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74	Executive Chairman's overview
76	Corporate governance at a glance
78	Leadership
81	Corporate governance
86	Nomination and Governance Committee
89	Audit Committee
93	Compliance, Responsibility and Ethics Committee
95	Remuneration Committee
99	Director's remuneration policy
109	Annual report on remuneration
125	Other statutory disclosures

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### Image

Production Technician at our Columbus Ohio facility donned in appropriate personnel protective equipment (PPE) during a cleaning/ sanitisation routine of a cleanroom.



# Corporate governance





# Executive Chairman's overview

**We are committed to high standards of transparency in corporate governance reporting and work hard as a Board to provide strong and stable leadership, supported by our corporate governance framework.**

**Said Darwazah**  
Executive Chairman and  
Chief Executive Officer



## Dear Shareholders

2022 has been an eventful year for our Board. Strong performances in our Injectables and Branded businesses, including the completion of two strategic acquisitions, were offset by the impact of challenging market conditions on our Generics business. There were changes to our Board composition, including the resignation of our Chief Executive Officer (CEO). The Board has worked hard to provide strong and stable leadership throughout the year to ensure our overall approach to corporate governance continues to be effective, supported by our corporate governance framework.

## CEO succession

As of 24 June 2022, Siggí Olafsson stood down as CEO and from Hikma's Board of Directors. On behalf of the Board, I would like to thank Siggí for his leadership and the progress he made driving strategic momentum across our businesses. In order to ensure continuity in the delivery of Hikma's strategy, the Board agreed that I, as Executive Chairman and former CEO, would step in and assume all CEO responsibilities on a temporary basis while the Board initiated a search to identify and appoint a new CEO.



We are proud of our Board diversity. 45% of our Board are women and 27% are from minority ethnic backgrounds.

The search for a new CEO is ongoing and an update will be provided when an appointment is made. Further detail on the CEO search process is included on page 86.

## Board and Committee composition

As planned, we took steps in 2022 to refresh the Board and prepare for future succession. Following the retirement of Dr Pamela Kirby at the conclusion of our Annual General Meeting (AGM) in 2022, Nina Henderson became Chair of the Remuneration Committee. Nina is an experienced member of Hikma's Remuneration Committee, having served as a member since 2016. Nina is also Remuneration Committee Chair for IWG PLC and Chair of the Human Resource Compensation Committee for CNO Financial Inc. (NYSE).

We were also delighted to welcome Laura Balan, Victoria Hull and Dr Deneen Vojta as Independent Non-Executive Directors during the course of October and November 2022. This resulted in a number of changes to our committee memberships; the Audit Committee welcomed Laura and Victoria as members; the Compliance, Responsibility and Ethics Committee welcomed Deneen as a member; the Nomination and Governance Committee welcomed Victoria and Deneen as members; and the Remuneration Committee welcomed Laura as a member. Together these new appointments bring refreshed insights to the Board and its Committees, strengthening our knowledge of the global healthcare industry, investor sentiment, the UK listed environment and M&A. As has been our practice for several years, we aim to give new Directors time to understand the culture, history and operations of Hikma before undertaking additional responsibilities, so in line with our plans for the future composition of the Hikma Board, Victoria will be appointed Senior

Independent Director and assume the role of Chair of the Nomination and Governance Committee, following the AGM in April 2023.

## Board diversity

When making new appointments to the Board in 2022, the Board was mindful of shareholder feedback following our AGM in 2022 where we received significant votes against (defined as above 20% under the UK Corporate Governance Code (the Code)) resolution 8 for the re-election of Patrick Butler, Senior Independent Director and Chair of the Nomination and Governance Committee. The Board understood that the level of significant votes against resolution 8 was because the level of women represented on the Board fell from 30% to 22% at the conclusion of the 2022 AGM, significantly below the gender diversity target set by the Hampton-Alexander Review and our own Board gender diversity target. The reduction in women represented on the Board followed the retirement of Dr Pamela Kirby at the 2022 AGM, which the Board had previously envisaged would happen in 2023, and had accordingly based its succession planning on an expected retirement date in 2023.

During the year, the Board, assisted by its Nomination and Governance Committee, accelerated our plans to raise the level of women represented on the Board. The appointments of Laura, Victoria and Deneen bring the level of women represented on our Board to 45%, exceeding the new gender diversity target set by the Listing Rules and ahead of the FCA's implementation timetable for years beginning on or after 1 April 2022.

As a Board we have always taken diversity seriously, and in December 2022 we refreshed our Board Diversity Policy to bring our targets in line with the gender and ethnic diversity targets set by the Listing Rules, the FTSE Women Leaders Review and the Parker



Review. We are proud to report that we meet the targets set for gender and ethnic diversity at the Board and will meet the target for a senior Board position to be held by a woman following the AGM in April 2023, when Victoria Hull will be appointed as Senior Independent Director. As part of the review of our Board Diversity Policy, the Board agreed to report early against the new diversity disclosures under the Listing Rules, with further detail included on pages 77 and 127. The Board Diversity Policy is available on our website at [www.hikma.com](http://www.hikma.com).

