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

"This year the Board has focussed on supporting the CEO in establishing himself in his new role."

Dear Shareholders

Hikma continued to perform well in 2024, making excellent progress against our strategic objectives. After a number of changes to our Board over the past two years, 2024 represented a period of stability, giving the Board the opportunity to fully support the CEO in establishing himself in his new role, while continuing to deliver against our strategy. The Board also looked to the future with a focus on succession planning, agreeing actions for continuous improvement following the external Board performance review (more details on page 106), and preparations for future reporting requirements in relation to corporate governance and the evolving landscape for sustainability reporting.

Succession planning and Board composition

A key priority for the Board in 2024 was to review succession plans for Board and senior management roles, noting that two independent Non-Executive Directors would reach nine years of service in 2025, and taking into consideration the changes to the Executive Committee that occurred in late 2023 and early 2024. The Nomination and Governance Committee supported the Board in this endeavour with a detailed review of succession plans for the independent Non-Executive Directors and for the senior management population, in conjunction with the Chief People Officer. Further information is included in the Nomination and Governance Committee report on page 105.

In relation to the independent Non-Executive Directors, John Castellani will reach nine years of service in March 2025 and will retire from the Board at the 2025 AGM. I thank John for his significant contribution to Hikma over the past nine years and wish him all the best for the future. Nina Henderson will reach nine years of service in October 2025 and will retire from the Board by the end of the year, allowing Hikma to benefit from Nina's experience for the remainder of this year. As announced in our 2023 Annual Report, Nina will step down as Remuneration Committee Chair and as a member of all Board Committees following the 2025 AGM.

As disclosed in our 2023 Annual Report, the Board approved the following succession plans for the independent Non-Executive Directors to take effect from the 2025 AGM:

- Deneen Vojta will succeed John Castellani as Chair of the Compliance, Responsibility and Ethics Committee
- Cynthia Flowers will succeed Nina Henderson as Chair of the Remuneration Committee
- Laura Balan will succeed Nina Henderson as the designated independent Non-Executive Director for workforce engagement

Inclusion and diversity

As a Board, we embrace diversity in all forms and believe that different perspectives and opinions enhance decision-making. Our Board Diversity Policy sets the approach to the diversity of Hikma's Board and its Committees in line with the gender and ethnic diversity objectives set by the UK Listing Rules, the FTSE Women Leaders Review and the Parker Review. We are proud to report that Hikma continues to meet all objectives set for diversity under the Board Diversity Policy. The Board Diversity Policy is available on our website at **www.hikma.com** and information on Board diversity is included on pages 97 and 142.

We are equally committed to supporting inclusion and diversity beyond the boardroom. Our Remuneration Committee has integrated targets into the performance measures for variable remuneration, in jurisdictions where permitted under applicable local laws, to increase diversity within the senior management population. Further detail is included in the 2022 and 2023 Annual Reports.

We are pleased to report an increase in the representation of women in senior leadership roles over the past year and are proud of the high level of ethnic diversity among the senior management population. Information on our senior management and wider workforce diversity is included on page 97 and information on our broader inclusion initiatives is included on page 55. Further information on the Board's oversight of diversity is included in the Nomination and Governance Committee report on pages 107 to 108.

Corporate governance reporting

Following the publication of the UK Corporate Governance Code 2024 (the 2024 Code) in early 2024, we have spent time understanding the new requirements and preparing to report on the 2024 Code in our next Annual Report. To demonstrate our commitment to corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board decisions and their outcomes to Hikma's strategy and objectives, complying early with the updated principles of the 2024 Code. The updated disclosures in relation to key Board activities in 2024 can be found on pages 103 to 104.

Workforce engagement

Our people are core to Hikma's growth aspirations and delivery of our strategy. To enhance the Board's understanding of our colleagues' perspectives, Nina Henderson is our designated independent Non-Executive Director for workforce engagement, as defined under Provision 5 of the UK Corporate Governance Code 2018. Nina has undertaken an active programme of engagement each year which has contributed to ensuring that workforce perspectives are considered in Board and Committee decision-making, and that the Board, outside of our Executive Directors, is visible among our colleagues. In 2024, the engagement programme was organised in conjunction with the CEO and Nina formally reported to the Board on her observations.

As an aspect of her engagement activities, Nina listens to the workforce on career perspectives and reward, including remuneration matters.

In early 2024 the Board received the results of the People Voice Survey, Hikma's employee engagement survey. During the course of 2024, the Board received updates on the additional engagement undertaken with local management teams to identify areas for focus, agreed action plans, and monitored progress against those actions.

As noted above, Laura Balan will succeed Nina as the designated independent Non-Executive Director for workforce engagement. To ensure a smooth handover of responsibilities, Nina and Laura have been working together this past year.

In 2024, Non-Executive Directors visited Hikma sites and engaged with the workforce, including:

- participation in the senior leaders forum in Madrid (Spain)
- visits to manufacturing facilities in Riyadh (KSA), Milan (Italy), Columbus and Bedford (OH, US) and Portugal. During these visits, Non-Executive Directors were able to meet with local management and the wider workforce, tour manufacturing facilities and R&D laboratories, and visit Hikma customers including hospitals and physicians.
- visits to corporate offices in Portugal, Riyadh (KSA), Munich (Germany), Columbus and Bedford (OH, US), Berkeley Heights (NJ, US) to meet with local management and engage with the local workforce in informal settings over lunches and dinners
- meeting with forty women employees in Riyadh (KSA) for a conversation centred on workplace skills, ambitions and career development. Valuable insights were gained on their contributions to Hikma and ideas to support fellow Hikma colleagues
- a visit to our site in Casablanca, Morocco for the annual Board strategy meeting, during which the Board visited the new Hikma injectables manufacturing facility and held a dinner with local management

Further detail on our workforce engagement activities and outcomes, including a case study on the People Voice Survey, is included in our Section 172 statement on page 26.

Stakeholder engagement

In the lead-up to, and following the 2024 AGM and in readiness for the 2025 AGM, Hikma undertook a detailed shareholder consultation exercise to gain feedback on the Rule 9 Waivers sought at the 2024 AGM and prepare for the renewal of the Rule 9 Waivers at the 2025 AGM. The aim of the consultation process was to explain the purpose of the Rule 9 Waivers and address any concerns. Following feedback from shareholders, we have developed an FAQ document which is available on our website at **www.hikma.com**. Further information on the shareholder consultation exercise is included on page 102 and in the FAQ document.

In addition to the shareholder consultation relating to the Rule 9 Waivers, the Board undertakes significant efforts to understand and, in taking decisions, consider the interests and perspectives of all of our stakeholders, including customers, suppliers, employees, regulators, investors and the communities in which we operate. Further details, including examples of the outcomes and actions from our stakeholder engagement activities, are included in our Section 172 statement on pages 24 to 29. Information on our Supplier Code of Conduct is included on page 60.

Looking ahead

On behalf of the Board, we look forward to building on the success of 2024 to create long-term sustainable growth for the benefit of all stakeholders in 2025 and beyond.

Said Darwazah
Executive Chairman

Corporate governance at a glance

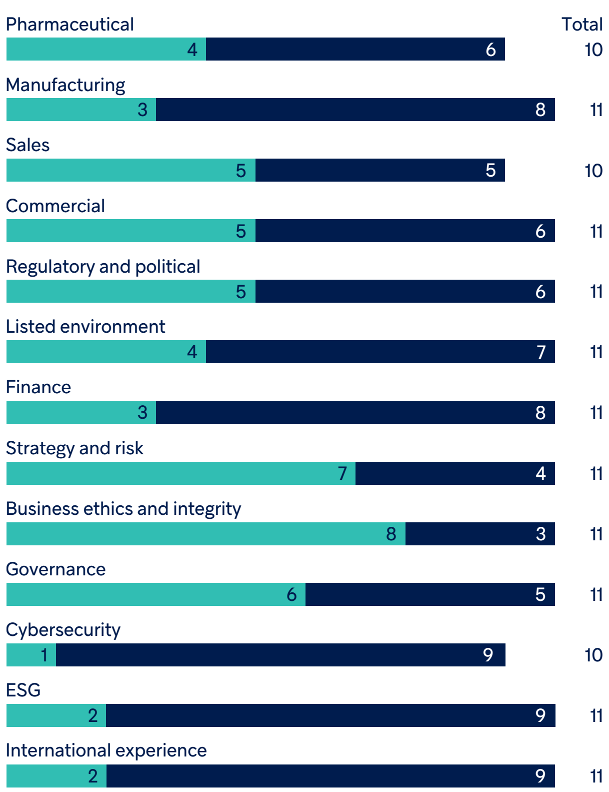
Governance framework

The Board delegates some of its powers to the CEO and operates with the assistance of five committees.

The Board is responsible for establishing the Group's purpose, values and strategy, and ensuring these are aligned with its culture. The Board maintains a list of matters that can only be approved by the Board. The matters reserved to the Board and Terms of Reference for each Committee can be found on our website at **www.hikma.com**. The Board delegates certain matters to its Committees to assist it in discharging its responsibilities. Committee reports can be found on pages 105 to 139.

The Board delegates responsibility for running the business and executing the strategy to the CEO, who is supported in this role by the Executive Committee. Biographies for our Executive Committee members can be found on page 100.

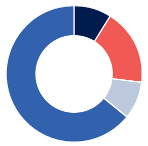
Skills and experience



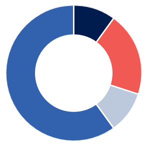
Board composition

	31 December 2024	after 2025 AGM
Executive Chairman	9%	10%
Other Executive Directors	18%	20%
Non-Independent Non-Executive Directors	9%	10%
Independent Non-Executive Directors	64%	60%

2024



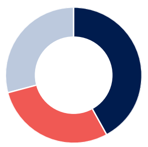
After 2025 AGM



In compliance with Provision 11 of the 2018 Code, when excluding the Chairman, the Independent Non-Executive Directors represent 70% of the Board as at 31 December 2024 and 67% of the Board after the AGM in April 2025 following the retirement of John Castellani.

Independent Director tenure (as at 31 December 2024)

	Number	%
0–3 years	3	42%
4–6 years	2	29%
7–9 years	2	29%



Diversity[1] (as at 31 December 2024)

Ethnicity

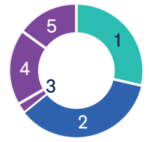
Board[2]

Minority ethnic	4 (36%)
White	7 (64%)

Executive Committee[2]

Minority ethnic	4 (44%)
White	5 (56%)

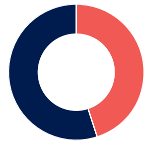
Senior management[3]



1. White/Caucasian	25 (29%)
2. Minority ethnic, the minority ethnic group includes:	31 (36%)
– Middle Eastern	25 (29%)
– Asian	4 (5%)
– Mixed/Multiple ethnic groups/ two or more races	1 (1%)
– Other	1 (1%)
3. Prefer not to say	2 (2%)
4. Did not respond	16 (18%)
5. Unknown[4]	13 (15%)

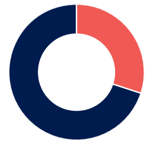
Gender

Board



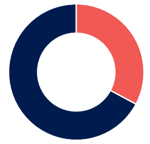
Women	5 (45%)
Men	6 (55%)

Senior management[3]



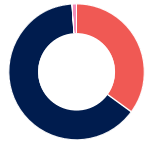
Women	26 (30%)
Men	61 (70%)

Executive Committee



Women	3 (33%)
Men	6 (67%)

Group



Women	3,352 (35%)
Men	6,082 (64%)
Prefer not to say	81 (1%)

UK senior management
As required by the Parker Review in 2024, the composition of our senior management team working in the UK is 82% White/Caucasian and 9% Minority ethnic. 9% did not respond to the survey.

Hikma subsidiary company directors
As required by the Companies Act 2006, the composition of our subsidiary company boards is 48 men (80%) and 12 women (20%).

1. Diversity data collection is conducted in compliance with applicable laws and regulations
2. Relates to Board and Executive Committee members who identify with one of the relevant categories under UK Listing Rule 6, Annex 1
3. Senior management refers to senior direct reports to the CEO and Executive Chairman, and the senior leaders who report directly to them (excluding administrative roles)
4. Ethnic diversity data excludes our employees in France, Portugal, Germany, Spain and Italy due to local GDPR and labour law issues

Attendance

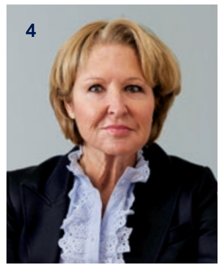
	Board (8 scheduled and 1 unscheduled meetings)		Nomination and Governance Committee (4 scheduled meetings)		Audit Committee (5 scheduled meetings)		Compliance, Responsibility and Ethics Committee (4 scheduled meetings)		Remuneration Committee (5 scheduled and 1 unscheduled meetings)	
Directors	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance	Meetings attended	Attendance
Said Darwazah	● 9/9	100%	–		–		–		–	
Riad Mishlawi	9/9	100%	–		–		4/4	100%	–	
Mazen Darwazah	9/9	100%	4/4	100%	–		4/4	100%	–	
Victoria Hull	9/9	100%	● 4/4	100%	5/5	100%	–		–	
Ali Al-Husry	9/9	100%	–		–		–		–	
Patrick Butler[1]	2/3	67%	1/1	100%	–		0/1	0%	–	
John Castellani	9/9	100%	–		5/5	100%	● 4/4	100%	5/6	83%
Nina Henderson[2]	8/9	89%	4/4	100%	5/5	100%	4/4	100%	● 6/6	100%
Cynthia Flowers	9/9	100%	4/4	100%	5/5	100%	–		6/6	100%
Douglas Hurt	9/9	100%	4/4	100%	● 5/5	100%	4/4	100%	6/6	100%
Laura Balan	9/9	100%	–		5/5	100%	–		6/6	100%
Dr Deneen Vojta	9/9	100%	4/4	100%	–		4/4	100%	–	

● Board Chair
● Committee Chair

1. Patrick Butler retired from the Board on 29 February 2024
2. Nina Henderson was unable to attend the short-form Annual Report sign off meeting on 21 February 2024 owing to a pre-existing commitment. Nina was in attendance for the long-form year-end sign off meeting on 15 February 2024

Where a Director was unable to attend a meeting, comments on the business of the meeting were shared with the Chair in advance of the meeting.

