

Remuneration Committee	
Terms of Reference	
Constitution	
1.	<p>Constitution</p> <p>The Board of Directors (the 'Board') of Hikma Pharmaceuticals PLC ('Hikma' or the 'Company') has established a Remuneration Committee (the 'Committee') in accordance with the principles of the UK Governance Code (the 'Code'). The Board has approved these terms of reference as the document that constitutes the Committee and mandates that the Committee undertakes the duties detailed in this document and reports to the Board accordingly.</p>
2.	<p>Membership</p> <p>The membership of the Committee shall be determined by the Board taking into account the advice of the Nomination and Governance Committee. Membership of the Committee shall comply with the following reference points:</p> <ul style="list-style-type: none"> • Eligibility: only directors classified by the Company as independent directors are eligible to become members of the Committee • Minimum: the minimum number of members shall be three • Maximum: there shall be no maximum number of members • Tenure: membership appointments are for a period of three years and may be renewed as long as the individual remains eligible for membership
3.	<p>Chair</p> <p>The Chair of the Committee shall be determined by the Board taking into account the advice of the Nomination and Governance Committee. The Chair:</p> <ul style="list-style-type: none"> • Member: must meet the requirements to be a member of the Committee • Tenure: the chair must have been a member of a remuneration committee for at least 12 months before taking the chair of the Committee • Board Chair: the Chair of the Board is not eligible to be the chair of the Committee <p>In the event that the Chair of the Committee is not available, the members may determine a chair to fulfil the role on an ad hoc basis. In the event that the vacancy is more permanent, the Committee will refer the vacancy to the Nomination and Governance Committee.</p>
4.	<p>Decision making</p> <p>The Committee may make decisions at physical, electronic (telephone, internet, etc.) or otherwise duly convened meetings in accordance with these terms of reference and may make decisions by correspondence (oral or written), providing that:</p> <ul style="list-style-type: none"> • all members receive the correspondence • members' decisions are recorded by the Secretary • the decision is approved in accordance with the voting requirements • the decision is reported to the next meeting

Meetings	
5.	<p>Secretary</p> <p>The Company Secretary of Hikma or their nominee shall act as Secretary to the Committee.</p>
6.	<p>Quorum</p> <p>The quorum necessary for the transaction of business shall be two members.</p>
7.	<p>Forum</p> <p>The Committee may hold physical, electronic (telephone, internet, etc.) or otherwise duly convene meetings.</p>
8.	<p>Attendees</p> <p>Only members of the Committee have the right to attend Committee meetings. The Committee determines the attendance of non-members, who may be invited to attend all or part of any meeting, as and when appropriate and necessary.</p>
9.	<p>Frequency</p> <p>The Committee shall meet as and when it is deemed necessary, normally 3 times a year.</p>
10.	<p>Notice and papers</p> <p>The Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of the Chair or any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person invited to attend, no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.</p>
11.	<p>Voting</p> <p>In respect of any business to be decided, each member of the Committee shall have one vote whether considering business at a meeting or by correspondence. Approval of business is by simple majority and voting is determined as follows:</p> <ul style="list-style-type: none"> • Meetings: When considering matters at a duly convened meeting, only members present are counted for voting purposes. • Correspondence: When considering matters by correspondence, all members are counted for voting purposes. • Conflicts of interest: If the Committee determines a member has a direct or indirect interest in a matter considered by the Committee, that member shall not be permitted to vote on that matter and will not be counted for voting purposes. • Equality of votes: in the event of an equality of votes, the Chair of the Committee shall have the casting vote
Reporting	
12.	<p>Board</p> <p>The Committee Chair shall inform the Board of matters discussed and decisions made by the Committee.</p>

13.	<p>Stakeholders</p> <p>The Committee Chair shall be responsible for engaging with stakeholders regarding the Committee's business, including matters such as</p> <ul style="list-style-type: none"> • Being available at the Annual General Meeting • Meeting with investors and other relevant external parties • Determining the content of the Committee's report to shareholders that is included in the Company's Annual Report and Accounts
14.	<p>Evaluation</p> <p>The Committee shall review its own performance on an annual basis as part of the Board's annual evaluation exercise.</p>
15.	<p>Records</p> <p>The Secretary is responsible for ensuring that records are made of matters considered and decisions that are made, including minutes of meetings. The Secretary is responsible for ensuring that the Chair and members have an appropriate opportunity to comment on the records in a timely manner.</p>
Authority	
16.	<p>General</p> <p>The Committee shall have any authority that is detailed in the Code for committees of its type and any matters delegated to it by the Board, including via the matters reserved.</p>
17.	<p>Information</p> <p>The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, as well as to require the attendance at any of its meetings of any director or member of management. All employees are expected to co-operate with requests made by the Committee.</p>
18.	<p>Advice</p> <p>The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference which includes authorisation to employ the services of search consultants.</p> <p>The Committee shall be exclusively responsible for selecting, appointing, and setting the terms for any remuneration consultants who advise the Committee.</p>
19.	<p>Remuneration Policy</p> <p>The Committee determines the policy for executive director remuneration.</p>
20.	<p>Remuneration Determination</p> <p>The Committee determines remuneration for the</p> <ul style="list-style-type: none"> • Chair • Executive Directors

