

## **Hikma Tax Strategy Statement**

Since our founding, we have been guided by four core values: Integrity, Excellence, Respect and Transparency. These values are reflected in our [Code of Conduct](#) which also guides and influences our approach to tax.

### Our Approach to Tax Risk Management

- We adhere to the applicable laws and regulations in the countries in which we operate and seek to minimise the risk of uncertainty or dispute.
- We manage our cross border inter-company pricing in accordance with authoritative guidelines (such as those issued by the OECD), following the arm's length principle, to ensure we minimise risk related to interpretation e.g. in respect of transfer pricing/intercompany transactions.
- Tax risk is managed in accordance with the Group's risk management framework which is overseen and approved by the Audit Committee on behalf of the Board.
- Policies and procedures are in place to ensure the integrity of our tax filings and accurate and timely payment of tax. Where laws or regulations are unclear or subject to interpretation, we may seek external advice to ensure the integrity of our tax filings.
- We seek to ensure continual and appropriate training of our tax professionals, including training on tax management software.

### Our Attitude to Tax Planning

- As a UK-based business with operations around the world, we pay corporation and other business taxes, as well as tax associated with our employees.
- At the same time, as a publicly traded company, we have a responsibility to our shareholders to be financially efficient. We consider tax planning and risk management in support of the Group's strategic aims to be an essential and appropriate part of this.
- Our operating structure reflects the Group's business activity, and as such, we do not engage in what we believe are artificial tax arrangements.
- Where governments offer tax incentives or exemptions, we may use them.

### Our Relationship with Tax Authorities

- We seek to build and maintain a constructive, appropriate and open relationship with tax authorities built on mutual respect.
- We welcome constructive debate on taxation policy.
- Wherever possible, we aim to work collaboratively with authorities, in real time where appropriate, to resolve disputes. However, we are prepared to litigate if we disagree with rulings or interpretation from tax authorities.

### Governance

- The Group Tax Department is responsible for our approach to tax, which is endorsed and supported by the CFO and the Board.
- The Group's approach to tax is periodically reviewed to ensure it takes account of the overall Group strategy, new tax laws, and/or changes in the Group's operations.
- Tax risk management is discussed periodically with the CFO and, when appropriate, with the Audit Committee. Certain tax matters require specific Board approval.

This statement complies with the Group's duty under paragraph 16(2) Schedule 19, Finance Act 2016 and was approved by the Board of Directors on 14 December 2018.