Leadership – Board of Directors



1. Said Darwazah
Executive Chairman

Appointed: 1 July 2007
(joined Hikma in 1981)

Nationality: Jordanian

Experience: Said served as Chief Executive Officer from June 2022 to August 2023 and from July 2007 to February 2018 and has served 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, Dead Sea Touristic & Real Estate Investments, and the Health Care Accreditation Council Jordan. Vice Chairman of Capital Bank, Jordan. Board Member of INSEAD.

2. Riad Mishlawi
C
Chief Executive Officer

Appointed: 1 September 2023
(joined Hikma in 1990)

Nationality: Lebanese

Experience: Riad was appointed as Chief Executive Officer in September 2023, bringing deep knowledge of Hikma, the pharmaceutical industry and a strong track record of delivering profitable growth and strategic expansion. From 2011 to 2023, Riad served as Hikma's President of Injectables, significantly expanding the Injectables product portfolio and manufacturing footprint while maintaining focus on quality and efficiency, helping transform the Injectables business into a recognised market leader. Since joining Hikma in 1990, Riad has held various positions of increasing responsibility including Head of Manufacturing Operations at the Group's former Generics facility in Eatontown, New Jersey. He left Hikma in 1998 to join Watson Pharmaceuticals, where he was Executive Director of Operations. Riad returned to Hikma in 2004 and held a series of positions in the Group's Injectables business.

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

Other appointments: None

3. Mazen Darwazah
C N
Executive Vice Chairman, President of MENA

Appointed: 8 September 2005
(joined Hikma in 1985)

Nationality: Jordanian

Experience: Mazen is responsible for the strategic and operational direction of the business across the MENA region. During his 39 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. Board Director at Rakuten Medical Inc.

4. Victoria Hull
A N
Senior Independent Director

Appointed: 1 November 2022 as Non-Executive Director (Senior Independent Director from 28 April 2023)

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 was previously Non-Executive Director and Chair of the Remuneration Committee at Network International 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 IQE plc. Non-Executive Director at IMI plc and Serco Group plc.

5. Ali Al-Husry
Non-Executive Director

Appointed: 14 October 2005
(joined Hikma in 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.

6. John Castellani
A C R
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 and the Maine Coastal Healthcare Alliance.

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

7. Nina Henderson
A C N R
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, DelMonte, Pactiv and Walter Energy.

Qualifications: Honours graduate and BSc from Drexel University.

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

8. Cynthia Flowers
A N R
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 general management 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. and Relevate Health Inc. Chief Executive Officer of OMEZA Holdings Inc.

9. Douglas Hurt
A C N R
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 Vesuvius PLC, Chairman of Countryside Partnerships PLC, and Non-Executive Director and Chair of the Audit Committee of the British Standards Institution.

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

Other appointments: None.

10. Laura Balan
A R
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 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 and Chair of the Finance, Audit & Risk Committee of the Charter Schools Educational Trust.

11. Dr Deneen Vojta
C N
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 is the Executive Vice President (EVP), Health Solutions for Blue Shield California. Previously she served as EVP, Research and Development for UnitedHealth Group (UHG) and as Founder and CEO of MYnetico, which was 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, BS in Behavioral Neuroscience from the University of Pittsburgh.

Other appointments: EVP for Health Solutions at Blue Shield of California. Member of the Advisory Board of The Center for Health Incentives & Behavioral Economics at Penn Medicine.

Other Directors who served during 2024

Patrick Butler
Non-Executive Director

Patrick Butler retired from the Board on 29 February 2024.

Company Secretary

Helen Middlemist
Appointed: 1 January 2024
(joined Hikma in 2022)

Role: Helen is responsible for advising on relevant law, regulation and best practice in relation to Hikma's listing on the London Stock Exchange.

Leadership – Executive Committee

1. Riad Mishlawi
Chief Executive Officer

2. Mazen Darwazah
Executive Vice Chairman, President of MENA

For biographical details, see page 98

3. Hussein Arkhagha
Chief People Officer

Joined: 2001 **Nationality:** Jordanian

Role: Hussein was appointed as Chief People Officer in September 2023. He is responsible for the Human Resources and Compliance Departments, and overseeing legal and Company Secretarial Departments. Hussein has been a standing member of the Executive Committee since 2017. Hussein has held several executive positions during 24 years at Hikma, including Chief Counsel and Company Secretary, General Counsel, Head of Legal/MENA, Head of Shareholders' Department and Head of Tax.

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

4. 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, Global Procurement and Hikma Ventures. Bassam has held several executive positions during 23 years with Hikma, including Chief Financial Officer in the period from 2001 to 2012, and President & COO for MENA and EU from 2012 to 2014. 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, Chartered Financial Analyst, BA from Claremont McKenna. International Executive MBA from Northwestern University.

5. Khalid Nabilsi
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 23 years with Hikma, including VP Finance.

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

6. 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, corporate communications, and sustainability. Prior to joining Hikma, Susan worked for Alliance Unichem and Morgan Stanley.

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

7. Dr Bill Larkins
President of Injectables

Joined: 2022 **Nationality:** American

Role: Bill was appointed as President of Hikma's Injectables business in September 2023. Bill has extensive experience in the sterile injectable generic market, having previously served as Chief Executive Officer of Custopharm, which was acquired by Hikma in 2022, and until September 2023 served as Hikma's Senior Vice President, R&D, Injectables.

Qualifications: BSc in Chemistry from Purdue University and a PhD in Analytical Chemistry from The Ohio State University.

8. Julie Hill
Senior Vice President, Corporate Quality Compliance/Health and Safety

Joined: 2016 **Nationality:** American

Role: Julie has served as Senior Vice President, Corporate Quality Compliance/Health and Safety since February 2024. Julie joined Hikma through the 2016 acquisition of Roxane Laboratories and most recently served as Vice President, Quality, for Hikma's Generics business. Prior to that, she served in various leadership roles with Hikma and predecessor companies at Hikma's Columbus, Ohio, generics manufacturing facility.

Qualifications: Bachelor of Science degree in Biochemical Engineering from Purdue University.

9. Dr Hafrun Fridriksdottir
President of Generics

Joined: 2024 **Nationality:** Icelandic and American

Role: Hafrun joined Hikma in April 2024 as President of Hikma's Generics business. Prior to joining Hikma, Hafrun held senior executive roles at leading global pharmaceutical companies including Alvotech, Teva Pharmaceuticals, Allergan and Actavis, and most recently has served in advisory and board roles for several biotech and mid-sized pharma companies.

Qualifications: MS Degree in Pharmacy and a PhD in Physical Pharmacy from the University of Iceland.

Corporate governance report

UK Corporate Governance Code compliance

Hikma is committed to high standards of corporate governance and we work hard to apply the Principles of the UK Corporate Governance Code 2018 (the 2018 Code) and the Markets Law of the Dubai Financial Services Authority (the Markets Law). The 2018 Code and associated guidance are available to view on the Financial Reporting Council's website at **www.frc.org.uk**.

The report on pages 94 to 144 describes how the Board has applied the 2018 Code and Markets Law throughout the year ended 31 December 2024. Other than Provisions 9 and 19, as referred to in the following section on the Executive Chairman, Hikma has complied with all Provisions of the 2018 Code throughout the year.

Our commitment to corporate governance reporting
Following the publication of the UK Corporate Governance Code 2024 (the 2024 Code) in January 2024, the Board has spent time understanding the new requirements, mapping Hikma's practices against the updated Principles and Provisions and preparing to report on the 2024 Code from 1 January 2025 (except for the new Provision 29 on internal controls, which will be reported on from 1 January 2026).

To demonstrate our commitment to transparent corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board decisions and their outcomes to Hikma's strategy and objectives. Key Board activities in 2024 can be found on pages 103 to 104.

Executive Chairman

The Board acknowledges that Said Darwazah's position as Executive Chairman, his previous role as CEO and his overall tenure are departures from Provisions 9 and 19 of the 2018 Code. The background to this role, rationale for the role and safeguards to support our governance structure are summarised below.

Background
The Executive Chairman role was created in February 2018, following the appointment of a new CEO. Previously, Said Darwazah was the Executive Chairman and CEO. The Board continues to consider that it is important to retain corporate memory, important relationships and the culture of the organisation, and views the retention of Said's services as valuable in developing Hikma's strategy.

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.

Rationale
The Board is focused on the commercial success of Hikma and believes that continuing the position of Executive Chairman 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**
- **Profile:** the Executive Chairman position is highly visible inside and outside Hikma, providing leadership to the Board and management of the Group, acting as an ambassador with business partners and advisers to the organisation
- **Shareholder support:** on a rolling five-year basis, shareholder votes have been in favour of the Executive Chairman's re-election at the Annual General Meeting (AGM), with an average vote of 96% in favour
- **Stakeholder engagement:** 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. During 2024 the Executive Chairman undertook an active programme of stakeholder engagement activities, joining the CEO and CFO at the Jefferies London Healthcare Conference, where they met with investors, partners and advisers to discuss Hikma's strategic progress and strong position for continued success in 2025 and beyond. In 2024 the Executive Chairman received recognition for his contributions to healthcare, being named on the Arabian Business Healthcare Visionaries list and ranked second on Forbes' Middle East Top 100 Healthcare Leaders, 2024. These accolades reflect on the Executive Chairman's decades of leadership at Hikma, and the Group's ongoing impact on the healthcare industry

Safeguards
The Board continues to operate the following enhanced governance controls to support the Executive Chairman role:

- **Governance structure review:** the independent Non-Executive Directors meet after every Board meeting in a private session chaired by the Senior Independent Director. They also undertake an annual review of the appropriateness of the governance structure, the division of responsibilities between the Executive Chairman and the CEO, safeguards and shareholder views. During their 2024 meeting, the independent Non-Executive Directors reviewed the succession plan, stakeholder views and the effectiveness of the governance controls in place to support the Executive Chairman role, and concluded that the Executive Chairman role should continue
- **Board role statements:** The division of responsibilities for our Executive Chairman and CEO are available on our website at **www.hikma.com**
- **Senior Independent Director role:** the Senior Independent Director has an enhanced role at Hikma, taking joint responsibility, with the Executive Chairman, for the annual Board performance review, 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 workforce 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.19 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 Executive Chairman role is key to Hikma and does not intend to make any changes to this structure in the medium term. Should shareholders require any further information relating to these matters, questions may be directed to the Company Secretary.

Corporate governance report
continued

2024 AGM voting result

At the AGM held on 25 April 2024 (2024 AGM), Hikma received significant votes (defined as above 20% under Provision 4 of the 2018 Code) against Resolution 22 (the Rule 9 Waiver (Buyback Waiver)). The Rule 9 Waiver (Buyback Waiver) sought the approval of independent shareholders for a waiver obtained from the Panel on Takeovers and Mergers in respect of any obligation that could arise, pursuant to Rule 9 of the Takeover Code, for the Darhold Concert Party (as defined in the 2024 Notice of AGM) to make a general offer for all the issued Ordinary Share capital of Hikma, following an increase in the percentage of shares held by the Darhold Concert Party to 30% or more, resulting from the exercise by Hikma of the authority to purchase its own Ordinary Shares pursuant to Resolution 20 (which received approval from 99.32% of those voting).

The Board continues to believe that in order to promote the success of Hikma and act in the best interests of shareholders, Hikma should have the flexibility to return value to shareholders through a possible future buyback programme. Had the Rule 9 Waiver (Buyback Waiver) not been approved, Hikma would not be able to effect such a buyback programme.

Hikma engaged in a constructive dialogue with its shareholders and proxy advisers ahead of and following the 2024 AGM, to explain the rationale behind the Rule 9 Waiver (Buyback Waiver) and address any concerns they may have. This included individual meetings with our largest 20 independent shareholders on the Rule 9 Waiver and a broader engagement programme with the next 50 independent shareholders to provide further explanations of the Rule 9 Waiver, which together represented a large percentage of Hikma's independent voting capital. The meetings held with investors and proxy advisers were productive and informative, and following this engagement, we consider that the rationale for the Rule 9 Waiver is well understood by our largest shareholders. We also acknowledge that a Rule 9 Waiver is not a market-typical resolution and the associated safeguards that accompany it may not be well understood. To address this point and to prepare for the 2025 AGM, we have commenced a further programme of shareholder engagement and have prepared an FAQ document based on the most common queries and concerns raised on Rule 9 Waivers. This document is available on our website at **www.hikma.com**. Should shareholders require any further information relating to the Rule 9 Waiver, questions may be directed to the Company Secretary or the Investor Relations team.

In accordance with the requirements of Provision 4 of the 2018 Code:

- We provided additional information in our announcement of the AGM voting result on 25 April 2024, including feedback received from shareholders to understand the reasons behind the result and the actions we intended to take
- On 24 October 2024, we provided a further update within the six-month period prescribed by Provision 4 of the 2018 Code on the actions taken since the 2024 AGM
- We included a final summary above on the impact the feedback has had
- Preparations are underway to seek shareholder approval for a renewal of the Rule 9 Waiver at the 2025 AGM. This includes a further shareholder engagement campaign and the creation of an FAQ document based on the most common queries and concerns raised by shareholders on Rule 9 Waivers, which is available on our website at **www.hikma.com**. Further detail on the Rule 9 Waiver is included in the explanatory notes to the 2025 Notice of AGM, available at **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 and succession planning process, 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 Victoria Hull, John Castellani, Nina Henderson, Cynthia Flowers, Douglas Hurt, Laura Balan and Dr Deneen Vojta to be independent as at the date of this report. 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.

On 1 March 2025, John Castellani will reach nine years of service on the Board, which Provision 10 of the 2024 Code identifies as a circumstance likely to impair or which could appear to impair a non-executive director's independence. To preserve the independence of our Board, John will step down from the Board following the AGM in 2025.

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, Ali 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

Our values
Hikma's values build on our founder's vision of Hikma as a company with high ethical standards, where our people thrive in a supportive environment.

These values were introduced in 2020, following engagement with our workforce and a thorough review of our culture by the Board.

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 the wider workforce. Read more about our values at **www.hikma.com**.

Further information on the Group's activities as they relate to culture is available on pages 19, 26, 54 to 55 and 60 to 61.

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
- monitoring compliance with our Code of Conduct
- reports from the Compliance, Responsibility and Ethics Committee
- results of our workforce engagement surveys
- first-hand experience from engagement with the workforce during site visits

Our values

We are Innovative

We are Caring

We are Collaborative

Key Board activities in 2024

To demonstrate our commitment to transparent corporate governance reporting, we have updated our disclosure on key Board activities to more explicitly link Board activities, decisions and their outcomes to Hikma's strategy and objectives.