We acknowledge that diversity targets should be set beyond the Boardroom, and have adopted the voluntary target set by the FTSE Women Leaders Review, to increase the gender diversity of the leadership team (Executive Committee and senior direct reports) from 29% (at 31 December 2022) to a minimum of 40% women by the end of 2025. We are pleased to report that our Remuneration Committee have integrated this target into the performance measures for our proposed Remuneration Policy, further detail is included on pages 123 and 124.

## Board practices

2022 saw the return of regular in person meetings for the Board and its Committees. During 2022 we met in person for four of our eight scheduled meetings, recognising significant benefits in terms of social cohesion, innovation, development and also as a conscious effort for the important process of onboarding our new directors. For our other four scheduled meetings and for all additional/unscheduled meetings, we met virtually or with a hybrid approach of in person and virtual and saw significant benefits in terms of time efficiency, availability and focus. We intend that the Board will continue to operate a hybrid approach to meetings for the foreseeable future, bringing together the benefits of each of these approaches.

## ESG

Early in 2021, we determined that our Board of Directors would have overarching oversight of our ESG strategy and associated reporting. This builds upon the work of our Board Committees that have responsibility for certain elements of our ESG work streams. Further information on our ESG strategy and disclosures is available on pages 37 to 57.

Our Remuneration Committee has adopted performance measures relating to Greenhouse Gas emissions and water usage in the proposed Remuneration Policy for Executive Directors (the proposed Remuneration Policy), further detail is included on pages 123 and 124.

## Employee engagement

For engagement with the workforce, as defined under provision 5 of the Code, Nina Henderson is our designated Independent Non-Executive Board member. Nina undertakes an active programme of engagement each year which helps ensure that employee perspectives are considered when undertaking Board and Committee business and, outside of our Executive Directors, ensuring that the Board is visible amongst our colleagues. The engagement programme is organised by the CEO and Nina formally reports to the Board on her findings at each meeting.

This year's activities included participation in:

- Attendance at the Injectables leadership team meeting in March, held in Cherry Hill, NJ. The visit was organised by Riad Mishlawi. This provided an opportunity to meet with a cross functional team, brainstorm strategic opportunities, and meet new employees
- Attendance at the HR leadership team meetings in June, held in Amman, Jordan. The visit was organised by Majda Labadi and provided an opportunity to discuss performance evaluations, change management and talent development
- A site visit to the Columbus, OH manufacturing facility to meet with employees in August. This visit was organised by Brian Hoffman and provided an opportunity to discuss the Generics business with employees and, at management's request, participate in Town Halls with employees from sales, marketing, manufacturing and research and development
- Meetings with employee resource groups focused on gender in Amman (Jordan), Cherry Hill (NJ) and Columbus (OH) and an African American group in Cherry Hill (NJ)

The above activities enabled Nina to communicate with employees on remuneration matters where appropriate.

Further detail on our employee engagement activities, is included in our section 172 statement on pages 18 to 23.

## Stakeholder engagement

During the course of 2022, the Board undertook a detailed shareholder consultation exercise to gain shareholder feedback and input on the proposed Remuneration Policy. The shareholder consultation exercise was led by our Remuneration Committee Chair, Nina Henderson, and supported by our Senior Independent Director, Patrick Butler. Nina and Patrick met with our largest shareholders, representing 48% of the voting rights of our issued share capital, and proxy advisory agencies. The aim of the shareholder consultation was to explain the proposed Remuneration Policy and gain shareholder perspective and input. The proposed Remuneration Policy will be put to shareholders for approval at our AGM in April 2023. Further details on the shareholder consultation exercise and the proposed Remuneration Policy are included on pages 23 and 95.

In addition to the shareholder consultation on the Remuneration Policy, the Board undertakes significant efforts to understand and take account of the needs and perspectives of all of our stakeholders, including customers, suppliers, employees, investors and the communities in which we operate. Further detail including examples of the outcomes and actions of those stakeholder engagement activities, is included in our section 172 statement on pages 18 to 23. Information on our Supplier Code of Conduct is included on page 93.

On behalf of the Board, we look forward to leading the business on delivering our strategy for the benefit of all stakeholders in 2023. Fundamental to that delivery is our focus on continuing to operate effective corporate governance practices.

### Said Darwazah

Executive Chairman and Chief Executive Officer

# Corporate governance at a glance

## Key Board activities in 2022

### Strategy review

- Approved the launch of our sterile injectable compounding business in the US, bringing the high-quality systems of a major pharmaceutical manufacturer to the niche compounding market
- Built on our strategic partnership with Celltrion, including signing exclusive licensing arrangements to commercialise Yuflyma™ (adalimumab) and CT-P43 (ustekinumab) in all of our MENA markets. These arrangements strengthen our offering of biosimilar and innovative biologic products and help us increase patients' access to important medicines
- Completed the acquisitions of Custopharm and the Canadian assets of Teligent, enhancing our R&D capabilities, product portfolio and pipeline, and strengthening our presence in the US and Canadian injectables markets
- Oversaw further investment in our speciality business and the development of our leading position as one of the largest US providers of nasally administered medicines

### ESG focus

- Participated in an externally facilitated ESG workshop to review Hikma's material ESG priorities and explore ways to advance our progress in these areas in preparation for setting ESG related performance measures and targets in the proposed Remuneration Policy. The workshop also raised awareness of key topics within Hikma's Acting Responsibly framework (Hikma's approach to ESG), further information is included on pages 37 to 57

