,000	18	999,649,435	86.533%
Total:		2,413	1,155,227,811	100%

Actions taken regarding Investor Relations Controls

The company has a dedicated Investor Relations department aimed at providing necessary services to shareholders. On the website, there is a dedicated Investor Relations page that allows easy access to the company's data and all related 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 at the General Assembly held during 2024 and the actions taken regarding them.

No special resolutions were presented at the General Assembly held in 2024.

Name of the Secretary of the Board of Directors' meetings and date of appointment.

The duties of the Secretary of the Board of Directors' meetings have been assigned to Loulwa Alshehhi, who holds a Bachelor of Law degree from the University of Sharjah. Ms. Al Shehhi has distinguished practical experience in the banking sector before joining the company on August 9, 2022.

Her legal expertise and deep knowledge of banking operations enhance the effectiveness of the meetings.

Material events and significant disclosures encountered by the Company during 2024.

The material events and significant disclosures encountered by the company during 2024 include a range of notable developments that have impacted the company's progress. Among these are:

Julphar announces the divestment of Zahrat Al Rawdah Pharmacies LLC to Bin Dawood Holding (ticker 4161), a leading Saudi listed retail conglomerate operating Danube and Bin Dawood grocery stores, for a total cash consideration of SAR 444.1 million, subject to certain conditions and customary approvals. The company is a 100% indirectly owned subsidiary of Julphar and operates 173 retail pharmacy outlets in the Kingdom of Saudi Arabia.

Julphar announced the sale of 100% of its ownership stake in DiabTec LLC, a subsidiary specializing in the production of recombinant human insulin API. The subsidiary represents 12.6% of Julphar Group's total consolidated assets as of 30.09.2024. The transaction aligns with the company's strategic efforts to divest non-core assets, expand its portfolio in the diabetes sector, and accelerate the launch of innovative insulin products in the Middle East and North Africa region.

In line with the company's growth strategy in its key markets within the Gulf Cooperation Council (GCC) countries, Julphar announced its plan to establish an advanced pharmaceutical and biotechnology manufacturing facility in the Kingdom of Saudi Arabia. Julphar will invest approximately SAR 300 million in this new facility over the next few years. The project will include the manufacturing of complex biologic medicines, sterile drugs and generic formulations with a commitment to the highest quality standards.

Transactions conducted by the Company with related parties during 2024 that are equal to 5% or more of the Company's capital.

In line with the company's commitment to the highest standards of transparency and integrity in its financial transactions, the company confirms that no transactions equivalent to 5% or more of the company's capital were made with related parties during the year 2024.

Emiratization percentage in the Company at the end of 2022, 2023, and 2024

The Emiratization percentage in the company at the end of each year was as follows:

- At the end of 2022: The Emiratization percentage was 9.8%, reflecting the company's commitment to enhancing national competencies in the workplace.
- At the end of 2023: The Emiratization percentage increased to 11%, as a result of continuous efforts in recruiting and training Emirati nationals.
- At the end of 2024: The company saw a significant increase in the Emiratization percentage, reaching 13%, which reflects the success of the recruitment and human development strategies implemented.

These figures demonstrate the company's commitment to strengthening the national workforce and supporting sustainable development within the community.

Innovative projects and initiatives undertaken by the Company or currently under development during 2024

During 2024, the company has launched several innovative projects and initiatives aimed at enhancing its efficiency and meeting market needs. These initiatives are designed to strengthen the company’s position in the market and achieve sustainable growth through innovation and continuous improvement. These projects include:

- JPS or Julphar Production System which is an integrated lean process aiming towards zero accident, zero defect and zero waste.
- Performance management digitalized to ensure efficient daily performance management with KPI focus.
- jZAP application, the very first Julphar application for safety reporting of any risk or near miss. The idea is to ensure all risks are captured before accidents happens, based on the zero-accident process.
- AI-based safety tool is essential in 2025. It integrates with CCTV cameras to detect behaviours or near misses, promoting a zero-accident process. The goal is to ensure a safe workplace.
- OEE digitalization on production lines (over 80% of volumes) automates OEE calculation per equipment, measures MTBF and MTTR, and aids in problem-solving using the 6M method for sustained performance.

<p>Signature of the Chairman of the Board</p>	<p>Signature of the Chairman of the Audit Committee</p>	<p>Signature of the Chairman of the Nominations and Remuneration Committee</p>	<p>Signature of the Head of Internal Audit Department</p>
<p>-----</p> <p>Date:/...../.....</p>	<p>-----</p> <p>Date:/...../.....</p>	<p>-----</p> <p>Date:/...../.....</p>	<p>-----</p> <p>Date:/...../.....</p>