Strategic pillars:
Strive for excellence | Diversify and differentiate | People and responsibility

Business and strategy	Link to strategic priorities
Approved the acquisition of parts of Xellia Pharmaceuticals. This delivers on our strategy and supports the long-term growth of the Injectables business. It adds a differentiated portfolio and pipeline, significantly expands Hikma's US Injectables manufacturing capacity, adds complex manufacturing technologies and enhances Hikma's R&D capabilities	
Received updates on the signing of a significant new long-term CMO contract with a global pharmaceutical company. Our CMO business is key to our Generics strategy, supporting stronger revenue growth and profitability, while improving the utilisation of our Columbus, Ohio site	
Approved an agreement in principle to resolve the opioid related cases brought against Hikma Pharmaceuticals USA Inc. by US states, their subdivisions, and tribal nations. These cases represent the vast majority of cases brought against Hikma related to the manufacture and sale of prescription opioid medications. The agreed upon settlement is not an admission of wrongdoing or legal liability. The Board considered investors, the long-term success of the Group, and maintaining high standards of business conduct	
Oversaw the launch of Combogesic®, our first specialty injectable product in the US, and expanded commercial presence in Europe with entries into Spain and the UK	
In line with the Board-approved strategy, strengthened product mix in our Branded business through continued shift towards higher value medicines	
Held the annual two-day strategy meeting in Casablanca, Morocco, during which the Board visited the new Hikma injectables manufacturing facility and discussed the Group strategy, progress and future plans for growth	
Reviewed and approved the five-year business plan, capital expenditure plan and budget for 2025	
Reviewed business development opportunities throughout the year and completed post-acquisition reviews of Custopharm and the Canadian assets of Teligent, which were acquired in 2022	

Key Board activities in 2024 continued

Strategic pillars: Strive for excellence | Diversify and differentiate | People and responsibility

Performance, risk and operations	Link to strategic priorities
Received reports from the CEO and CFO at each meeting which included progress against strategic objectives, financial performance and key areas of focus	Strive for excellence; Diversify and differentiate; People and responsibility
Monitored key legal matters which were summarised by the Group General Counsel in regular legal reports	People and responsibility
Received updates from management on quality compliance, health & safety, pharmacovigilance and regulatory affairs	Strive for excellence; People and responsibility
Reviewed the Group risk report and approved the principal risks and risk appetite, and the emerging risks	Strive for excellence
Received and discussed the annual update on cyber security, which included training on cyber awareness for Board members	Strive for excellence; People and responsibility
Approved the annual statements on Modern Slavery and Tax Strategy, which are available on our website at **www.hikma.com**	People and responsibility
Following a formal competitive audit tender process, approved the reappointment of PwC as external auditor of the Company from 2026 onwards. More information can be found on page 110	People and responsibility

Stakeholder focus	Link to strategic priorities
Considered the results of Hikma's People Voice Survey, the recommended areas of focus and actions, and the progress made against action plans. More information can be found on page 26	People and responsibility
Approved a progressive dividend policy to return value to shareholders. This resulted in an increased dividend of 72 cents per share for the full year 2023 (2022: 56 cents per share). The expected full-year dividend for 2024 is 80 cents per share	People and responsibility
Received reports from the designated Non-Executive Director for workforce engagement on feedback received from our people during visits to Hikma sites in Portugal, KSA, US	People and responsibility
Approved the UK Carbon Reduction Plan which confirms Hikma's commitment to achieving Net Zero emissions by 2050 for its UK sites. The UK Carbon Reduction Plan is available on our website at **www.hikma.com**	People and responsibility
Considered the feedback provided from investors as part of the annual investor perception report	People and responsibility
Undertook an engagement programme with investors regarding the Rule 9 waiver. More information can be found on page 102	People and responsibility

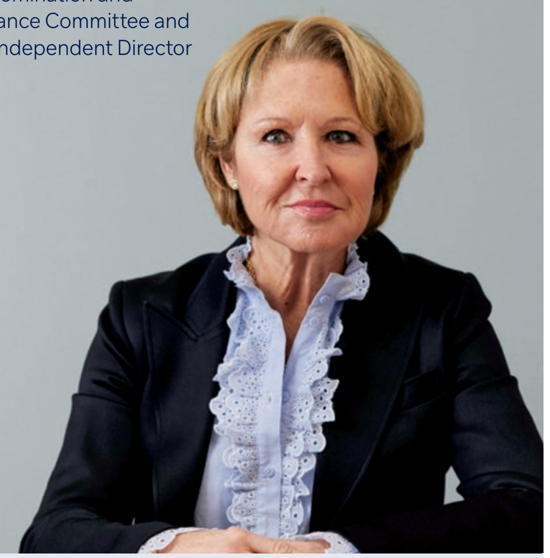
More information on stakeholder engagement activities and outcomes is included in our Section 172 statement on pages 24 to 29

Corporate governance and succession planning	Link to strategic priorities
Planned and completed the 2024 external Board performance review. More information on the process, insights and outcomes of the Board performance review can be found on page 106	Strive for excellence
Oversaw the orderly succession for the independent Non-Executive Directors handing over responsibilities in April 2025	People and responsibility
Ensured high-quality leadership in place to drive the next phase of growth for our Generics business, receiving updates on the appointment of Hafrun Fridriksdottir as President of Generics	Strive for excellence; People and responsibility
Received reports from Committee Chairs on the work of the Board committees	People and responsibility
Reviewed the new corporate governance reporting requirements under the 2024 Code, mapping Hikma's practices against the updated Principles and Provisions	People and responsibility

Nomination and Governance Committee

Letter from the Chair

Victoria Hull
Chair, Nomination and Governance Committee and Senior Independent Director



Activities in 2024

- Agreed succession plans for two independent Non-Executive Directors who will retire in 2025, having reached nine years of service
- Completed a detailed review, with the Chief People Officer, of the succession plans for the Executive Committee and certain senior roles
- Conducted an externally facilitated Board performance review to evaluate the effectiveness of the Board and its Committees
- Reviewed Hikma's readiness to report against the UK Corporate Governance Code 2024 from the financial year 2025

Priorities for 2025

- Monitor the implementation of actions agreed as part of the 2024 Board performance review
- Continue to refine succession planning for the Executive Committee and senior management
- Review and update the Board skills matrix to inform future Non-Executive Director recruitment

Dear Shareholders

The Nomination and Governance Committee (NGC or the Committee) has continued to play a key role in the oversight of the Group's governance arrangements and succession planning.

Succession

The Committee oversees succession for both Executive and Non-Executive Directors and reviews the succession plans for these roles. Below Board level, the Committee is responsible for ensuring that appropriate arrangements are in place for senior positions, including the Executive Committee.

Executive
As identified during the 2023 Board evaluation, a key priority for 2024 was to review succession plans for the Board and Executive Committee. During 2024 the Committee undertook a detailed review of succession plans for the Executive Committee and certain other senior roles, prepared by the Chief People Officer, Hussein Arkhagha. The Committee intends to build on this work in 2025, maintaining the format of regular updates to review succession planning for the Executive Directors.

The Committee also received updates on the appointment by the CEO of two new Executive Committee members: Julie Hill, Senior Vice President, Corporate Quality Compliance/Health and Safety joined the Executive Committee in February 2024, and Hafrun Fridriksdottir, President of Generics joined Hikma and the Executive Committee in April 2024. Both bring outstanding leadership qualities and valuable insights to the Executive Committee and Hafrun has the research and development leadership capabilities to drive Hikma's Generics business in its next phase of growth.

Non-Executive
As disclosed in our 2023 Annual Report, following recommendation by the Committee, the Board approved the following succession plans in February 2024, to take effect from the 2025 AGM:

- Deneen Vojta will succeed John Castellani as Chair of the Compliance, Responsibility and Ethics Committee when John steps down from the Board at the conclusion of the 2025 AGM
- Cynthia Flowers will succeed Nina Henderson as Chair of the Remuneration Committee at the conclusion of the 2025 AGM
- Laura Balan will succeed Nina Henderson as the designated independent Non-Executive Director for workforce engagement at the conclusion of the 2025 AGM

Each successor has shadowed the incumbent in their role for the past year to ensure a smooth handover of responsibilities.

In 2025 the Committee will review and update the Board skills matrix. The skills matrix will be mapped against Hikma's strategic priorities to identify key skills and experience required to support the delivery of the strategy and inform future Non-Executive Director recruitment.

Nomination and Governance Committee
continued

Board performance review

In line with the UK Corporate Governance Code 2018 (the 2018 Code) we undertake a formal and rigorous annual evaluation of performance of the Board, its committees, the Chairman and individual Directors. We operate a three-year cycle of an external Board Performance Review (BPR) in year one, followed by internal reviews in years two and three. Our last external evaluation took place in 2021, so in 2024, Hikma undertook an external BPR. Hikma engaged Lintstock Limited (Lintstock) to facilitate this process. Lintstock is an advisory firm that specialises in Board reviews and had no pre-existing connections, beyond conducting Board reviews, with Hikma or any individual Director.

Process

The 2024 BPR was led by myself, as SID, with the support of the Group Company Secretary.

A questionnaire was issued in August 2024 to be completed by all Board members. The questionnaire covered:

- Board composition and dynamics
- Board support and meeting management
- The Board's performance on key areas such as strategy, risk and people
- Priorities for change

A questionnaire was also issued for each Board Committee and was completed by Committee members.

One-to-one interviews were held with each Board member in September 2024

Findings of the questionnaires and interviews were collated, anonymised, and a summary report was produced in October 2024

Discussions of the insights and recommendations were held in November 2024 with the SID, Executive Chairman, CEO, Committee Chairs and Group Company Secretary

In December 2024, the Board discussed the findings and agreed an action plan for 2025, which is set out in the following paragraphs

Insights from 2024

Overall, the Board operates to a high standard and continues to add real value to the business. Board dynamics were seen to be positive, with results showing a high level of respect between Board members, an environment that allows robust discussions, and an appropriate balance of support and challenge to management.

Lintstock's report highlighted the collective willingness of the Directors to participate in a constructive manner and identify areas for continuous improvement. A summary of the agreed actions is set out below.

Action plan for 2025

The Board noted key findings and agreed the following actions for 2025:

Key finding	Actions
Strategic updates	Enhancements to the format of the CEO report and time allocated for discussion, to ensure a regular cadence of updates to the Board on key strategic topics and initiatives.
Board governance	Identified key policies and procedures to update during 2025, including refinements to the Board protocol for paper submissions.
Succession planning	Refresh the Board skills matrix and map against Hikma's strategy to identify key skills and experience, informing future Board recruitment.
Sustainability	Acknowledging the changing landscape of sustainability reporting and regulation, review responsibilities for sustainability topics among the Board committees and update terms of reference as necessary.
Independent Non-Executive Directors	Noting that Hikma's largest shareholder is represented on the Board, increase the number of meetings of the independent Non-Executive Directors.
BPR	Improvements to the process for individual Director performance reviews for 2025.

Progress against actions from 2023

Good progress has been made against the actions identified as part of the 2023 BPR:

- Succession and talent management: as noted on page 105, significant progress has been made in this area with succession plans approved for key Board roles following the planned retirement of two independent Non-Executive Directors in 2025. For the Executive Committee and senior management, the NGC received regular updates throughout the year from the Chief People Officer on succession plans and associated processes for talent management. This has been built into the annual meeting calendar for future years
- Strategy and growth: strengthened discussions of strategic issues by integrating key topics into the annual Board calendar

Executive Chairman performance review

The Executive Chairman and I meet regularly to discuss matters including Board succession planning, the performance of the Board and how his role helps deliver and enhance that performance. This builds on discussions that I hold with the independent Non-Executive Directors as a group and commentary received through the BPR and other stakeholder engagement processes. The Remuneration Committee is an important input to this process as they assess the Executive Chairman's performance as part of the determination of performance-based compensation.

Director performance reviews

The Executive Chairman, having taken into account the comments from the Board performance review and discussions with the SID, reviewed the performance of each of the Directors during the year and concluded that each Director contributes effectively to the Board, brings particular areas of skill and experience, which ensures the Board as a whole has the right capabilities, and devotes sufficient time to their role. The Committee has concluded that the relevant Directors be recommended to shareholders for re-election at the 2025 AGM.

Board composition

During the year, the Committee reviewed the composition of the Board and its committees. This review included consideration of the skills and attributes of each member, the balance between constructive challenge and empowerment of the executive, the results of the 2024 BPR and the current and desired levels of perspectives and experiences in the Boardroom.

Skills and experience

The Board believes it is important for Directors to demonstrate the highest level of integrity, a challenging and constructive style and have significant international experience at an executive level. The Committee regularly considers whether there may be gaps in fulfilling the specific and in-depth experience that the Board requires as a whole, which focuses on the following areas:

- strategy, culture and leadership
- business environment in the US, Europe and the MENA region
- pharmaceutical manufacturing and distribution
- development of new healthcare capabilities
- listing regulations, investor perceptions and governance

Hikma supports Directors in their continued professional development. As the Directors are highly experienced, their training needs tend to be related to either ensuring awareness of changes in the business, political and regulatory environments, or bespoke training on particular areas for development. Therefore, Hikma provides financial support for specific training requests and ensures that Directors are briefed by internal and external advisers on a regular basis.

During the year, the Board received briefings on matters including the pharmaceutical competitive environment, healthcare business development activity, external stakeholder perspectives, investor perceptions, market sentiment, cybersecurity, business intelligence, capital markets, emerging risks and regulatory developments.

Tenure

We anticipate that independent Non-Executive Directors will generally serve for a period of up to nine years or, if required to facilitate an orderly transfer of responsibilities, no later than the next Annual General Meeting (AGM) of the Company following the ninth anniversary of their appointment. All appointments are formally reviewed after three years and again at six years.

Except for John Castellani, who will retire from the Board at the conclusion of the 2025 AGM, each Director will stand for re-election at the 2025 AGM. The position of each Director was reviewed during the year as part of the consideration of succession arrangements, independence issues, the annual governance structure review, the BPR and the ongoing dialogue between the Executive Chairman and the SID.