### Board refreshment and succession planning

- Commenced the search for a new CEO, following the departure of Siggí Olafsson, appointing Said Darwazah on an interim basis until a permanent successor was identified
- Appointed three Non-Executive Directors, increasing independent representation on the Board from 60%<sup>1</sup> to 73%<sup>2</sup> and female representation from 30%<sup>1</sup> to 45%<sup>2</sup>

- Agreed the timing for the transition of responsibilities and succession of Victoria Hull as Senior Independent Director and Chair of the Nomination and Governance Committee following our AGM in April 2023

- Appointed Nina Henderson as Remuneration Committee Chair from the conclusion of the AGM in 2022, following the retirement of Dr Pamela Kirby

### Performance review

- Revised our Generics forecasts as a result of the impact of challenging market conditions and provided updates to our stakeholders

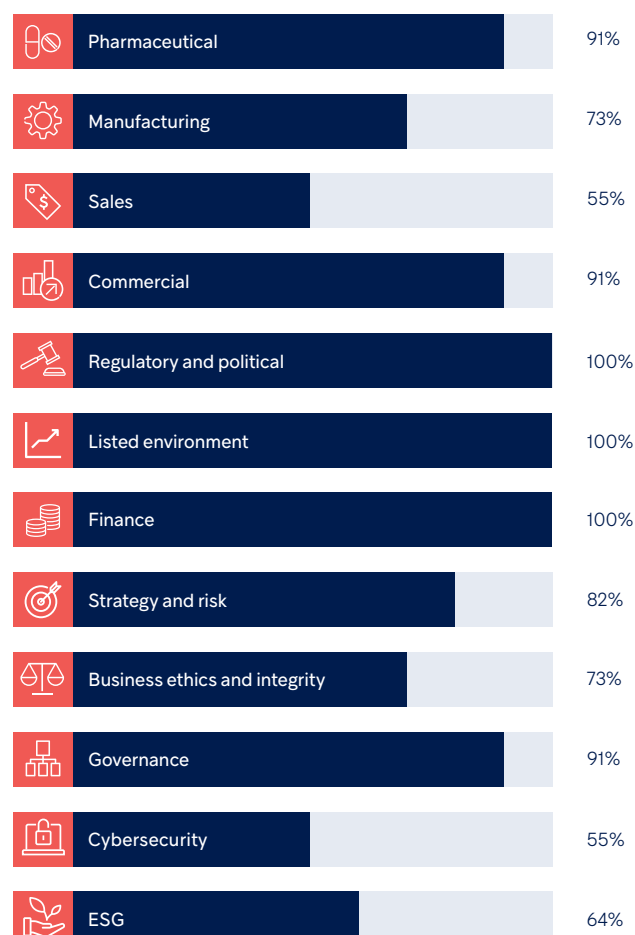
### Financial projects

- Completed the \$300 million share buyback programme to reduce the share capital of Hikma
- Completed the re-organisation of Hikma's balance sheet to convert the non-distributable merger reserve of \$1,746 million to distributable reserves, making it available for future dividend payments and potential share buybacks

1. At 31 December 2021
2. At 31 December 2022

## Board experience

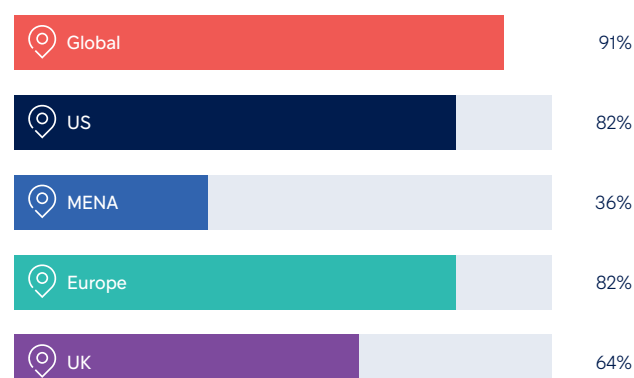
Percentage of the Board with direct experience in the following areas:



## Board priorities for 2023

- Complete the induction programmes for our new Non-Executive Directors
- Complete the search for a new CEO and prepare for the handover of responsibilities. Further detail on the CEO search process is included on page 86
- Review governance structure once the new CEO is in post to ensure it remains robust and the proper division of responsibilities once the roles of Chair and CEO are no longer combined
- Implement agreed actions from the 2022 Board evaluation. Further detail on the Board evaluation is included on page 88
- Plan our annual strategic review meeting, ensuring it includes opportunities for Board development and employee engagement

## Board geographical experience



## Attendance

Directors	Meetings attended (8 scheduled and 1 unscheduled)	%
Said Darwazah	9/9	100%
Siggi Olafsson <sup>1</sup>	2/2	100%
Mazen Darwazah	9/9	100%
Patrick Butler	9/9	100%
Ali Al-Husry	9/9	100%
Dr Pamela Kirby <sup>2</sup>	1/1	100%
John Castellani	9/9	100%
Nina Henderson	9/9	100%
Cynthia Flowers	9/9	100%
Douglas Hurt	9/9	100%
Laura Balan <sup>3</sup>	3/3	100%
Victoria Hull <sup>4</sup>	2/2	100%
Dr Deneen Vojta <sup>4</sup>	2/2	100%

