

<b>Audit Committee</b>	
<b>Terms of Reference</b>	
<b>Constitution</b>	
<b>1.</b>	<p><b>Constitution</b></p> <p>The Board of Directors (the '<b>Board</b>') of Hikma Pharmaceuticals PLC ('<b>Hikma</b>' or the '<b>Company</b>') has established an Audit Committee (the '<b>Committee</b>') in accordance with the principles of the UK Governance Code (the '<b>Code</b>'). 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>
<b>2.</b>	<p><b>Membership</b></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"> <li>• <b>Eligibility:</b> only directors classified by the Company as independent directors are eligible to become members of the Committee</li> <li>• <b>Minimum:</b> the minimum number of members shall be three</li> <li>• <b>Maximum:</b> there shall be no maximum number of members</li> <li>• <b>Tenure:</b> membership appointments are for a period of three years and may be renewed as long as the individual remains eligible for membership</li> </ul> <p>At least one member of the Committee shall have recent and relevant financial experience and, in accordance with Disclosure and Transparency Rules (DTRs) 7.1.1R, at least one member must have competence in accounting and/or audit.</p>
<b>3.</b>	<p><b>Chair</b></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"> <li>• <b>Member:</b> must meet the requirements to be a member of the Committee</li> <li>• <b>Board Chair:</b> the Chair of the Board is not eligible to be the chair of the Committee</li> </ul> <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>
<b>4.</b>	<p><b>Decision making</b></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"> <li>• all members receive the correspondence</li> <li>• members' decisions are recorded by the Secretary</li> <li>• the decisions are approved in accordance with the voting requirements</li> <li>• the decision are reported and ratified at the next meeting</li> </ul>

Meetings	
5.	<p><b>Secretary</b></p> <p>The Company Secretary of Hikma or their nominee shall act as Secretary to the Committee.</p>
6.	<p><b>Quorum</b></p> <p>The quorum necessary for the transaction of business shall be two members.</p>
7.	<p><b>Forum</b></p> <p>The Committee may hold physical, electronic (telephone, internet, etc.) or otherwise duly convened meetings.</p>
8.	<p><b>Attendees</b></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. The external auditors will be invited to attend meetings of the Committee on a regular basis.</p>
9.	<p><b>Frequency</b></p> <p>The Committee shall meet as and when it is deemed necessary, normally 4 times a year. Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer and the Chief Financial Officer.</p>
10.	<p><b>Notice and papers</b></p> <p>Meetings of the Committee shall be convened by the Secretary of the Committee 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><b>Voting</b></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"> <li>• <b>Meetings:</b> When considering matters at a duly convened meeting, only members present are counted for voting purposes.</li> <li>• <b>Correspondence:</b> When considering matters by correspondence, all members are counted for voting purposes.</li> <li>• <b>Conflicts of interest:</b> 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.</li> <li>• <b>Equality of votes:</b> in the event of an equality of votes, the Chair of the Committee shall have the casting vote.</li> </ul>

Reporting	
<b>12.</b>	<p><b>Board</b></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. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.</p>
<b>13.</b>	<p><b>Stakeholders</b></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"> <li>• Attending the Board meeting at which the annual financial statements are approved and shall attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities;</li> <li>• Meeting with investors and other relevant external parties; and</li> <li>• 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</li> </ul>
<b>14.</b>	<p><b>Evaluation</b></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>
<b>15.</b>	<p><b>Records</b></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	
<b>16.</b>	<p><b>General</b></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>
<b>17.</b>	<p><b>Information</b></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 and External Auditors.</p>
<b>18.</b>	<p><b>Advice</b></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</p>