Time commitment

The Committee continues to review the external commitments of each Director with a view to ensuring that the benefits of the additional experience from their external commitments are not outweighed by reductions in their commitment to Hikma. The Directors achieve excellent attendance and spend significant time delivering their responsibilities. Accordingly, the Committee considers that there is currently an appropriate balance. The Committee will continue to monitor the situation.

Inclusion and diversity

The Board Diversity Policy, which applies to the Board and its committees, sets out the Board's ongoing commitment to ensure that the Board and its committees are an inclusive place that welcomes different cultures, perspectives, and experiences from across the globe.

Information on Board, Executive Committee and senior management diversity is summarised on page 97 and included in the prescribed format required under the UK Listing Rules on page 142. Hikma supports the recommendations of the Parker Review and the FTSE Women Leaders Review in relation to Board diversity and has adopted the objectives for Board diversity set by both reviews. The Board Diversity Policy is available at **www.hikma.com**.

At a Group level, Hikma's objective is to ensure that it has an inclusive workplace that welcomes different cultures, perspectives and experiences from across the globe. Hikma is committed to attracting, retaining and developing talented people, irrespective of their race, colour, religion, age, sex, sexual orientation, gender identity, marital status, national origin, present or past history of mental or physical disability and any other factors either protected from consideration by law or not related to a person's ability to perform the relevant role. This statement is included in our Code of Conduct and communicated to all employees.

"Hikma's inclusive workplace welcomes different cultures, perspectives and experiences from across the globe."

Nomination and Governance Committee
continued

One of the pillars of the Group's strategy is 'people and responsibility'. The Group's approach to our people's progress, belonging, succession and appointments are a core part of this pillar. The Committee monitors the diversity metrics which are detailed on page 97 and uses these as a reference point when considering the level of achievement against its diversity initiatives. Hikma has successful empowerment and talent development programmes to help all of our people make the most of their potential, for more information please see pages 54 and 55. Further detail on workforce diversity is provided on page 97.

The Group's talent acquisition policies for the three most senior staff grades require a balanced list of candidates to support our diversity goals.

Ethnicity
The Board considers that it has demonstrated strong ethnic diversity since the formation of Hikma and has four Directors from ethnic minority backgrounds (when assessed against UK ONS criteria), representing 36% of the Board, including the Executive Chairman and CEO. The Board has adopted and meets the objectives set by the Parker Review and UK Listing Rules.

In August 2024, the Parker Review announced that their 2024 survey would focus on the ethnic diversity of senior management[1] working in the UK (rather than the global workforce as requested in 2023). The Committee carefully considered the voluntary recommendation for FTSE 350 companies to set themselves a target for the percentage of the UK senior management team who self-identify as being from an ethnic minority by 2027, and its appropriateness for Hikma. Following a detailed review the Committee decided not to set an ethnic diversity target for its UK senior management team for the following reasons:

- Hikma has a diverse geographic footprint and a global workforce with high levels of diversity (36% of our global senior management[1] population self-identify as being from an ethnic minority)
- There is a small UK workforce, accounting for c.13% of the senior management[1] population

In order to demonstrate focus on the issues raised by the Parker Review in relation to senior management ethnic diversity, Hikma reaffirmed its commitment to:

- Monitoring senior management[1] ethnic diversity across our global operations on an annual basis, using a voluntary survey to collect data. The survey contained an expanded list of ethnicities sensitive to Hikma's workforce, and individuals had the option to respond by selecting 'prefer not to say'
- Providing enhanced ethnic diversity disclosures by continuing to report on the ethnic diversity of our global senior management[1] population, in addition to the UK senior management population requested by the Parker Review. The enhanced disclosures can be found on page 97

Gender
Since its founding, Hikma has actively promoted inclusion across its operations. Our Board has good gender diversity with women representing 45% of the Board. The Board has adopted and meets the objectives set by the FTSE Women Leaders Review and diversity-related disclosures under the UK Listing Rules to have at least 40% of Board members identifying as women.

The Board also supports the voluntary target set by the FTSE Women Leaders Review, to increase the diversity of the senior management team[1]. In jurisdictions where permitted under local law, our Remuneration Committee has integrated targets to increase gender diversity within the senior management[1] population into the performance measures for variable remuneration; further detail is included in the 2022 and 2023 Annual Reports. These targets are not intended to act as quotas, preferences or set-asides and selections will continue to be made based on merit. Information on our senior management[1] gender diversity is included on page 97.

Governance review

As in previous years, the Committee undertook the annual review of the Group's governance arrangements in conjunction with the Group Company Secretary. This year the exercise included a review of the structure and composition of the Board and its committees, Board succession planning, and the external BPR. The Committee also received a regulatory update in relation to corporate reporting and reviewed Hikma's readiness to report against the UK Corporate Governance Code 2024 from the financial year 2025. Our governance framework can be found on page 96, and further information on Hikma's Board, committees and corporate governance practices is available at **www.hikma.com**.

For and on behalf of the Nomination and Governance Committee.

Victoria Hull
Chair, Nomination and Governance Committee
and Senior Independent Director
25 February 2025

1 Senior management refers to senior direct reports to the CEO and Executive Chairman, and the senior leaders who report directly to them (excluding administrative roles)

Audit Committee

Letter from the Chair

Douglas Hurt
Chair, Audit Committee

Activities in 2024

- Conducted a formal competitive external audit tender process and recommended that the Board reappoint PricewaterhouseCoopers LLP as external auditor of the Company from 2026 onwards, subject to shareholder approval at the 2026 AGM
- Prepared for the additional reporting requirements under Provision 29 of the 2024 UK Corporate Governance Code (the 2024 Code)
- Monitored the implementation of fraud prevention controls and associated training in readiness for the new offence of failure to prevent fraud introduced under the Economic Crime and Corporate Transparency Act (ECCTA)
- Reviewed the Group's tax policies, procedures and internal controls

Priorities for 2025

- Oversee the testing of Hikma's fraud prevention controls in readiness for the new requirements related to failure to prevent fraud introduced under the ECCTA
- Oversee the process to meet disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD) for financial year starting 1 January 2025
- Continue to implement enhancements to our internal controls following the publication of the 2024 Code
- Conduct an external review of the effectiveness of Hikma's internal auditor in line with new Global Internal Audit Standards published by the Institute of Internal Auditors (IIA)

Dear Shareholders

The Audit Committee (the Committee) has had a busy year performing its duties in relation to the matters delegated to it by the Board.

During the year, the Committee continued to play a key role in assisting the Board in its oversight of financial reporting and auditing matters, including conducting a formal competitive external audit tender process. More information on the external audit tender process and outcome can be found on page 110 of this report. The Committee's activities also included reviewing and monitoring the integrity of the Group's financial information, the internal and external audit processes, and the Group's systems of internal controls and risk management, including preparing for the additional requirements under Provision 29 of the 2024 Code.

Audit Committees and External Audit: Minimum Standard

The Committee confirms that it complies with the obligations set out under the Audit Committees and the External Audit: Minimum Standard, published by the Financial Reporting Council (FRC) in May 2023. Disclosures in line with the reporting obligations are included within this Committee report on pages 109 to 113 and an explanation of the entity's accounting policies can be found on pages 161 to 166.

External audit

The external audit was undertaken by PricewaterhouseCoopers LLP (PwC) and has been since their appointment in May 2016. PwC were originally appointed following a competitive tender process in 2015. Mr Nigel Comello was appointed as the senior statutory auditor in May 2022. The Committee recommends the re-appointment of PwC for 2025. We believe the independence and objectivity of the external auditor and the effectiveness of the audit process are safeguarded and strong. The Company has complied with the Statutory Audit Services Order for the financial year under review.

Effectiveness
During the year, the Committee reviewed the work of PwC and concluded that they provided an effective audit, were appropriately challenging, had constructive relationships with the relevant parties and that the senior statutory auditor provided clear and constructive leadership to the audit team. As part of this review the Committee examined the following areas:

- **Audit quality and technical capabilities:** the Committee considered that the external auditor undertook an effective and in-depth assessment and verification exercise in respect of the financial statements and associated disclosures for the year ended 31 December 2024 and provided a high level of expertise. The Committee provided feedback on the auditor's performance as part of its regular meetings with them without management present. The Committee also took into account the reports of the FRC, including the Audit Quality Inspection Supervision report, and continues to believe that there is an open and appropriately challenging relationship between the audit leadership team, the Committee and management. Management also conducted a formal review of audit quality and effectiveness using a survey where feedback was provided by Committee members and management. The key outcomes were summarised and considered by the Committee in their assessment of the auditor
- **Independence:** the Committee regularly reviews the independence safeguards of the auditor and remains satisfied that auditor independence has not been compromised. During the year, the Committee received reports on the application of its policies on the provision of non-audit services and employment of former employees of the external auditor. The Committee is satisfied that the auditor is independent

Audit Committee
continued

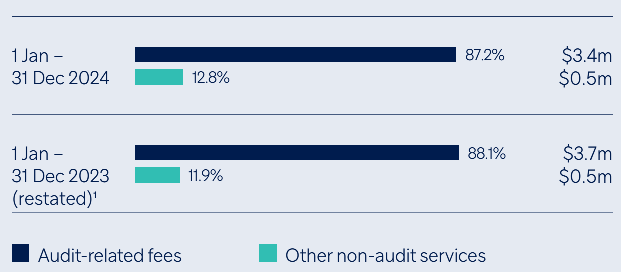
- **Challenge and judgement:** the Committee considers that PwC provide appropriate challenge to the management team which results in the Company's position being fully considered and supported and, where appropriate, further strengthened. The Committee believes that PwC have demonstrated well-considered and clear-sighted judgement in the matters on which they have provided opinion and that they have been open to an appropriate level of challenge and debate. Examples of PwC's professional scepticism and challenge, as noted by the Committee, include their in-depth audit and challenge of the assumptions used in the impairment review exercise, particularly regarding the reversal of impairment for the complex respiratory cash-generating unit (CGU) and the accounting treatment of the Xellia Pharmaceuticals acquisition as a business combination
- **Non-audit services:** the Committee's policy on non-audit services is available on our website **www.hikma.com**. The Committee has discretion to grant exceptions to this policy where it considers that exceptional circumstances exist and that independence can be maintained, while having due regard to the FRC's ethical standards for auditors, meaning that non-audit fees will be capped at 70% of the average audit fees paid in the previous three consecutive financial years. In 2024, PwC provided assurance services related to the interim review and other non-audit services with a total value of $519,000 (2023: $553,000). These services are within the ordinary course of services provided by the auditor

The Committee confirms that the statutory audit services for the financial year under review were conducted in compliance with the Competition and Markets Authority Order, and competitive audit tender processes were undertaken in 2015 and 2024.

Auditor's fee

$3.4m

PwC



1. Amounts have been restated to reflect final amounts billed in relation to 2023

Audit tendering

As a UK public interest entity, Hikma is required to carry out an audit tender every ten years and rotate the external auditor every 20 years. PwC was first appointed as external auditor in May 2016 following a tender in 2015, therefore, the current Annual Report is the ninth report that they have audited. PwC rotated the senior statutory auditor in 2019 and 2022. In accordance with the audit tendering guidelines, and as reported in our 2023 Annual Report, a key priority for the Committee in 2024 was to plan for and conduct a competitive external audit tender.

The Committee undertook a formal competitive tender during 2024, which concluded with the Board accepting the Committee's recommendation that PwC be reappointed as external auditor of the Company from 2026 onwards, subject to shareholder approval at the 2026 AGM.

The tender followed the process outlined in the FRC's Audit Committees and the External Audit: Minimum Standard, and is summarised below:

- April 2024: the Committee approved the proposed tender process and timeline
- May to August 2024: review of potential audit firms, including independence considerations. This review included firms outside the 'Big 4', but after consideration of geographical coverage they were not progressed
- September 2024: Invitations to Tender were circulated to three firms, one of which was unable to participate due to resource constraints. Requests for Proposal (RFP) were circulated to the remaining bidding firms
- September 2024: firms provided with detailed information on the Company, including organisation structure, risk and control, accounting, reporting and audit scope
- September 2024: meetings arranged with members of the Committee and senior management
- October 2024: firms submitted proposal documents in response to the RFP
- November 2024: final presentation made by each firm to the Committee, with the CFO, Group Financial Controller and other members of senior management in attendance

A transparent and non-discriminatory scorecard system was used to evaluate the proposals, focusing primarily on the proposed audit approach and effectiveness, communication skills, competencies and the utilisation of technology. Having considered the scoring criteria, key factors, input and observations from each Committee member and members of management, and the proposal documents and presentations themselves, the Committee submitted the two candidate firms to the Board for consideration, with a recommendation that PwC be reappointed as external auditor of the Company from 2026 onwards, which was accepted by the Board.

Position and prospects

During the year, management undertook an annual review of the Company's strategic direction and an extensive assessment of the Group's short-term and medium-term prospects, including the budget for 2025 and the five-year business plan, respectively. Management presented and received the Board's approval and commentary on the full strategy, budget and five-year business plan. Having taken account of how the business has responded to the changing business environment, the business plan, principal risks and uncertainties facing the Group and other relevant information, the Committee has concluded that the Group continues to have attractive prospects for the future.

Going concern and longer-term viability

The Committee considered the going concern position as detailed on page 87 and the longer-term viability assessment as detailed on page 88. The Committee gave careful consideration to the period of assessment used for the Viability Statement and concluded the time period of three years remained appropriate.

Having reviewed and challenged the downside assumptions, forecasts and mitigation strategy of management, the Committee believes that the Group is adequately placed to manage its business and financing risks successfully and has a reasonable expectation that the Group has adequate resources to continue in operation and meet its liabilities as they fall due and over the viability period. The Committee was comfortable with recommending to the Directors that they adopt the going concern basis in preparing the financial statements.