1. Siggi Olafsson stood down as CEO and retired from the Board on 24 June 2022
2. Dr Pamela Kirby retired from the Board and relevant Committees on 25 April 2022
3. Laura Balan joined the Board on 1 October 2022
4. Victoria Hull and Dr Deneen Vojta joined the Board on 1 November 2022

## Board composition

	31 December 2022	after 2023 AGM
Executive Chairman and Chief Executive Officer	9%	9%
Other Executive Directors	9%	9%
Non-Independent NED	9%	18%
Independent NED	73%	64%

2022



After 2023 AGM



In compliance with Provision 11 of the Code, when excluding the Chairman, the Independent Non-Executive Directors represent 80% of the Board as at 31 December 2022 and 70% of the Board after the AGM in April 2023 once Patrick Butler is no longer considered independent under the Code.

## Independent Director tenure (as at 31 December 2022)

	Number	%
0–3 years	4	50%
4–6 years	2	25%
7–9 years	2	25%



## Board agenda allocation of time

	2022	2021
Corporate governance	9%	10%
Financial performance	14%	13%
Performance and operations	30%	11%
Risk	3%	5%
Strategy and acquisitions	44%	60%

2022



2021



## Diversity by gender and ethnicity (as at 31 December 2022)

Board



Women

Men

5 (45%)  
6 (55%)Minority ethnic<sup>1</sup>White<sup>1</sup>3 (27%)  
8 (73%)

Executive Committee



Women

Men

2 (22%)  
7 (78%)Minority ethnic<sup>1</sup>White<sup>1</sup>6 (67%)  
3 (33%)

Combined Executive Committee and senior direct reports<sup>2</sup>



Women

Men

22 (29%)  
53 (71%)

Executive Committee senior direct reports<sup>2</sup>



Women

Men

20 (30%)  
46 (70%)

Group



Women

Men

3,058 (35%)  
5,745 (65%)

## Hikma subsidiary company directors

As required by the Companies Act 2006, the composition of our subsidiary company boards is 46 men and 11 women.

1. Relates to Board and Executive Committee members who identify with one of the relevant categories under Listing Rule 9, Annex 2
2. People reporting to members of the Executive Committee (excluding administrative roles)

# Leadership – Board of Directors



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## 1. Said Darwazah

Executive Chairman and Chief Executive Officer

**Appointed:** 1 July 2007

**Joined Hikma:** 1981

**Nationality:** Jordanian

**Experience:** Said served as Chief Executive Officer from July 2007 to February 2018 and as Executive Chairman since May 2014. Said was Chairman and Chief Executive of Hikma's group holding company from 1994 to 2003 and Minister of Health for the Hashemite Kingdom of Jordan from 2003 to 2006. Said has over 40 years of experience in extensive leadership roles at Hikma.

**Qualifications:** Industrial Engineering degree from Purdue University, MBA from INSEAD.

**Other appointments:** Chairman of Royal Jordanian Airlines and Dead Sea Touristic & Real Estate Investments. Vice Chairman of Capital Bank, Jordan. Board member of INSEAD and Dash Ventures Limited.

## 4. Ali Al-Husry

Non-Executive Director

**Appointed:** 14 October 2005

**Joined Hikma:** 1981

**Nationality:** Jordanian

**Experience:** Ali joined Hikma as Director of Hikma Pharma Limited and held various management and leadership roles within the Group, before stepping into an advisory role in 1995. Ali brings great financial experience to the Board as well as an in-depth knowledge of the MENA region and Hikma Pharmaceuticals. Ali was a founder of Capital Bank, Jordan, and served as CEO of Capital Bank, Jordan until 2007.

**Qualifications:** Mechanical Engineering degree from the University of Southern California, MBA from INSEAD.

**Other appointments:** Director of Endeavour Jordan, Microfund for Women, Capital Bank, Jordan, and DASH Ventures Limited.



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## 2. Mazen Darwazah

Executive Vice Chairman, President of MENA

**Appointed:** 8 September 2005

**Joined Hikma:** 1985

**Nationality:** Jordanian

**Experience:** Mazen is responsible for the strategic and operational direction of the business across the MENA region. During his 38 years of service at Hikma, Mazen has held an extensive range of positions within the Group. He has previously served as the President of the Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances.

**Qualifications:** BA in Business Administration from the Lebanese American University, Advanced Management Plan from INSEAD.

**Other appointments:** Senator in the Jordanian Senate. Trustee of Birzeit University and King's Academy. Member of HM King Abdullah's Economic Policy Council.

## 5. John Castellani

Independent Non-Executive Director

**Appointed:** 1 March 2016

**Nationality:** American

**Experience:** John brings experience of the pharmaceutical and biotechnical sectors, business ethics, and political and regulatory knowledge to the Board. John was President and Chief Executive Officer of Pharmaceutical Research and Manufacturers of America (PhRMA) from 2010 to 2015. Prior to that he was President and Chief Executive of Business Roundtable, an association of leading US company chief executives. During his career John has also held senior positions with Burson-Marsteller, Tenneco, and General Electric.