	<ul style="list-style-type: none"> Executive Committee Members (in light of recommendations from the Chief Executive Officer) Company Secretary (together, the 'Relevant Persons')
21.	<p>Contracts of Employment</p> <p>The Committee approves contracts or terms of employment for:</p> <ul style="list-style-type: none"> all Executive Directors any executive with an annual package valued at or above \$1m or such level as determined by the matters reserved to the Board.
22.	<p>Share Incentive Awards</p> <p>For any share incentive plans, determining each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to the Relevant Persons and other participants and the performance targets to be used for the Relevant Persons.</p>
Duties	
23.	<p>General</p> <p>The Committee shall undertake the duties detailed in the Code for committees of its type. Should any of the duties detailed below conflict with the Code, then the duties detailed in the Code prevail.</p>
24.	<p>Remuneration Policy</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> determining and agreeing with the Board the framework or broad policy for setting remuneration for the Relevant Persons. in determining policy on executive remuneration, the Committee shall take into account relevant matters such as: <ul style="list-style-type: none"> remuneration policy and levels for employees across the Group the Company's short and long term strategic objectives overall performance and alignment to the Company's purpose, values and successful delivery of the Company's long-term strategy the views of shareholders and other stakeholders providing an appropriate balance between fixed and performance-related remuneration determining the policy for malus and clawback the requirements in the Code addressing relevant factors such as clarity, simplicity, risk, predictability, proportionality and alignment to Company culture. keeping under review the appropriateness and relevance of the remuneration policy being aware of and overseeing any major changes in employee benefit structures throughout the Company or Group
25.	<p>Setting Remuneration</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> ensuring that the total remuneration package available to the Relevant Persons is not excessive.

	<ul style="list-style-type: none"> ensuring that no Relevant Person or manager is involved in any decisions as to their own remuneration within the terms of the agreed policy, have responsibility for setting the total individual remuneration package of the Relevant Persons, where appropriate, pension right, bonuses, incentive payments, share options or other share awards and benefits reviewing remuneration trends and employment conditions across the Company or Group being exclusively responsible for obtaining reliable, up-to-date information about remuneration in other companies with a view to determining where to position the Company relative to other companies taking care to recognise and avoid conflicts of interest if Relevant Persons or senior management are involved in advising or supporting the Committee in agreeing the policy for the level and make-up of remuneration, and in determining total remuneration packages and arrangements of the Relevant Persons, giving due regard to the comments and recommendations of the Code as well as the UK Listing Authority's Listing Rules and associated guidance
<p>26.</p>	<p>Early termination</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> determining the Company's policy in relation to compensation agreed to be paid to any Relevant Person or other senior managers in connection with early termination of employment and, where appropriate, office as director ensuring that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized
<p>27.</p>	<p>Performance-related pay</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> approving the design of, and determine targets for, any performance-related pay schemes operated by the Company approving the total annual payments made under such schemes, taking into account the performance, direction and reputation of the Group and any other matters deemed relevant by the Committee reviewing the design of all share incentive plans for approval by the Board and shareholders bearing in mind the need for challenging performance criteria and compatibility with risk systems. when determining performance remuneration outcomes, considering whether there are circumstances that may required the application of discretion to override formulaic outcomes, the rationale for the use of discretion and the degree to which that discretion is applied asking the Board, when appropriate, to seek shareholder approval for all new long term incentive schemes (as defined in the Listing Rules) as well as any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules
<p>28.</p>	<p>Pension</p> <p>The Committee is responsible for determining the policy for and scope of pension arrangements for each Relevant Person taking into consideration the:</p> <ul style="list-style-type: none"> alignment of the rates of pension benefit applicable to the Relevant Persons with those for the wider workforce; and

	<ul style="list-style-type: none"> • pension consequences and associated costs to the Company of basic salary increases and other changes in pensionable remuneration, or contribution rates, especially for directors close to retirement when compared with workforce arrangements.
29.	<p>Expenses</p> <p>The Committee is responsible for agreeing the policy for authorising claims for expenses from the Executive Directors.</p>
30.	<p>Reporting and disclosure</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> • ensuring that the Company complies with all provisions regarding disclosure of directors' remuneration including pensions arrangements • producing an annual report on the Company's remuneration policy and procedures and practices, particularly with regard to the work of the Committee, which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting as required under, the Code, relevant legislation and FCA Listing and Disclosure Rules • producing the statement required to be included in the annual report of the Company identifying the membership of the Committee and the frequency of, and attendance by members at, Committee meetings over the course of the year