Significant matters related to the financial statements

As part of its work reviewing the financial statements of the Group and the report of the auditor, the Committee considered and discussed the following important financial matters:

Matters considered in relation to the financial statements	The Committee's review and actions
Impairment review	Management conducted an impairment review of intangible assets, right-of-use assets, and property, plant, and equipment. This resulted in a recommended impairment reversal of $60 million for the complex respiratory CGU, alongside a total impairment charge of $22 million for various individual intangible assets and $9 million for property, plant, and equipment. The Committee reviewed management's approach and recommendations and concluded that the proposals were appropriate. More information can be found in Notes 15 and 16 on pages 179 to 182.
Business combination of Xellia Pharmaceuticals	The Committee reviewed and challenged the accounting treatment of the acquisition as a business combination, including the estimates and judgements underpinning the valuation of the acquired assets, and concluded that they were appropriate. A third-party expert conducted the valuation exercise. More information can be found in Note 34 on page 197 to 198.
Revenue recognition	The Committee reviewed the Group's revenue recognition policies and their application by management. This included assessing the model used to estimate chargebacks, in-channel inventories, and chargeback rates. The Committee also evaluated deductions for customer rebates, returns and government rebates (including the adjustment made in respect of prior years), and approved the disclosures on year-end estimates and their sensitivity to assumption changes. The Committee also reviewed the application of the Group's revenue recognition policy with respect to a significant contract manufacturing arrangement, focusing specifically on the recognition of revenue and contract liabilities associated with the Group's commitments to provide facility space and equipment under the terms of the arrangement. More information on revenue recognition can be found in Notes 2 and 3 on page 162 and 166.
Exceptional items and other adjustments	Management presents core results to monitor performance, set targets, and assess progress. Core results are a non-IFRS measure which exclude exceptional items and other adjustments. These figures are also presented alongside reported results to external audiences, providing a clearer view of the Group's underlying performance, a more complete picture of its results, and enhanced comparability of consolidated financial statements. Exceptional items and other adjustments for the year are detailed in Note 6 on page 171. The Committee assessed management's presentation of non-core items and concluded that the classification and proposed disclosures for non-IFRS items were appropriate and in accordance with Hikma's policy.
Taxation	Hikma's worldwide operations are highly integrated and involve a number of cross-border supply chains, which results in judgement being required to estimate the potential tax liabilities in different jurisdictions. The Committee took advice from professional services firms and management in assessing the reasonableness of the Group's provisions for uncertain tax positions, which amounted to $54 million, and in reviewing the deferred tax assets in key markets, which amounted to $293 million. More information can be found in Note 12 on pages 175 to 177. The Committee reviewed the appropriateness of the disclosures in the Annual Report, and reviewed and approved the Group's tax strategy statement, which is available on our website at **www.hikma.com**.

Ensuring the integrity of financial reporting and providing oversight of our systems for internal control and risk management."

Audit Committee
continued

Fair, balanced and understandable reporting

Hikma is committed to clear and transparent disclosure and seeks to continuously improve the clarity of its reporting. At the request of the Board, the Audit Committee considers whether Hikma's Annual Report is fair, balanced and understandable and that the narrative is consistent with the financial information. The Committee's assessment is underpinned by a statement from the Reporting Committee following their comprehensive review of the Annual Report. The Reporting Committee is comprised of representatives from Finance, Investor Relations, Risk, Reward, Sustainability and Company Secretariat and is supported by divisional and functional heads, as required.

The Reporting Committee's activities include:

- initiating the review process for the Annual Report significantly before the year-end, considering external developments, issuing guidance to contributors and identifying areas for improvement
- obtaining input from external advisers, including the external and internal auditors, designers, corporate brokers and public relations advisers
- undertaking several multi-functional reviews of the disclosures as a whole prior to the publication of the Annual Report to ensure consistency and accuracy across the document as a whole
- overseeing an extensive verification process to ensure the accuracy of disclosures

Each member of the Audit Committee and the Reporting Committee is satisfied that the 2024 Annual Report is fair, balanced and understandable and has recommended the adoption of the Report and Accounts to the Board.

Verification

The qualitative disclosures in the Annual Report are subject to adviser review, internal review and external audit processes. Our internal teams have also provided additional verification and support in respect of each material statement of fact, which assisted the Committee in its determination that the report and financial statements taken as a whole are fair, balanced and understandable.

Reporting controls

Hikma's key controls and risk management systems relating to the financial reporting process include the enterprise resource planning system, the processes in the 'Fair, balanced and understandable' and 'Verification' sections described earlier in this letter, the review of the financial statements and disclosures that is undertaken by the Executive Committee, and detailed internal financial control processes necessitating the verification of financial records at a local, regional and Group level.

Risk management and internal control

The Board is ultimately responsible for ensuring that Hikma's systems of internal controls and risk management processes are effective and has delegated responsibility for reviewing their effectiveness to the Committee.

Risk management

The Committee has continued to receive reports on the operation of the Group's Enterprise Risk Management (ERM) framework which includes the material controls and programme for enhancing the Group's risk management efforts. Management escalated certain risks that materialised during the year for Board attention and oversight, for example the conflicts in the Middle East, legal matters, product quality controls, and talent attraction and retention challenges in certain markets. Such instances serve to hone escalation and disclosure protocols and learnings are taken to improve risk mitigation programmes.

The Board continued to exercise oversight of cyber risks during the year, including presentations from management on enhancements to security systems, new security services, key metrics, assessment activities, notable threat events and the outcome of an internal audit. The CIO also provided a briefing on cyber awareness and protection, specific to Directors and Executive Committee members as attractive targets for technology-driven fraud attempts. Further information on Hikma's management of cyber risks, associated assessments and certifications is included on page 84.

As in previous years, management and the Board have undertaken a robust assessment of the Group's emerging risks as well as the annual review of the principal risks. The Committee and the Board have considered the principal risks facing the Group and have decided that no adjustments were required in the year under review. The Board and management have also reviewed the appetite for those principal risks and have concluded that it remains appropriate. Further information regarding the Group's risk management activities is available in the risk management section on pages 80 to 88.

Internal control

In preparation to report against Provision 29 of the 2024 Code from 1 January 2026, Hikma has launched a Group controls programme to map identified material risks against the existing controls mitigating them. The material risks were identified by assessing management's top risks, using an impact grid. The work continues on further enhancing and improving controls in the relevant frameworks, and documenting the levels of assurance currently obtained.

The key elements of our internal control framework are as follows:

- a documented and disseminated reporting structure with clear policies, procedures, authorisation limits, segregation of duties and delegated authorities
- written policies and procedures for functional areas with specific responsibility allocated to individual managers
- a comprehensive system of internal financial reporting that includes regular comparison of results against budget and forecast and a review of KPIs, each informed by management commentary
- an established process for reviewing the financial performance and providing support to Hikma companies and associates together with direct support from Hikma's finance function
- annual budgets, updated forecasts and medium-term business plans for Hikma that identify risks and opportunities and that are reviewed and, where appropriate, approved by the Board
- a defined process for controlling capital expenditure which is detailed in the governance framework

Effectiveness

The Board is satisfied that Hikma's systems for internal control are in accordance with the FRC's guidance, and have been in place throughout the year under review and up to the date of approval of the Annual Report and Accounts. The Board reviews the effectiveness of these systems at least annually as part of the processes for the Annual Report, and throughout the year when reviewing Internal Controls and Assurance testing outcomes as well as risk management reports. The Board has not identified any material weaknesses.
In making this assessment, the Board takes into account:

- **Internal audit:** the Committee receives regular reports from the internal auditors and other third-party experts who review relevant parts of the Group business operations, assess Hikma's processes, identify areas for improvement, monitor progress, and undertake their own assessment of the risks facing Hikma
- **Internal controls and assurance:** the Committee receives regular reports from the Internal Controls and Assurance team, who review relevant parts of the finance function and operational processes, based on a risk-based testing plan. The team assesses Hikma's processes, identifies areas for improvement, and monitors remediation progress
- **Risk management:** the ERM framework provides a structure for risk management activities to occur at all levels of the organisation, including management of principal risks and uncertainties (detailed on pages 82 to 86) and emerging risks. Risk reporting processes ensure the Executive Committee and the Board are engaged in the design and implementation of new control initiatives and provide oversight of existing programmes
- **Financial performance:** Hikma's financial performance and forecasting reports are reviewed by the Board to aid the understanding of the underlying performance of the business, deviations from expectations and management's operational challenges and responses
- **Ethics:** the business integrity and ethics procedures and controls that are led by the Compliance, Responsibility and Ethics Committee (CREC). To ensure consistency and awareness between these committees' responsibilities, the Audit Committee Chair is a standing member of the CREC
- **Governance:** our overall approach to corporate governance, including compliance with the UK Corporate Governance Code, is led by the Nomination and Governance Committee
- **External auditor:** the regular and confidential dialogue with the external auditor

During the year, the Committee received updates from Hikma's Internal Controls and Assurance team on:

- preparations to comply with Provision 29 of the 2024 Code, which will come into effect from financial year 2026
- the fraud prevention and detection programme, which builds on existing practices and policies and further supports the Group's internal control environment with formalised controls. The programme was launched to ensure compliance with the newly legislated criminal offence of failure to prevent fraud, which will come into force on 1 September 2025
- the results of internal assurance of controls

The Committee also maintains a programme of in-depth reviews into specific financial and operational areas of the business. These reviews allow the Committee to meet key members of the management team and provide independent challenge. During 2024, the Tax team presented a deep dive on their organisational structure, mandate, strategy, processes, systems and controls. The Committee deliberated with management and the Tax team during the presentation, gaining comfort in relation to the general control environment surrounding the tax function of the Group, in addition to the various assurance activities undertaken by internal audit and internal controls and assurance.

Internal audit

The internal audit of Hikma is performed by EY, who report directly to the Chair of the Committee. There is a regular programme of interaction between EY and the Committee.

EY assess each facility and the Group's major processes over a three-year period. For major sites, assessments are more frequent. Management is required to respond to findings within an agreed time period and ensure mitigation or remediation of all high-risk findings within six months.

During the year, the Committee monitored progress with the internal audit programme for 2024 and reviewed and approved the plan for 2025. EY and management work closely together to deliver the internal audit plan, develop action plans for points raised, and ensure that the Committee receives appropriate and timely information. The Committee also received updates on the IIA's new Global Internal Audit Standards (the Standards) which were published in January 2024 and became effective in January 2025, to ensure Hikma's timely compliance with the Standards.

During the year, the Committee continued to monitor the performance and independence of the internal auditors in accordance with the policies that have been established. The Committee assessed the effectiveness of the internal audit function by reviewing its reports, progress against the 2024 plan and meeting with internal audit without management present. The Committee considers that EY bring significant pharmaceutical and MENA market experience which is complemented by the experience of other third-party experts where required and concluded that EY continue to perform an effective internal audit programme and remain independent.

Membership of the Committee

The Committee comprises solely independent Non-Executive Directors, who as a whole, have competence and experience relevant to Hikma's business and the industry in which it operates. I am considered by the Board to have significant recent and relevant financial experience chiefly related to my work with other audit committees, having been a finance director of another listed entity and having held senior financial positions in other entities. Biographical details of the Committee members can be found on pages 98 and 99. The Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities.

As Chair of the Audit Committee, I remain available to shareholders and stakeholders should they wish to discuss any matters within this report or under the Committee's area of responsibility whether at the AGM or by writing to the Company Secretary.

For and on behalf of the Audit Committee.

Douglas Hurt
Chair, Audit Committee
25 February 2025

Compliance, Responsibility and Ethics Committee

Letter from the Chair

John Castellani
Chair, Compliance, Responsibility and Ethics Committee

Activities in 2024

- Continued to monitor ABC compliance developments, our speak up programme and business integrity, supported by regular reports from independent third parties
- Monitored Hikma's sustainability activities, including those relating to reporting and disclosure, water management, emissions and driving a sustainable supply chain
- Reviewed, and where applicable under the Committee's Terms of Reference, approved updates to key policies
- Monitored the delivery of ethical and social responsibility aspects of our CSR programme
- Enhanced our modern slavery statement following updates to our due diligence and supplier onboarding processes

Priorities for 2025

- Assist with the delivery of the ethical and social responsibility aspects of our sustainability programme
- Support the transition of the Committee Chair following the retirement of John Castellani at the end of the 2025 AGM
- Clarify responsibilities for sustainability oversight and reporting among the Board committees. More information can be found on page 106

Doing the right thing by conducting business with integrity and transparency and in accordance with the law."

Dear Shareholders

During 2024, the Compliance, Responsibility and Ethics Committee (CREC or the Committee) continued to promote and oversee our commitments to business integrity, compliance, communities and ethical conduct, and broadened its remit to oversee key aspects of Hikma's sustainability strategy. This report focuses on the matters that the Committee addressed during the year. Further details related to the structure of our Anti-Bribery and Corruption (ABC) compliance and integrity programme are available on our website at **www.hikma.com**.

I will reach nine years of service with Hikma in March 2025 and will retire from the Board at the 2025 AGM. In readiness for my retirement, the Board approved Deneen Vojta as successor for the Chair of the CREC in February 2024. Deneen has served as a member of the CREC since her appointment to the Board in November 2022 and has taken a keen interest in Hikma's sustainability programme and its impact on broader stakeholders. Deneen and I have worked closely together during the past year to ensure an orderly succession, and I am pleased to leave the role of Chair of the CREC in safe hands.

Hikma's compliance programme

ABC programme
Our Anti-Bribery and Corruption (ABC) compliance programme continues to perform in a highly effective manner. The ABC programme has strong support from the Board, the CREC and the CEO, and the Chief Compliance Officer has direct access to the Committee. During the year, the Committee reviewed and approved updates to the Group Anti-Bribery and Corruption Policy.

Commitment to integrity
The Committee and the Board are very proud of Hikma's commitment to high standards of business integrity. It includes the Board's long-standing, zero-tolerance approach to bribery and corruption which has been demonstrated in numerous instances, including being a founding member of the World Economic Forum's Partnering Against Corruption Initiative.

Codes of Conduct
The Committee continues to oversee the development and promotion of Hikma's Code of Conduct, which embodies the important moral and ethical values that are critical to the Group's success. The Code of Conduct guides all the Committee's activities and is the key reference point for all our employees.

Our Supplier Code of Conduct reinforces our commitment to integrity and transparency in all our business dealings, as it sets out the highest ethical standards we expect from all our suppliers.

The Codes of Conduct referred to above can be found at **www.hikma.com/who-we-are/codes-and-standards**

Speak up
The Committee receives regular reports on issues identified through our speak up channels, which provide both internal and external stakeholders a resource to raise concerns about suspected misconduct confidentially and anonymously. Our procedures require that all reports received via our speak up channels are investigated by senior and independent employees.

The Committee is satisfied that all speak up reports raised in 2024 were investigated and appropriately addressed, and that our speak up procedures remain effective and compliant with applicable law. The overall level of speak up reports received is within the normal range for an organisation of our size.

The Chair of the Audit Committee is a standing member of the CREC and vice versa, which ensures that any relevant issues are considered by the right people within our governance structure. Both Committee Chairs report all relevant matters considered by their committees to the Board. Speak up matters are reported and considered as part of this process.