**Qualifications:** BSc in Biology from Union College Schenectady, New York.

**Other appointments:** Director of 5th Port.



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## 3. Patrick Butler

Senior Independent Director

**Appointed:** 1 April 2014 as Non-Executive Director (Senior Independent Director from December 2020)

**Nationality:** Irish

**Experience:** Patrick brings experience of strategy implementation, integrating acquisitions, performance improvement and detailed financial knowledge, gained through his executive and non-executive career. Patrick was a Senior Director at McKinsey & Co for 25 years, where he focused on advising large corporations in the EU, US and MENA on strategic, acquisition and organisational issues. Patrick has previously served as a Non-Executive Director of Bank of Ireland Group PLC and was a partner at The Resolution Group.

**Qualifications:** Chartered Accountant and a Fellow of the Institute of Chartered Accountants in Ireland. First-class honours degree in Commerce and postgraduate diploma in Accounting and Corporate Finance from University College Dublin.

**Other appointments:** Chairman of Aldermore Group PLC. Non-Executive Director of The Ardonagh Group Limited and Res Media Limited. Trustee of the Resolution Foundation.

## 6. Nina Henderson

Independent Non-Executive Director

**Appointed:** 1 October 2016 (Employee Engagement from 2019)

**Nationality:** American

**Experience:** Nina brings extensive experience of manufacturing and distribution, marketing, remuneration committee and stakeholder engagement, gained through her executive and non-executive career. Nina was Corporate VP of Bestfoods and President of Bestfoods Grocery prior to its acquisition by Unilever. During a 30-year career with Bestfoods, she held a wide variety of Global and North American executive general management and marketing positions. Nina has previously served as a director of Royal Dutch Shell, AXA Financial, The Equitable Companies, DeMonte, Pactiv and Walter Energy.

**Qualifications:** Honours graduate and BSc from Drexel University.

**Other appointments:** Non-Executive Director and Remuneration Committee Chair of CNO Financial Group Inc and IWG PLC. Director of the Foreign Policy Association, St. Christopher's Hospital for Children and VNS Health. Commissioner of the Smithsonian National Portrait Gallery. Vice Chair of the Board of Trustees, Drexel University.

- A Audit Committee
- C Compliance, Responsibility and Ethics Committee
- N Nomination and Governance Committee
- R Remuneration Committee
- Chair

7


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N  
R

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 A  
N

### 7. Cynthia Flowers

Independent Non-Executive Director

**Appointed:** 1 June 2019

**Nationality:** American

**Experience:** Cynthia brings detailed knowledge of the pharmaceutical and biotechnical sectors and healthcare practitioner experience to the Board. Cynthia was President and CEO of the North American divisions of the global pharmaceutical companies Ipsen and Eisai, and also held leadership positions at Amgen and Johnson & Johnson. For nearly a decade Cynthia served on the Women's Leadership Advisory Board at Harvard University's Kennedy School of Government.

**Qualifications:** BSN from the University of Delaware and Executive MBA from Wharton School at the University of Pennsylvania.

**Other appointments:** Non-Executive Director of Lisata Therapeutics Inc. Non-Executive Director and Remuneration Committee Chair of G1 Therapeutics Inc. Member of an angel investment group associated with the University of North Carolina.

### 10. Victoria Hull

Independent Non-Executive Director

**Appointed:** 1 November 2022

**Nationality:** British

**Experience:** Victoria has extensive senior executive experience across a broad range of business, legal, commercial and governance matters and strong international experience. In her executive career, Victoria was an Executive Director and General Counsel of Invensys plc and Telewest Communications plc. Victoria is a solicitor and began her career at Clifford Chance LLC. Victoria also served as Senior Independent Director of Ultra Electronics plc and Non-Executive Director of RBG Holdings PLC.

**Qualifications:** Solicitor, LLB (Hons) in Law from the University of Southampton.

**Other appointments:** Non-Executive Director and Chair of the Remuneration Committee of Network International Holdings plc, Alphawave IP Group plc and IQE plc.

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### 8. Douglas Hurt

Independent Non-Executive Director

**Appointed:** 1 May 2020

**Nationality:** British

**Experience:** Douglas brings significant financial experience, having served as Finance Director of IMI PLC from 2006 to 2015. Prior to this, he held a number of senior finance and general management positions at GlaxoSmithKline PLC, previously having worked at Price Waterhouse. His career has included several years working in the US as a Chief Financial Officer and significant experience in European businesses as an Operational and Regional Managing Director. Douglas previously served as Senior Independent Director and Chairman of the Audit Committee of Tate & Lyle plc and as Chairman of Countryside Partnerships PLC.

**Qualifications:** Chartered Accountant and a Fellow of the ICAEW, MA (Hons) in Economics from Cambridge University.

**Other appointments:** Senior Independent Director and Chair of the Audit Committee of Vesuvius PLC. Non-Executive Director and Chair of the Audit Committee of BSI.

