

Compliance, Responsibility and Ethics Committee

Terms of Reference

Constitution

1. Constitution

The Board of Directors (the '**Board**') of Hikma Pharmaceuticals PLC ('**Hikma**' or the '**Company**') has established a Compliance, Responsibility, and Ethics 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.

2. Membership

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:

- **Eligibility:** Independent Non Executive Directors and Executive Directors are eligible to become members of the Committee
- **Audit Chair:** The Chair of the Audit Committee shall be a member of the Committee.
- **Chief Executive:** The Chief Executive Officer shall be a member 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. Chair

The Chair of the Committee shall be determined by the Board taking into account the advice of the Nomination and Governance Committee. The Committee Chair shall be an Independent Non-Executive Director.

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.

4. Decision making

The Committee may make decisions at physical, electronic (video, 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:

- all members receive the correspondence
- members' decisions are recorded by the Secretary
- the decisions are approved in accordance with the voting requirements
- the decisions are reported and ratified at 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 (video, telephone, internet, etc.) or otherwise duly convened meetings.</p>
8.	<p>Attendees</p> <p>Only members of the Committee have the right to attend Committee meetings. Non-members 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 three times a year.</p>
10.	<p>Notice and papers</p> <p>Meetings of the Committee shall be convened by the Secretary at the request of 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 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.</p>

13.	<p>Stakeholders</p> <p>The Committee Chair shall be responsible for engaging with stakeholders, physically or via other means including, telephone and internet etc., 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 • Preparing a report about its activities and recommend it to the Board for approval and inclusion in the Company's annual report to shareholders. The report should include all information requirements set out in the UK Corporate Governance Code and relevant legislation and regulation
14.	<p>Evaluation</p> <p>The Committee shall at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.</p>
15.	<p>Records</p> <p>The Secretary shall minute the proceedings and resolutions of all meetings and/or correspondence of the Committee. The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Draft minutes of Committee meetings shall be circulated promptly to the Chair of the Committee.</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 or assistance that it requires from any employee or contractor of the Company in order to perform its duties and all employees and contractors are directed to co-operate with any request made by the Committee. The Committee is authorised to have unrestricted access to Company documents and information, Internal Auditors, Chief Compliance Officer and Risk Department.</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 and secure the attendance of any individuals with relevant experience and expertise at Committee meeting if it considers this necessary.</p>
19.	<p>Chief Compliance Officer</p> <p>The Committee is authorised to endorse the appointment of a Chief Compliance Officer or similar position leading the Group's department that develops, implements and oversees the Group's Corporate Compliance Programme.</p>

Duties	
20.	<p>Code of Conduct</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> • Reviewing the Group Code of Conduct to ensure the Code addresses identified risks associated with the Group's business activities. • Assessing compliance/conformance annually • Ensuring that the Code of Conduct is up to date and disseminated to all employees • Overseeing the programme of training and activities related to the promotion of the Code of Conduct.
21.	<p>Anti-Bribery and Anti-Corruption (ABC)</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> • Overseeing and reviewing the work of the compliance function, which is led by the Chief Compliance Officer • Considering proposals from the compliance function for enhancing and developing the Company's measures related to ABC • Monitoring the implementation of these measures to ensure that they are appropriate, effective and adequately enforced • Overseeing all audits over the compliance in the group and their outcomes, and appointing internal and external parties to undertake such audits, and ensure that such audits are done independently and their outcomes are properly implemented in a timely fashion.
22.	<p>Whistleblowing</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> • Reviewing the Company's arrangements for its employees and stakeholders to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. • Ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. <p>The Committee shall receive a quarterly compliance report to assist it in discharging its duties.</p>
23.	<p>Corporate Social Responsibility (CSR)</p> <p>The Committee is responsible for:</p> <ul style="list-style-type: none"> • Reviewing and recommending to the Board the Group's policies for CSR, donations and sponsorships • Overseeing the Group's CSR, volunteering and related programmes
24.	<p>Ethics</p> <p>The Committee is responsible for overseeing the Company's approach to:</p> <ul style="list-style-type: none"> • ethical behaviour

	<ul style="list-style-type: none">• modern slavery• correct usage of the Company's products• any other related ethical issue.
25.	<p>Other legal compliance and regulatory matters</p> <p>The Committee is responsible for overseeing the Group's approach to:</p> <ul style="list-style-type: none">• Anti-money laundering (AML)• Trade sanctions• Anti-trust• Data protection• Other matters relevant to financial crime• Other legal and regulatory matters where ethical consideration is pertinent