Training
During the year, we continued with our training programmes for the Code of Conduct, ABC, speak up, anti-money laundering, Criminal Finances Act, data privacy and protection, antitrust and related matters, both virtually and in person. The programmes have been developed with assistance from external experts and are provided to employees virtually through their personalised corporate training portal. Our training programmes include worked examples and tests to ensure and enhance understanding.

Internal auditing and monitoring
The Committee receives regular updates on the monitoring programme conducted by the Hikma Compliance team. In addition, the Committee retains independent third parties to conduct periodic and recurring audits of our governance and transparency and the compliance programme and related activities.

Ethics

Corporate Social Responsibility
The Committee oversaw, encouraged and supported the corporate social responsibility programme, which is clearly linked to our founder's desire to improve lives, particularly through health and educational development opportunities for the least privileged. During the year, the Committee approved updates to the Group CSR Projects, Corporate Sponsorships and Charitable Donations Policy, strengthening our governance process across these key areas. The sustainability section of this Annual Report provides a detailed assessment of our efforts in relation to corporate social responsibility and is available on pages 50 to 53.

Ethical issues
The Committee oversaw Hikma's response to ethical issues arising during the year. There are no matters to report.

Modern slavery
Hikma is committed to taking the required actions to identify, prevent and mitigate modern slavery in the form of forced or compulsory labour and human trafficking in any of its businesses, operations or supply chains across the globe.

To enhance oversight, risk assessment, and due diligence efforts in preventing and addressing modern slavery risks in our supply chain, Hikma has established a Modern Slavery Task Force (MS Task Force), comprising members from the Legal, Procurement, and Compliance teams. The MS Task Force collaborates to review and enhance our risk assessment and due diligence process, ensure their effective implementation, and develop clear strategies for addressing potential instances of modern slavery, should they arise.

Key measures in support of this goal include:
- a global Supplier Code of Conduct that requires our suppliers and third parties who represent or conduct business on behalf of Hikma to comply with all applicable laws, rules, regulations, and ethical standards, including with respect to forced or compulsory labour and human trafficking
- enhanced third-party due diligence processes with updated risk criteria to identify and address modern slavery risks within our supply chain
- training on third-party risk assessment and due diligence processes for employees involved in third-party onboarding
- continuing our partnership with EcoVadis, a leader in sustainability ratings, to assess our main supplier base for any risk of modern slavery or human rights abuses
- training Hikma staff on labour standards and how to recognise and respond to any incidences of modern slavery
- an anonymous speak up line to empower Hikma employees, consultants, suppliers and third parties to report potential issues, including those related to modern slavery
- engaging with supply chain partners and the operational part of our business if and when any risk of modern slavery is identified

Hikma's modern slavery statement is available at **www.hikma.com**.

Sustainability

The Committee received regular updates on Hikma's sustainability strategy and related activities, including those related to water management, emissions and driving a sustainable supply chain. The Committee monitored developments in reporting and disclosure requirements and received updates on our preparations to report against the Corporate Sustainability Reporting Directive (CSRD) from financial year 2025, including an externally facilitated double materiality assessment which will be used to update our sustainability framework and determine the scope for CSRD reporting. More information on our sustainability activities can be found on pages 56 to 59.

Regulations

The General Counsel attends all Committee meetings and reports to the CREC on relevant matters that arise, including pertinent changes to the regulatory landscape. The legal team has developed training programmes on antitrust, prevention of tax evasion, trade sanctions and data protection, which have been undertaken by colleagues whose roles require training or awareness.

Antitrust, anti-money laundering (AML) and trade sanctions
The General Counsel oversees Hikma's compliance with the antitrust, AML and trade sanctions legislation, among other matters. The General Counsel has created procedures for the management of these matters which have been reviewed and approved by the CREC.

Criminal Finances Act
The General Counsel is responsible for ensuring compliance with the Criminal Finances Act. The CREC has approved procedures that have been recommended by the General Counsel and reviewed those procedures at appropriate intervals. The procedures are designed to respond to the requirements of the prevention of tax evasion legislation from the UK government. Hikma's processes and procedures in this regard are proportionate to its risk of facilitating tax evasion, which is relatively low. Hikma is steadfast in applying the principles of the UK prevention of tax evasion legislation across its businesses and will continue to oversee matters of compliance.

Data protection
The General Counsel is responsible for Hikma's data protection policies which are designed to ensure compliance with all applicable legislation.

I remain available to discuss with shareholders any matter within this report or under the Committee's area of responsibility, by writing to the Company Secretary.

For and on behalf of the Compliance, Responsibility and Ethics Committee.

John Castellani
Chair, Compliance, Responsibility and Ethics Committee
25 February 2025

Remuneration Committee

Letter from the Chair

Nina Henderson
Chair, Remuneration Committee

Dear Shareholders

On behalf of the Remuneration Committee (the Committee), I am pleased to present our 2024 remuneration report which, reviews the Committee's work during the year, provides a summary of our Remuneration Policy, and details compensation decisions based on policy implementation for 2024 and looks ahead to 2025.

Hikma's Remuneration Policy

The Committee acts on behalf of the Board of Directors, to ensure that the Remuneration Policy is aligned with the Group's corporate strategy and fosters the Group's long-term success, while enhancing shareholder value.

The current Remuneration Policy received strong shareholder support with 98.24% voting in favour and 91.44% voting for its application at the 2024 AGM. For 2024, there were no changes to the policy's design. The performance awards set out in the policy are linked to the achievement of the Group's business plan and delivery of its corporate strategy, in alignment with Hikma's shareholder experience. During 2025, the Remuneration Policy will be reviewed to ensure its continued relevance to driving Hikma's growth in a global context, with shareholder input considered in shaping future policy direction.

Committee's activities during the year

To ensure that our remuneration practices are in line with the evolving business landscape and best practices, the Committee has engaged in extensive analysis and discussions regarding talent motivation, reward and attraction, Group performance, shareholder expectations, and emerging governance trends.

During the year the Committee:
- Conducted an assessment of performance and incentive plans
- Monitored performance against pre-determined objectives and performance metrics, and their alignment to shareholder experience.
- Analysed Executive Director remuneration in the context of peer compensation benchmarking across global markets.
- Implemented an evaluation process for CEO leadership

Wider employee population
Engaged directly with employees by visiting Group sites to gain insights on the ground, and to ensure our practices remain responsive, transparent and aligned to our executive remuneration philosophy.

Supported the evolution of the Group's career development philosophy to foster employee growth, support talent development and retention.

Granted an average pay increase of 4.5%, prioritising high-inflation countries and continuing our commitment to a living wage.

All merit salary increases in 2024 and 94% of bonus funding was awarded to employees below executive management.

Executive Directors 2025 salary review
As part of our annual compensation review, the Committee conducts a through benchmarking analysis comparing Executive Director positions' compensation to that of executives in global pharmaceutical and FTSE peers of comparable size and complexity. The Committee also recognized the strong Group performance delivered and resultant shareholder return.

The Executive Directors did not receive a base pay adjustment for 2024. Based on the above factors considered, the Committee approved moderate 2025 base pay increases for the Executive Chairman of 2%, raising his salary to $1,040,000 per annum, and for the Executive Vice Chairman of 3% bringing his base salary to $830,000 per annum. These increases are below the planned 2025 average base pay increase of 4.2% for the global workforce.

Riad Mishlawi was promoted to CEO on 1 September 2023. Under his leadership, Hikma delivered strong 2024 financial results while returning shareholder value demonstrated by relative Total Shareholder Return (TSR). The CEO drove a clear strategy for the core business, developed new business via acquisitions and partnerships, strengthened Hikma's talent asset and enhanced collaboration. The Committee conducted compensation benchmarking, which compared the CEO's compensation to executives in global pharmaceutical and FTSE peers of comparable size and complexity. This analysis confirmed a material gap in the CEO's salary and his total Target Direct Compensation (TDC) opportunity versus these peers and significantly below US compensation where 60% of Hikma's revenue is delivered. In view of his strong performance and demonstrated leadership, the Committee approved a 4.2% salary increase equal to the broader employee salary increase plus an additional 15.8%. This total increase of 20% results in a base pay $1,200,000 per annum. Therefore, his target TDC opportunity of $4,596,000 will be just above median when compared to FTSE peer groups, but remaining below Global and US Pharma peers.

Shareholder experience

Over the 12 months to 31 December 2024 Hikma's strong performance delivered a TSR of 15.0% versus 9.7% for the FTSE 100 (excluding financial services) and 1.5% for the FTSE 350 Pharma and Biotech segment. Globally, Hikma operates within a subset of the pharmaceutical industry focused on generic medicines with a significant presence in the US. Hikma's TSR of 15.0% continues to outperform its CEEMEA Healthcare peers (8.4%) and its US Mid Cap generics and injectables peers (-3.0%).

	2024	2023	Change
Core EPS	**224**	223	–
Share price increase	**1,993p**	1,789p	11.4%
TSR (L1Y)			
Hikma			15.0%
FTSE comparators (excluding financial services)			
FTSE 100			9.7%
FTSE 350 Pharma & Biotech			1.5%
Generic Pharmaceutical peers			
Large Cap Specialty/Generics			40.4%
CEEMEA Healthcare			8.4%
US Mid Cap Generics and injectables			(3.0%)

2024 performance outcomes

Hikma's Remuneration Policy is composed of three components, base salary, the only fixed portion, and variable components of annual bonus and long-term incentives.

Annual bonus
The outcomes described below relate to the annual bonus for the year ended 31 December 2024. In addition to the financial and strategic outcomes, the Committee assesses Executive Director performance holistically to ensure payments are appropriate and justified using a framework shown on 124. This year the Board added a formal appraisal of the CEO's leadership which was subsequently shared with the Executive.

Financial outcomes
During the 2024 financial year Hikma delivered strong performance across all three of its businesses delivering Group core revenue of $3,156m (2023: $2,875), a 10% growth. Core operating profit delivered $719m versus 2023 of $707m representing 2% growth.

Both the Generics and Injectable businesses achieved double digit core revenue growth, 11% and 10% respectively. The Branded business also delivered strong core revenue growth of 8%, the top end of our guidance range. Branded core operating profit increased by 11% and Branded core operating margins expanded by 800bp to an impressive 24.6%

No discretion has been applied by the Committee.

Strategic outcomes
The Executive Chairman was set a performance objective to review Hikma's financing structure, business constituents and locations. The Board are satisfied that the Group is in a strong position to deliver sustainable growth.

The Executive Vice Chairman was set a performance objective of delivering a clear and sustainable strategy for MENA growth. He was set targets to continue our expansion in the Kingdom of Saudi Arabia (KSA) to facilitate an increase of our footprint in this key market, and to enter into new partnerships in MENA to secure additional future revenues. These were all completed in the year.

The CEO was set a performance objective of ensuring that the Group was appropriately structured to continue to deliver growth. This included strengthening leadership talent , embedding the Leadership Council set up at the end of 2023 and implementing a new operating model in MENA to support faster decision making. The Board is confident that strong leadership is in place to drive delivery of Hikma's strategy.

The CEO was set a further objective to deliver revenue growth through the expansion of existing contracts or the signing of new partnerships as discussed in the Strategic report on page 9.

The Board continues to be conscious of the impact of Hikma's business on the environment and particularly its operations in water stressed regions. The Executive Directors were collectively set an objective to establish water related targets for Jordan, KSA, Algeria and Egypt . There has been progress in efficiency and monitoring efforts which will support a strong foundation for water stewardship.

2024 bonus outcomes

The total 2024 incentive payments, as a percentage of base salary, for the Executive Directors are summarised in the following table and correlate well to the Group's performance and shareholder returns

	2024 **Cash and deferred shares**	2023 Cash and deferred shares
Executive Chairman	**146.8%**	161.3%
CEO	**148.5%**	166.3%
Executive Vice Chairman	**155.7%**	168.7%

Details of the calculation of these payments are included on pages 127-129. These amounts will be delivered as 50% cash and 50% deferred into shares for a period of 3 years. Malus and clawback provisions apply.

2024 EIP vesting

The Executive Incentive Plan (EIP) was the previous Remuneration Policy in place throughout 2022. The LTIP vesting in 2024 relates to Elements B and C granted in 2022 and 2021 respectively under the EIP.

Remuneration Policy 2025 implementation

The Committee's annual bonus and LTIP target setting process is rigorous. Starting with Hikma's annual and strategic business plan, multiple data points including targets for previous awards, targets among our global pharmaceutical and FTSE peers and analyst target consensus are combined to produce key performance measurements.

Operation of 2025 annual bonus
The 2025 bonus will be based on performance measures weighted 80% financial and 20% strategic deliverables. The financial element focuses on revenue and profit and the strategic element will be a combination of initiatives related to Hikma's strategy.

Fifty percent of any bonus payment for Executive Directors will be paid in cash with the remainder deferred into shares for a period of three years. The maximum bonus will be 200% of base salary.

Further details on the targets can be found on page 136.

Long-term Incentive Plan (LTIP) 2025 grants
A Performance Share Plan (PSP) award of a maximum of 300% of base salary to Executive Directors based on achievement of the following performance conditions measured from 1 January 2025:

- Relative TSR against FTSE 50-150 peer group excluding investment trusts (20% weighting)
- Business development and portfolio expansion (35% weighting)
- Compound annual growth of EPS (35% weighting)
- Strategic measures (10% weighting)

Further details regarding the performance conditions for the award are included on page 137.

Concluding remarks

Following the 2025 AGM, I will step down as Chair of Hikma's Remuneration Committee. Hikma's Remuneration Policy has evolved to support the Group's growth trajectory. It focuses on a pay for performance philosophy and ensuring that the policy remains fit for the purpose of talent reward, retention and acquisition. As announced, Cynthia Flowers will become Chair. Cynthia and the Committee will continue to foster a remuneration approach that provides the talent required to deliver Hikma's business plans and strategy resulting in shareholder value.