### 11. Dr Deneen Vojta

Independent Non-Executive Director

**Appointed:** 1 November 2022

**Nationality:** American

**Experience:** Deneen is a healthcare executive with extensive experience in clinical medicine, scientific research, and care delivery. Deneen was the Executive Vice President for Research and Development for UnitedHealth Group (UHG) and Founder and CEO of MYnetico which was then acquired by UHG. She also served as Chief Medical Officer of ARIA Health Care System and Health Partners of Philadelphia. In 2022, Deneen was named a Modern Healthcare's Top Innovator, in 2014, she was an Emmy® Award winner and in 2013, a CES® Innovation Design & Engineering Innovation Honoree.

**Qualifications:** MD from the Temple University School of Medicine and BS in Behavioral Neuroscience from the University of Pittsburgh.

**Other appointments:** President of Health Solutions and Innovation at TurningPoint Healthcare Solutions. Non-Executive Director of Sensei Biotherapeutics. Member of the governance boards of Children's Minnesota and Workit Health, and advisory board of The Center for Health Incentives & Behavioral Economics at Penn Medicine.

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### 9. Laura Balan

Independent Non-Executive Director

**Appointed:** 1 October 2022

**Nationality:** Romanian and British

**Experience:** Laura brings a deep understanding of international business, the pharmaceutical industry globally, key sector trends and dynamics. Laura is a recently retired partner of The Capital Group Companies, the US investment manager, where she was an investment analyst for 17 years, covering the European healthcare and pharmaceutical industries. Prior to this, Laura held associate and analyst roles at The Goldman Sachs Group Inc, where she focused on European healthcare and pharmaceutical investment research.

**Qualifications:** CFA Charterholder, BA (Hons) in International Business from the Academy of Economic Studies in Bucharest, Romania.

**Other appointments:** Trustee of the Charter Schools Educational Trust.

### 12. Hussein Arkhagha

Chief Counsel and Company Secretary

**Appointed:** 15 June 2022

**Joined Hikma:** 2001

**Nationality:** Jordanian

**Role:** Hussein was appointed as Company Secretary in June 2022. He is responsible for advising on governance and listing related matters. Hussein is a member of the Executive Committee and holds the role of Chief Counsel at Hikma. Hussein established the global legal department and aligned its mission and strategy with those of Hikma. Hussein is a key member of the team that prepared for Hikma's IPO, in addition to Hikma's major acquisitions. Prior to his appointment as Chief Counsel, he held several positions at Hikma, including Head of Legal/MENA, Head of Shareholders' Department and Head of Tax. Hussein currently leads the Legal and Intellectual Property Department, in addition to Company Secretarial, Compliance, Medical Affairs and Pharmacovigilance.

**Qualifications:** Hussein is a qualified lawyer and holds a Master's degree in International Business Law from the University of Manchester, under the UK Chevening Scholarship Programme.



Find detailed Directors' biographies at:  
[www.hikma.com/about/leadership/](http://www.hikma.com/about/leadership/)



# Leadership – Executive Committee



## 1. Said Darwazah

Executive Chairman and Chief Executive Officer

**Joined:** 1981

**Nationality:** Jordanian

For further biographical details please see page 78.

## 4. Khalid Nabils

Chief Financial Officer

**Joined:** 2001

**Nationality:** Jordanian

**Role:** Khalid was appointed as Chief Financial Officer in 2011 and is responsible for Group finance, including reporting and capital management. Khalid has held several leadership positions within Hikma's financial functions during 22 years with Hikma, including VP Finance.

**Qualifications:** Certified Public Accountant. MBA from the University of Hull.

## 7. Majda Labadi

Executive Vice President, Organisational Development

**Joined:** 1985

**Nationality:** Jordanian

**Role:** Majda was appointed as EVP, Organisational Development in 2009 and has Group level responsibility for human resources. Majda has held several executive positions during 38 years with Hikma, including VP Injectables and VP MENA Operations.

**Qualifications:** BA from the American University of Beirut. Master's degree from Hochschule Fur Okonomie, Germany. Advanced Management Programme at INSEAD.



The full biographies of Hikma's Executive Committee can be found on the Hikma website: [www.hikma.com/about/leadership/](http://www.hikma.com/about/leadership/)



## 2. Mazen Darwazah

Executive Vice Chairman, President of MENA

**Joined:** 1985

**Nationality:** Jordanian

For further biographical details please see page 78.

## 5. Brian Hoffmann

President, Generics

**Joined:** 2009

**Nationality:** American

**Role:** Brian has served as President of Hikma's Generics business since 2015. Brian has significant strategic and operational experience from leadership roles at Hikma and prior pharmaceutical and consulting roles.

**Qualifications:** BA in Business Administration from Boston University. MBA from the University of Chicago Booth School of Business.

## 8. Riad Mishlawi

President, Injectables

**Joined:** 1990

**Nationality:** Lebanese

**Role:** Riad was appointed as President of Hikma's Injectables business in 2011 and is responsible for all aspects of the Injectables division globally. Riad has significant pharmaceutical and operational experience from leadership roles at Hikma and Watson Pharmaceuticals.

**Qualifications:** BSc in Engineering and a MS in Engineering and Management from George Washington University.



## 3. Hussein Arkhagha

Chief Counsel and Company Secretary

**Joined:** 2001

**Nationality:** Jordanian

For further biographical details please see page 79.