	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.
<b>19.</b>	<p><b>Purpose</b></p> <p>The Committee's purpose is to:</p> <ul style="list-style-type: none"> <li>• Ensure the integrity of the Company's financial statements and related announcements;</li> <li>• Review the effectiveness of Company's internal controls and risk management systems; and</li> <li>• Monitor and review the independence and effectiveness of the internal and external audit processes</li> </ul>
<b>20.</b>	<p><b>Finance Appointments</b></p> <p>The Committee is authorised to approve the appointments of the head of internal audit or lead partner of the organisation that undertakes that function</p>
<b>Duties</b>	
<b>21.</b>	<p><b>General</b></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 shall prevail.</p> <p>The Committee shall give due consideration to laws and regulations, the provisions of the Code and the requirements of the Financial Conduct Authority's Listing, Prospectus, Disclosure and Transparency Rules, and any other applicable Rules as appropriate.</p>
<b>22.</b>	<p><b>Financial Processing and Reporting</b></p> <p>The Committee shall:</p> <ul style="list-style-type: none"> <li>• Monitor the integrity of, review and challenge where necessary, the Group's financial statements, its interim reports, preliminary results' announcements and any other formal announcement relating to its financial performance, to ensure they present a fair, balanced and understandable assessment of the Group's position and prospects, taking into account: <ul style="list-style-type: none"> <li>○ the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;</li> <li>○ the methods used to account for significant or unusual transactions where different approaches are possible;</li> <li>○ whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> <li>○ the clarity of disclosure in the Group's financial reports and the context in which statements are made;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management) significant accounting policies and practices and any changes in them;</li> <li>○ major judgmental areas;</li> <li>○ the assumptions underlying the going concern statement and the viability statement, including whether there are any material uncertainties in relation to the Group's ability to continue to adopt the going concern basis of accounting; and</li> <li>○ the material aspects of tax and treasury management.</li> </ul> <ul style="list-style-type: none"> <li>● Review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy</li> <li>● Receive a report on the tax and treasury function's operations on a periodic basis and keep under review their policies.</li> <li>● To periodically review the appropriateness of the critical accounting policies and evaluate alternatives.</li> </ul>
<p><b>23.</b></p>	<p><b>Internal Controls and Risk Management Systems</b></p> <p>On behalf of the Board, which retains overall responsibility for risk management, the Committee shall undertake the following actions and ensure that the Board is aware when an item requires the attention of the Board:</p> <ul style="list-style-type: none"> <li>● regularly review the nature and extent of the Group's risk appetite;</li> <li>● maintain and review the risk management and internal control systems to ensure that they are appropriate and applied consistently;</li> <li>● undertake a regular and robust assessment of the principal risks facing the Company;</li> <li>● ensure that appropriate reporting is included in the annual report, including how the principal risks have been managed and mitigated; and</li> <li>● at least annually conduct a review of the effectiveness of the risk management and internal control systems</li> </ul>
<p><b>24.</b></p>	<p><b>Internal Audit</b></p> <p>The Committee shall monitor and review the effectiveness, independence and objectivity of the Company's internal audit function in the context of the Company's overall risk management system. In particular, the Committee shall:</p> <ul style="list-style-type: none"> <li>● approve the appointment and removal of the head of the internal audit function or the lead partner for the service provider;</li> </ul>

	<ul style="list-style-type: none"> <li>• consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;</li> <li>• review and assess the annual internal audit plan ensuring that it is aligned to the key risks of the business;</li> <li>• review promptly all reports on the Company from the internal auditors;</li> <li>• review and monitor management's responsiveness to the findings and recommendations of the internal auditor;</li> <li>• meet the head of internal audit at least once a year, without management present, and grant the head of internal audit the right of direct access to the Chair of the Board and to the Committee;</li> <li>• consider with the internal auditors the necessity to carry out additional audits where irregular or unidentified losses/problems have arisen in areas not covered by the audit plan; and</li> <li>• at least once a year, meet with the internal auditors without management present</li> </ul>
<p><b>25.</b></p>	<p><b>External Audit</b></p> <p>Relating the appointment, re-appointment and resignation of the auditor, the Committee shall:</p> <ul style="list-style-type: none"> <li>• consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor; and</li> <li>• oversee the selection process for new auditors and ensure that, at least every ten years, the Committee shall put the audit services contract out to tender in order to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms, further ensuring that all tendering firms have such access as is necessary to information and individuals during the tendering process.</li> </ul> <p>The Committee is responsible for overseeing the relationship with the external auditor including (but not limited to):</p> <ul style="list-style-type: none"> <li>• approval of the terms of engagement with the external auditor, including any engagement letter issued at the start of each audit detailing the scope of the audit, and agree and approve appropriate remuneration for both audit or non-audit services to ensure that an adequate audit can be conducted;</li> <li>• assessment of their independence and objectivity, considering relevant professional and regulatory requirements and the Company's overall relationship with the auditor, and agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;</li> </ul>

	<ul style="list-style-type: none"> <li>• monitoring the auditor’s compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and</li> <li>• assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;</li> </ul> <p>Relating to the associated risks and functionality of the auditor, the Committee shall:</p> <ul style="list-style-type: none"> <li>• seek to ensure co-ordination with the activities of the internal audit function;</li> <li>• consider the risk of the withdrawal of the Company's auditor from the market;</li> <li>• meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage, and at least once per year the Committee shall meet the external auditor without management being present, to discuss their remit and any issues arising from the audit;</li> <li>• develop, and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;</li> <li>• review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement; and</li> <li>• review the findings of the audit with the external auditor. This shall include but not be limited to, the following:             <ul style="list-style-type: none"> <li>○ a discussion of any major issues which arose during the audit;</li> <li>○ any accounting and audit judgements; and</li> <li>○ levels of errors identified during the audit.</li> </ul> </li> </ul> <p>At the end of each audit cycle, the Committee shall also review the effectiveness of the audit, review the management letter and management's response to the auditor's findings and recommendations.</p>
<p><b>26.</b></p>	<p><b>Other responsibilities</b></p> <p>The Committee is responsible for reviewing and considering matters related to:</p> <ul style="list-style-type: none"> <li>• Treasury and financial risk management policies</li> <li>• Potential financial crime, where those matters are not dealt with by the Compliance Responsibility and Ethics Committee (of which the Committee chair is a standing member)</li> </ul>
<p><b>27.</b></p>	<p><b>Finance</b></p> <p>Relating the finance function of the Group, the Committee shall:</p>

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|  | <ul style="list-style-type: none"><li>• consider candidates for the head of the finance function (Finance Director, Chief Financial Officer or otherwise) and make recommendations to the Board in that regard; and</li><li>• periodically review the structure and capabilities of the function.</li></ul> |
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