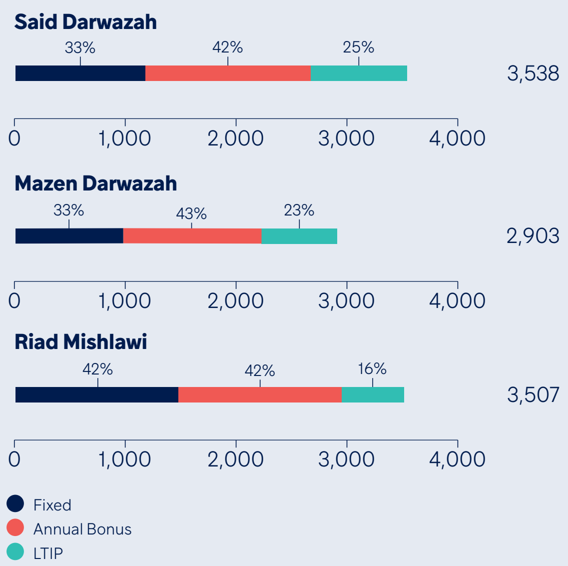
On behalf of the Committee, I would like to thank our shareholders for their continued engagement and valuable input. I commend the Remuneration Report to you and look forward to receiving your support at our Annual General Meeting on 24 April 2025.

Nina Henderson
Chair, Remuneration Committee
25 February 2025

Remuneration at a glance

2024 single remuneration figure ($m)

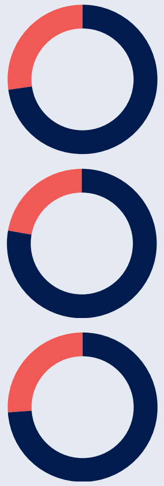
The chart below shows the remuneration outcome for the Executive Directors for 2024 illustrating the significant proportion of remuneration delivered as variable pay.



1. Fixed pay includes Base pay, bonus and benefits.

2024 annual bonus outcome

The performance outcome for the annual bonus reflects the strong business performance for the year. Maximum achievement is 200% of salary. Delivery of the award is 50% in cash and 50% in shares (subject to a 3 year holding period). Malus and clawback provisions apply.



Said Darwazah	
% Achievement of max	73%
Pay out	$1,494,844

Mazen Darwazah	
% Achievement of max	78%
Pay out	$1,255,936

Riad Mishlawi	
% Achievement of max	74%
Pay out	$1,485,079

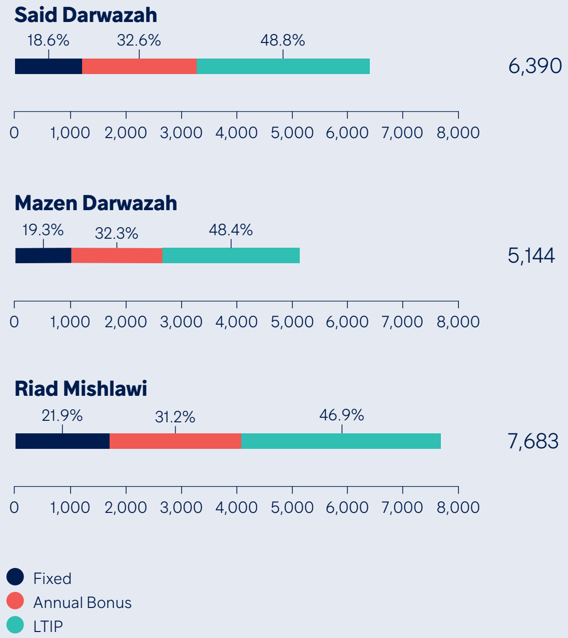
2024 vesting outcomes

During 2024, share awards vested under the prior Remuneration Policy (EIP) under which performance criteria had to be met before an award was granted. Element B is attributed to earnings in 2024; Element C was attributed to earnings in the year of grant (2021). See page 126 for details.

Element		Said Darwazeh	Mazen Darwazeh	Riad Mishlawi
B	Shares granted	34,652	26,812	22,099
	Shares vested	100%	100%	100%
	Value	876,138	677,912	558,749
C	Shares granted	19,830	13,903	17,120
	Shares vested	100%	100%	100%
	Value	501,380	351,522	432,861
	Total value of shares vested	**1,377,517**	**1,029,434**	**991,610**

2025 single remuneration opportunity ($m)

The following charts show the potential projected remuneration available for 2025 at maximum opportunity (excluding the impact of share price appreciation).



1. Fixed pay includes salary for 2025 and a 10% pension contribution. Benefits are based on the 2024 figure.

Shareholder experience

Executive Director shareholding

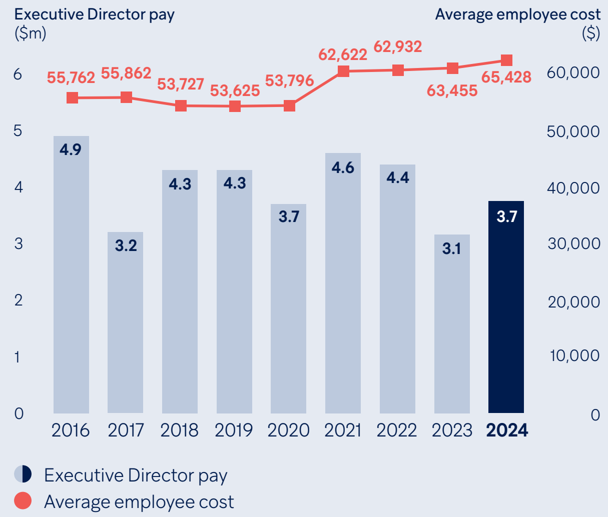
The Executive directors' shareholdings are significantly above the required minimum, demonstrating their strong commitment to the Group and alignment with shareholder interests. This substantial investment reflects their confidence in the Group's future and reinforces the linkage between executive remuneration and long-term shareholder value.

	Shareholding requirement $m	Number of shares required	Current shareholding	Actual holding as a % of requirement
Said Darwazah	3,054	122,403	14,354,267	11,727%
Mazen Darwazah	2,420	97,007	8,195,622	8,448%
Riad Mishlawi	3,000	120,239	133,302	110%

Wider workforce

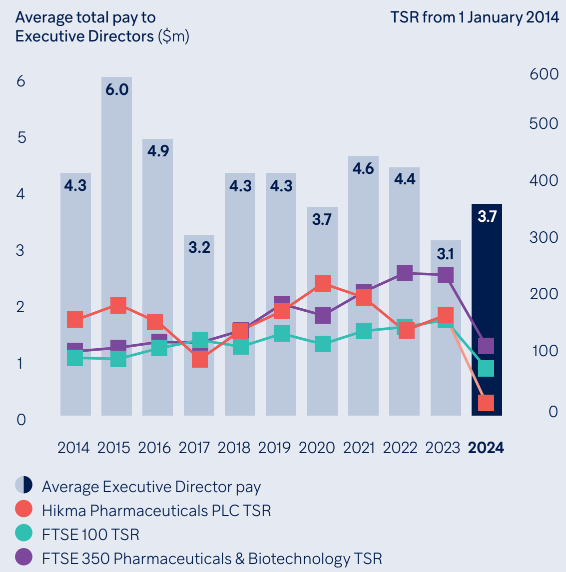
The Committee is committed to maintaining a fair and proportionate approach to Executive Director pay. In line with this, the remuneration of the Executive Directors remains closely aligned with the average employee cost, ensuring that pay is balanced and reflects the broader experience of all employees within the Group.

Employee cost and average executive pay ($m)



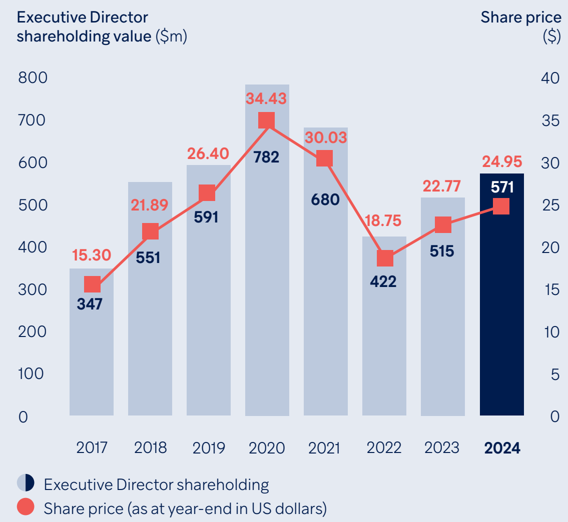
TSR and total Executive pay

The table below shows the alignment of executive pay to TSR performance.



Value of Executive holdings

Hikma's Executive Directors have substantial equity interests, which strongly aligns their long-term interests with shareholders.



Remuneration Policy

Directors Remuneration Policy

This section of the report provides a summary of the current policy for the remuneration of the Directors. This policy was approved by shareholders at the AGM on 28 April 2023 and took effect from this date for 3 years. Full details of the policy can be found on pages 99 to 106 of the 2022 Annual Report as well as at www.hikma.com.

The Remuneration Policy is designed to support the long-term interests of the Group. The Group is committed to paying for performance and rewarding the senior management team only when its goals are achieved. Each year the remuneration framework and the packages of the Executive Directors and members of the Executive Committee are reviewed by the Committee to ensure that they continue to achieve this objective.

The Committee takes into account multiple reference points when setting pay including companies in the FTSE 100 and the broader global pharmaceutical sector.

The Committee takes the following areas into account when reviewing the policy:

- Emphasis on maximising shareholder value
- Ongoing global growth and expansion of the group
- The importance of attracting and retaining top senior management
- Remuneration arrangements for the wider workforce
- Commitment to aligning with best practices as outlined by shareholders and their representatives
- Adherence to the principles of the UK Corporate Governance Code 2018 (the 2108 Code)

The Committee considered the operation of the Remuneration Policy in terms of the 2018 Code as follow:

Clarity: the Committee regularly engages with shareholders, their representative bodies and management to explain the approach to executive pay and gain their perspectives.

Simplicity: the rationale, structure and strategic alignment of each element of pay has been explained in the Remuneration Policy.

Risk: the balance between fixed and variable pay is appropriate, with objectives aligned with long-term shareholder interests.

Predictability: the pay opportunity for pay for performance is clear.

Proportionality: executives are incentivised under the Remuneration Policy to achieve stretching annual targets. Additionally the policy builds in stretching targets over three-year performance periods for the Long Term Incentive Plan awards. The Committee assess performance at the end of each performance period against underlying business results and in an internal and external context.

Alignment with culture: Hikma's purpose and values are reinforced through the strategic objectives set out in the Remuneration Policy.

Details of the performance measures for the short-term incentive for the year ending 31 December 2024 and how they are aligned to Group strategy and the creation of shareholder value are set out on pages 127-129. Annual short-term incentive targets for the 2025 financial year are shown on page 136. Targets that are commercially sensitive will be disclosed retrospectively in next years' Remuneration Report.

Performance measures for the 2025 Long Term Incentive award are shown on page 137. These performance targets are designed to be stretching but achievable and are set based on Hikma's corporate business plan and strategies, and the impact on shareholder return.

Summary of our Remuneration Policy

The table below summarises the current Remuneration Policy for the Executive Directors which can be found on pages 99 to 106 of the 2022 Annual Report as well as at www.hikma.com. The Committee is not proposing any changes to the policy for 2025.

	Year 1	Year 2	Year 3	Year 4	Year 5	Up to Year 10
Fixed pay	Salary, benefits and pension					
Annual bonus	1-year performance period	50% paid in cash, 50% deferred into shares for 3 years No further performance conditions Malus and clawback apply				
LTIP	Performance shares with a 3 year performance period			2 year holding period No further performance conditions Malus and clawback apply		
Shareholding requirements	Period of 5 years from date of appointment to achieve a requirement of 300% salary 2 year shareholding requirement post departure					

Strive for excellence | Diversify and differentiate | People and responsibility

Fixed remuneration				
Element	Key features of operation of policy	How we will implement for 2025	Link to strategy	
Salary, benefits and pension	– Salaries are set with reference to: pay increases for the wider workforce, salaries in peer companies from the global pharmaceutical sector and UK listed companies	– CEO increase to reflect performance and position against peers – Executive Chairman and Executive Vice Chairman salary increase below wider workforce average – No change to benefits and pensions which remain aligned with policy	– Provides a base level to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy	People and responsibility
Annual bonus	– Maximum 200% salary Target 100% of salary Threshold 50% of salary – Half deferred into awards over Hikma shares for three years – Malus and clawback provisions apply	– Targets for core revenue and core operating profit – KPIs focused on key strategic priorities – Payouts as follow: Below threshold: zero Threshold: 25% of max Target: 50% of max – Remuneration Committee assessment of performance in the round See page 124 for details	– Financial metrics set with reference to business plans and shareholder return – Strategic measures reviewed annually to support the achievement of the Group's key strategic priorities	Strive for excellence
LTIP Performance shares	– Maximum face value 300% salary Target 62.5% max (187.5% salary) Threshold 25% max (75% salary) – Three year performance period and two year holding period – Malus and clawback provisions apply – Dividend equivalents may be accrued on the shares earned from the LTIP awards based on dividends paid to shareholders during the vesting period. Dividends may also accrue during the post-vesting holding period.	– Targets set for: Core compound EPS growth Revenue from new business over 3 years Relative TSR performance compared to FTSE 50-150 (excluding investment trusts) ESG measure – Remuneration Committee assessment of performance in the round See page 124 for details	– To incentivise and reward long-term performance and align the interests of Executive Directors with those of shareholders	Strive for excellence; Diversify and differentiate; People and responsibility
Shareholding requirements	– 300% of salary	– 5 year period from date of appointment to board to achieve – Two-year shareholding post-employment	– Promotes long term alignment with shareholders – Promotes focus on management of corporate risks	Strive for excellence

Differences between the policies for Executive Directors and employees, consideration of shareholder views and consideration of conditions elsewhere in the Group

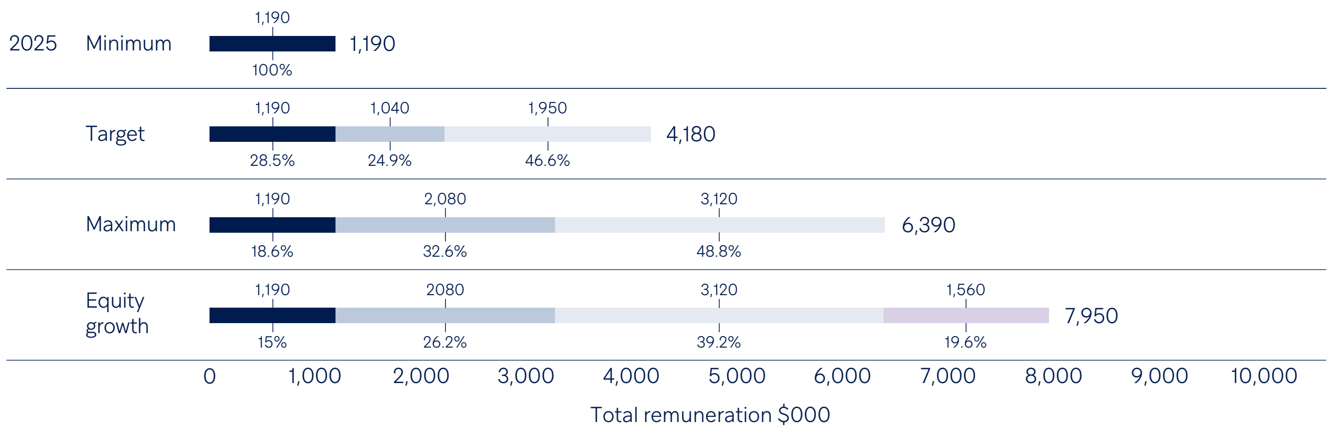
Employees were not directly consulted on the executive Remuneration Policy. All employees receive a salary, pension, and medical insurance on a similar basis to the Executive Directors. Additionally, all employees participate in a cash bonus scheme, which is similar to the annual bonus. The Committee reviews detailed internal and summary benchmarking data and is satisfied that the level of remuneration is proportionate across the wider employee population. Further information is available on page 29 regarding how the Committee takes account of shareholder views when developing and implementing the Remuneration Policy.