## 6. Bassam Kanaan

Executive Vice President, Corporate Development and M&A

**Joined:** 2001

**Nationality:** Jordanian

**Role:** Bassam was appointed EVP, Corporate Development and M&A in 2014 and has Group level responsibility for strategic development, acquisitions and alliances. He also has oversight of the IT function and Hikma Ventures. Bassam has held several executive positions during 21 years with Hikma, including Chief Financial Officer in the period from 2001 to 2012. Bassam played a leading role in preparing for Hikma's IPO in 2005 and in its subsequent M&A activity.

**Qualifications:** US Certified Public Accountant and Chartered Financial Analyst. BA from Claremont McKenna. International Executive MBA from Kellogg/Recanati Schools of Management.

## 9. Susan Ringdal

Executive Vice President, Strategic Planning and Global Affairs

**Joined:** 2005

**Nationality:** American

**Role:** Susan has served as EVP, Strategic Planning and Global Affairs since 2012 and is responsible for strategic planning, investor relations, communications, ESG, corporate affairs and business intelligence. Prior to joining Hikma, Susan worked for Alliance Unichem and Morgan Stanley.

**Qualifications:** BA in History from Cornell University. MBA from London Business School.

# Corporate governance

## UK Corporate Governance Code compliance

Hikma is committed to high standards of corporate governance and we work hard to ensure compliance with the Principles and Provisions of the UK Corporate Governance Code (the Code) published in July 2018 and the Markets Law of the Dubai Financial Services Authority (the Markets Law). The report on pages 72 to 129 describes how the Board has applied the Code and Markets Law throughout the year ended 31 December 2022. The Board considers that this Annual Report provides the information shareholders need to evaluate how we have complied with our current obligations under the Code and Markets Law. Except as referred to in the following section on the Executive Chairman, Hikma has complied with all relevant Principles and Provisions of the Code throughout the year.

### Executive Chairman

Provision 9 of the Code states that the chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website.

Provision 19 of the Code states that the chair should not remain in post beyond nine years from the date of their first appointment to the board.

The Board acknowledges that Said Darwazah's position as Executive Chairman and CEO and his overall tenure as Director are departures from Provisions 9 and 19 of the Code. Each point is discussed in turn below:

- **Joint role of Executive Chairman and CEO:** since the resignation of Siggí Olafsson as CEO on 24 June 2022, the Board agreed that Said Darwazah, as former CEO, would step in and assume all CEO responsibilities while the Board initiated a search to identify and appoint a new CEO. This is a temporary measure designed to ensure continued drive and delivery of Hikma's strategy until a new CEO is appointed. Recognising the importance of robust governance arrangements during this time, we reviewed our delegated authorities to ensure that no one individual had unfettered powers of decision-making. On appointment of a new CEO, Said will relinquish all CEO responsibilities and resume the role of Executive Chairman, which will return the Hikma Board to a clear division of roles. Further detail on the CEO search process can be found on page 86

- **Executive Chairman and tenure:** the Executive Chairman role was created in February 2018, following the appointment of Siggí Olafsson as CEO. Previously, Said Darwazah was the Chairman and CEO. The Board considers that it is important to retain corporate memory, important relationships and the culture of the organisation. Therefore, it is valuable to retain Said's services in a strategic capacity.

The Board consulted shareholders prior to Said's appointment as Executive Chairman and CEO in May 2014 and following the change to the position of Executive Chairman in February 2018. The Independent Non-Executive Directors met as a group during 2022 to review the Board structure and concluded that the Executive Chairman role should continue.

The Board is focused on the commercial success of Hikma and believes that continuing the position of Executive Chairman for a period of time is the best way to achieve success for Hikma for the following reasons:

- **Continuity of strategy:** Said has been a driving force behind the strategic success of the business since 2007 and the Board believes that it is important for the continued success of the Group that he remains in a strategic role. The Executive Chairman's role is to develop the Group's strategy in conjunction with the CEO. The division of responsibilities for our Executive Chairman and CEO are available on our website at [www.hikma.com](http://www.hikma.com)
- **Executive Chairman's role:** the Executive Chairman position is highly visible inside and outside Hikma, providing leadership to the Board and management of the Company, acting as an ambassador with business partners and advisers to the organisation
- **Business partners:** a significant number of Hikma's key political and commercial relationships across the MENA region, Asia and some continental European countries are built on the long-term trust and respect for the Darwazah family such that the role of the Executive Chairman remains key

## UK Corporate Governance Code compliance

continued

The Board continues to operate the following enhanced controls:

- **Governance structure review:** the Independent Non-Executive Directors meet at least bi-annually in a private session chaired by the Senior Independent Director. This meeting includes consideration of the appropriateness of the governance structure, the division of responsibilities between the Executive Chairman and the CEO and safeguards for shareholders
- **Senior Independent Director role:** the Senior Independent Director has an enhanced role at Hikma, taking joint responsibility, with the Executive Chairman, for setting the Board agenda, agreeing action points and the minutes of the meetings
- **Committee Chair roles:** the Chairs of the Board Committees and the Director responsible for employee engagement, undertake a significant amount of work in the discharge of their responsibilities
- **Transparency and engagement:** Hikma has always had the highest regard for shareholders, with several of the original investors from before listing still investing and supporting Hikma today. Over the c.17 years since flotation Hikma has maintained the highest standards of shareholder engagement, which reflects the importance placed in maintaining strong investor relations and governance

The Board considers that the role of Executive Chairman is likely to continue for the medium term. Should shareholders require any further information relating to these matters, questions may be directed to the Company Secretary.

