



Company competition controls and standards



Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO ADDWAEIH)

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Document Control

ORIGINAL RELEASE CONTROL SHEET

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VERIFICATION AND SIGN-OFF

Board of Directors Sign Off			
This is to assure that this "Company competition controls and standards, have been approved by General Assembly on the date mentioned above.			
	Name	sign	Date
Board Secretary			
Governance Department			

Document Retention, Revision and Disposal

Company competition controls and standards shall be retained by the Governance Department and board Secretary, in the original form and in any secure form. The Board Secretary shall periodically review and update the document in consultation with the Governance Department. A Release Control Sheet and a Revision Control Sheet shall also be prepared on each occasion of release / revision.

DOCUMENT HISTORY

Version Number	Effective Date	Brief Description of Revision	Approved By	Signature and Date
1		Version: 1		

Document Roles and Responsibilities / Authority Matrix

This table highlights the roles and responsibilities specifically related to the formation of this document including who is responsible for the preparation, review, endorsement and final approval of the document.

Stakeholders	Prepare/ Update/ Amend	Review	Recommend	Endorse	Approve	Publish
Governance Team	YES					YES
Executive Director of Governance, Legal, and Compliance		YES				
Governance & Risk Committee			Yes			
Board of Director				YES		
General Assembly					YES	

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1. Introduction

The Board of Directors of the Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO ADDWAEIH) has prepared these controls and standards in accordance with the company's Bylaws, the companies' law, and the corporate governance regulations issued by the Capital Market Authority.

2. Objective of the Policy

The company's competition controls and standards have been prepared to clarify the company's competition, its mechanism, the concept of competition business, and the mechanism for the board of directors' verification of a board member's competition for the company's business or its competition in one of the branches of its activity.

3. Company Competition

1. A board member may not engage in any act or business that may compete with the company or its affiliates. Otherwise, the company shall have the right to petition the competent judicial authority to claim appropriate damages, unless such member has a prior authorization from the ordinary general assembly, subject to rules set by the competent authority.
2. If a member of the Board of Directors wishes to participate in a business that would compete with the company, or to compete with it in one of the branches of the activity that it is engaged in, the following must be considered:
 - Inform the Board of Directors of the competing business that he/she wishes to practice and substantiating this notification in the minutes of the Board of Directors meeting.
 - Non-participation of the stakeholder member in voting on the resolution issued in this regard in the Board of Directors and the shareholders' assemblies.
 - The Chairman of the Board of Directors informs the Ordinary General Assembly, when it is convened, of the competing business practiced by the member of the Board, after the Board of Directors has verified that the Board member is competing with the company's business or its competition in one of the branches of the activity that it engages in in accordance with these controls and standards, provided that such business is verified on an annual basis.
 - Obtaining a license from the company's ordinary general assembly that allows the member to practice competing business.

4. Company's Objectives

The company carries out the following business - as stipulated in Article (3) of the company's Bylaws – and they are as follows:

1. Wholesale distribution of pharmaceutical and medical products, as well as medical equipment, cosmetics, and colognes.
2. Production of fundamental pharmaceutical goods and pharmaceutical preparations, including the production of pharmaceutical products for human consumption and pharmaceutical substances employed in the production of pharmaceutical products.

3. Medicine-selling agents, including those who offer cosmetics and other pharmaceutical products.
4. Scientific research and development, particularly in the sphere of medical sciences.
5. Drugstore operations – pharmacies and pharmacy stores.
6. Marketing services on behalf of others are provided in the areas of research, advertising, and marketing.
7. All works and activities in the field of manufacturing and marketing of pharmaceutical raw materials, pharmaceutical products, cosmetics, veterinary medications, medical treatments, production needs, and pharmaceutical preparations.

5. Main Activities of the Subsidiaries

"SPIMACO ADDWAEIH" and its subsidiaries operate in a basic activity of pharmaceutical and medical production, which includes manufacturing, production, development, marketing, sale and distribution of pharmaceutical raw materials, medical and pharmaceutical preparations, production requirements, devices, medical and pharmaceutical supplies, and the production of medical consumable supplies, and a secondary activity that includes investment in health care services.

6. Concept of Competition Business

It includes the concept of participating in any business that would compete with the company or its competition in one of the branches of the activity that the company is engaged in as follows:

- A member of the board of directors establishes a company or a sole proprietorship or owns an influential percentage (5% or more) of shares in A company or other establishment that engages in an activity similar to that of the company or its group.
- Accepting membership in the board of directors of a company or an entity competing with the company or its group, or assuming the management of a competing sole proprietorship or a competing company of whatever form, with the exception of the company's affiliates.
- The member obtaining a commercial agency or the like, whether apparent or hidden, for a company or other facility competing with the company or its group.

For the purposes of these controls and standards, a company, facility, or individual institution is a competitor to the Saudi Pharmaceutical Industries and Medical Appliances Corporation, SPIMACO ADDWAEIH, or its group, or engages in an activity of the same type as that of the company or its group, if this company, facility, or individual institution carries out business similar to that of the Saudi Pharmaceutical Industries and Medical Appliances Corporation, SPIMACO ADDWAEIH, or its group stipulated in the company's Bylaws and the fifth and sixth paragraphs of these controls and standards, in the countries in which the company or its group exercises its activities, and based on the Board of Directors' verification of this competition business in accordance with these controls and standards.