### 2022 AGM voting result

**Provision 4, significant votes against an AGM resolution:** at the AGM held on 25 April 2022 (2022 AGM), Hikma received significant votes (defined as above 20%) against resolution 8 for the re-election of Patrick Butler, Senior Independent Director and Chair of the Nomination and Governance Committee. Following feedback from shareholders prior to the 2022 AGM, the Board understood that the level of significant votes against resolution 8 was because the level of female representation on the Board fell from 30% to 22% at the conclusion of the 2022 AGM, significantly below the gender diversity target set by the Hampton-Alexander Review and our own Board diversity target. The reduction in female representation followed the retirement of Dr Pamela Kirby at the 2022 AGM, which the Board had previously anticipated would happen in 2023, therefore it could not have been foreseen and had based its succession planning accordingly.

In accordance with the requirements of Provision 4 of the Code:

- We provided additional information in our announcement of the AGM voting result on 25 April 2022, including feedback received from shareholders to understand the reasons behind the result and the actions we intended to take
- On 30 September 2022, we provided a further update within the six-month period prescribed by Provision 4 the Code on the actions taken since the 2022 AGM
- We included a final summary on pages 74 to 75 of this Annual Report on the impact the shareholder feedback had on the Board, including the appointments made to the Board during 2022 and the updates to our Board Diversity Policy in line with the new diversity related targets included in the Listing Rules. Further detail on the Board appointments made during 2022 and the updated Board Diversity Policy is available on pages 74 to 75 and 86 to 87. The new diversity disclosure under the Listing Rules is available on page 127. The Board Diversity Policy is available on our website at [www.hikma.com](http://www.hikma.com)



## Independence

The Board reviews the independence of each of its Non-Executive Directors during the year as part of the annual corporate governance review, which includes consideration of progressive refreshment of the Board. We are committed to ensuring that the Board comprises a majority of independent Non-Executive Directors, who objectively challenge management, balanced against continuity on the Board. This is also important to meet the independence requirements of the Board Committees. The Board considers John Castellani, Nina Henderson, Cynthia Flowers, Douglas Hurt, Laura Balan, Victoria Hull and Dr Deneen Vojta to be independent. These individuals have extensive experience of international pharmaceutical, financial, corporate governance and regulatory matters, bring strong independent oversight, continue to demonstrate independence and were not associated with Hikma prior to joining the Board.

With effect from the AGM in 2023, the Board will no longer view Patrick Butler as an Independent Director. This is due to his total service with Hikma reaching nine years in April 2023, which Provision 10 of the Code identifies as a circumstance likely to impair or could appear to impair independence. Following the AGM in 2023 and to preserve the independence of our Board, Patrick will step down as Senior Independent Director, Chair of the Nomination and Governance Committee and will step down as a member of any Board Committee requiring fully independent membership under the Code. The Board has asked Patrick to stay on the Board as a non-independent, Non-Executive Director for one further year, stepping down no later than the AGM in 2024 to allow time to aid the transition to a new CEO and to fully support the transition of responsibilities as Senior Independent Director and Chair of the Nomination and Governance Committee to Victoria Hull. The Board also believes Patrick continues to bring a number of benefits to the Board and our shareholders:

- bringing stability and cohesion to the Board during this transitional time as we induct three new Non-Executive Directors and conclude the search for a CEO
- remaining very active in his role, taking initiative and posing challenging questions to management
- despite no longer being considered independent under the Code, Patrick continues to conduct himself with independent thought and judgement, provides constructive challenge to management and has no conflicts of interest

The Board does not view Ali Al-Husry as an Independent Director, this is due to the length of his association with Hikma, having held an executive position with Hikma prior to listing and his involvement with Darhold Limited, Hikma's largest shareholder. However, he continues to bring to the Board broad corporate finance experience, in-depth awareness of the Group's history, and a detailed knowledge of the MENA region, which is an important and specialist part of the Group's business.

## Culture

During 2020, following engagement with our colleagues and a thorough review of our culture by the Board, we introduced a new set of corporate values which focused on being caring, innovative, and collaborative. These values build on our founder's vision of Hikma as a company with high ethical standards, where our people thrive in a supportive environment. In the Boardroom, we are reminded of our values regularly and are guided by them when making decisions and engaging with the Executive Committee and employees.

### Indicators of culture reviewed by the Board and its Committees:

- reviewing the volume and nature of whistleblowing reports and outcome of any investigations
- internal audit reports and findings, as attitudes to regulators and internal audit can give an early indication of potential culture-related issues
- feedback reports on workforce engagement activities
- reviewing and monitoring compliance with our Code of Conduct
- receiving reports from the Compliance, Responsibility and Ethics Committee
- reviewing the results of our employee surveys

Further information on the Group's activities that relate to culture is available on pages 5 to 7 and 44 and 45.