Remuneration Policy
continued

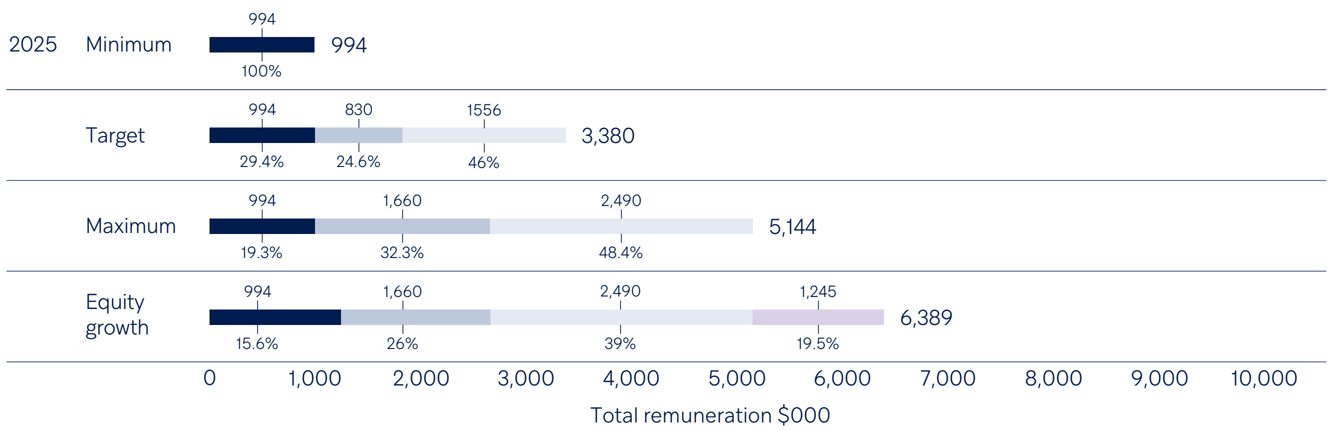
Illustrations of application of Remuneration Policy

The following charts show the potential projected total remuneration available for 2025 at four levels of performance: minimum, target, maximum and maximum with assumed share price appreciation of 50% (in accordance with the 2018 Code). The impact of potential share price appreciation is omitted from the other three scenarios:

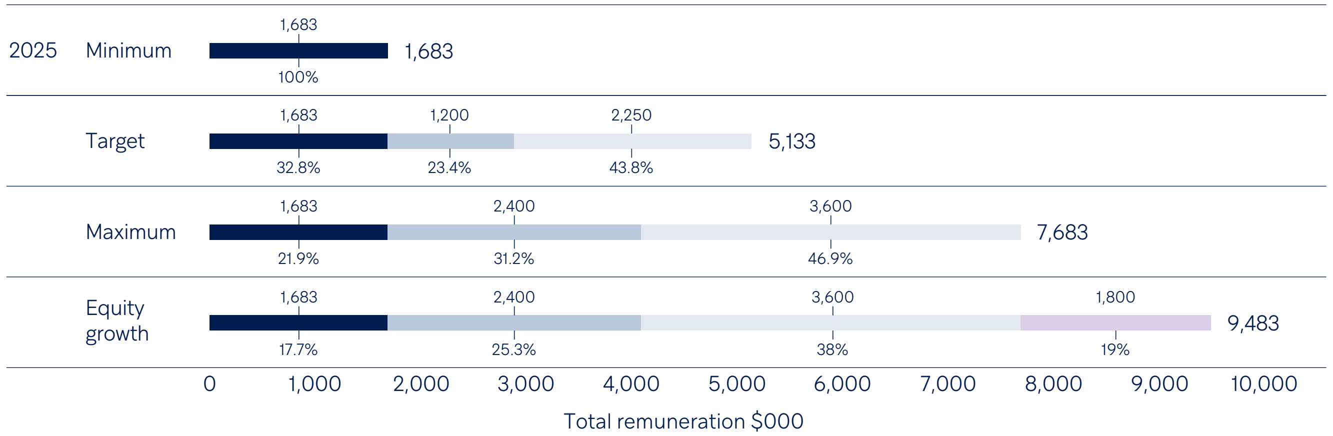
Said Darwazah



Mazen Darwazah



Riad Mishlawi



● Fixed pay ● Annual Bonus ● LTIP ● LTIP – share price appreciation Commuting

The scenarios in the graphs are as follows:

- fixed pay includes salary, benefits, and pension. The numbers are based on the base salary for 2025, the cost of benefits provided in 2024 and a pension contribution of 10% of base salary.
- annual bonus is shown as a percentage of base salary, with minimum, target and maximum shown as 0%, 50% and 100% respectively of maximum opportunity.
- LTIP is shown as a percentage of base salary, with minimum, target and maximum performance shown as 0%, 62.5% and 100% of maximum opportunity respectively.
- share price appreciation has been calculated as a 50% increase in the value of the LTIP between the date of grant and vesting
- no dividend accrual has been incorporated in the values relating to the LTIP

Remuneration Policy table for the Chair and Non-Executive Directors
Non-Executive Directors' (NEDs) fees are set by the Board under the direction of the Executive Directors having considered the:

- pay practice in FTSE and sector peers
- extensive travel required to undertake the role
- significant guidance and support required from the NEDs
- the time required to fulfill their responsibilities

Application of Remuneration Committee decision : Whilst there is no maximum, the practice is to remain within the parameters of FTSE peers.

NEDs do not participate in the Group's pension or incentive arrangements. The annual fees payable to newly recruited NEDs will follow the policy for fees payable to existing NEDs, whose fees comprise:

Component	Approach
Basic fee	An underlying fee for undertaking the duties of a Director of Hikma, chiefly relating to Board, strategy, and shareholder meetings. Provides a level of fees to support recruitment and retention of NEDs with the necessary experience.
Committee membership fee	A composite fee for taking additional responsibilities in relation to Committee membership. Usually, NEDs are members of at least three committees.
Committee Chair/employee engagement fee	The Committee Chairs undertake additional responsibilities in leading a committee and are expected to act as a sounding board for the executive that reports to the relevant committee. The Director responsible for workforce engagement receives a similar fee due to the additional requirements of that role. The chairmanship fee is paid in addition to the membership fee and a Senior Independent Director fee is paid to the individual in that position.
Expenses	The Group pays expenses incurred wholly in relation to the position of NEDs and ensures that Directors do not incur a tax liability as a result. The Group retains discretion to provide for an allowance structure as an alternative to the latter payment.

Assessment of incentive outcomes

A comprehensive evaluation of the Group's and Executive Directors' performance ensuring the annual bonus payout and long-term incentive vesting are appropriate and justified.

The quality of earnings

The Committee will review the results to ensure they accurately reflect underlying performance and take into account any exceptional items.

Executive Director leadership

The Committee carries out a formal evaluation of the CEO

Overall Group performance

This includes factors such as market share, competitor benchmarking, sustainability, people and culture, strategic progress, stakeholder engagement, and analyst feedback.

The impact on shareholder value

The Committee considers absolute and relative shareholder return over the relevant periods including dividend payment(s)

Consider any other internal and external inputs

This includes factors such as reputation or risk-related issues, changes in accounting standards, and input from the CRE Committee, Audit Committee, and management functions. The Committee will also consider the impact of any external factors.

Outcome consistencies

Consider whether bonus and LTIP outcomes are consistent with performance criteria. The Committee does not apply discretion unless there are exceptional circumstances.

Final Annual bonus and LTIP outcomes

Annual report on remuneration

Single total figure (audited)

The following table shows a single figure of remuneration[1] in respect of qualifying services for the 2024 financial year, together with the comparable figures for 2023.

		Fixed pay				Variable pay			
Director	Year	Salary	Benefits	Pension	Total fixed	Bonus and Deferred Shares)	Shares vested (EIP element B)[2,3]	Total variable	Total
Said Darwazah	2024	1,018,000	82,678	65,962	1,166,640	1,494,844	876,138	2,370,982	3,537,622
	2023	1,018,389	75,328	65,315	1,159,032	1,641,665	772,442	2,414,107	3,573,139
Mazen Darwazah	2024	806,787	97,179	64,895	968,861	1,255,936	677,912	1,933,848	2,902,709
	2023	806,837	67,004	65,223	939,064	1,361,276	539,381	1,900,657	2,839,721
Riad Mishlawi	2024	1,000,000	362,839	100,000	1,462,839	1,485,079	558,749	2,043,828	3,506,667
	2023	333,333	182,045	33,333	548,711	554,213	449,909	1,004,122	1,552,833

1. All figures are in (USD)
2. Share price at vesting date in 2024 was $ 25.28 (£ 19.94) and foreign exchange rate of $ 1.268 to £1
3. The EIP was applicable for the period 2020-2022 and full details are provided on pages 79 to 84 of the 2019 Annual Report. The new Policy was approved at the AGM held on 28 April 2023 and applied from 28 April 2023

Salary

Please see Chair's letter (page 116) for commentary on salaries. The application of benefits remains unchanged and pensions are aligned with the wider workforce under the Directors Remuneration Policy.

		Salary		Change
Executive Director	Individual	2025	2024	%
Executive Chairman	Said Darwazah	$1,040,000	$1,018,000	2.2%
CEO	Riad Mishlawi	$1,200,000	$1,000,000	20.0%
Executive Vice Chairman	Mazen Darwazah	$830,000	$806,787	2.9%

Benefits (audited)

Said Darwazah received transportation benefits of $57,040 (2023 $50,783) and medical benefits of $25,638 (2023: $24,546). Mazen Darwazah received transportation benefits of $71,604 (2023: $44,974) and medical benefits of $25,575 (2023: $22,030). Social security payments made in Jordan, that are required to be paid by Jordanian law, are not considered to be a benefit.

Riad Mishlawi received a transportation allowance of $60,568 (2023: $20,687) medical benefits of $26,926 (2023: $52,983). In 2023 he was asked to relocate to the US for a period of 2 years and received housing support of $180,000 and tax equalisation support of $95,345.

Pension (audited)

Said Darwazah and Mazen Darwazah have global roles and are paid in a number of locations. Pension contributions are only made on the proportion of salary received in Jordan, where they participate in the Hikma Pharmaceutical Defined Contribution Retirement Benefit Plan (the Jordan Benefit Plan) on the same basis as other employees. Under the Jordan Benefit Plan, Hikma matches employee contributions made, up to a maximum of 10% of applicable salary. Riad Mishlawi receives a cash allowance of 10% of base salary in lieu of pension.

Annual report on remuneration
continued

Vested share awards (audited)
During 2024, the share awards in the following tables vested for Executive Directors under the prior Remuneration Policy. Under the EIP, performance criteria had to be met before an award was granted. There were three award types under the EIP which are treated in the following manner in respect of the single remuneration figure on page 125.

- Element A – a cash bonus that is payable immediately and attributed to the earnings for the performance year. 2022 was the last payment of Element A of the EIP
- Element B – an award of shares that vests two years after grant subject to there being no forfeiture events and is attributed to the earnings in respect of the year in which it vests (i.e. two years after being granted)
- Element C – an award of shares that vests three years after grant and, due to their being no further performance requirements, is attributed to the earnings for the performance year in the same manner as Element A

The tables below detail share awards (Elements B and C) vesting during the year ended 31 December 2024.

Said Darwazah – EIP

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares[2]
Element B[3]	34,652	100%	Nil	34,652	$876,138
Element C	19,830	100%	N/A	19,830	$501,380
Total	54,482			54,482	$1,377,518

Mazen Darwazah — EIP

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares
Element B[3]	26,812	100%	Nil	26,812	$677,912
Element C	13,903	100%	N/A	13,903	$351,522
Total	40,715			40,715	$1,029,434

Riad Mishlawi – EIP[1]

EIP element	Maximum number of shares capable of vesting	% Shares vesting	Forfeiture	Number of shares vested	Total value of vested shares
Element B[3]	22,099	100%	Nil	22,099	$558,749
Element C	17,120	100%	N/A	17,120	$432,861
Total	39,219			39,219	$991,610

1. The shares that vested for Riad Mishlawi were in respect of grants made before appointment as CEO
2. Share price at vesting date was $ 25.28 (£19.94 and foreign exchange rate of $ 1.268 to £1)
3. Element B shares are attributed to earnings in respect of the year of vest and are included in the single remuneration figure on page 125

Policy deviation
During 2024, the Committee has not deviated from the Remuneration Policy approved by shareholders at the AGM on 28 April 2023.

2024 annual bonus performance outcome: (audited)

Readers are directed to the commentary on business performance that is included in the Chair's letter on pages 116-117.
The section sets out the performance conditions and targets for 2024 and their level of satisfaction for each Executive Director.

Performance conditions – rationale and measurement

The Executive Directors shared a number of common performance conditions as detailed below. Additional individual performance conditions are detailed for each Executive Director in their respective sections along with their weighting.

Financial measures
– Core revenue
Historically, the pricing of generic pharmaceutical products has decreased with time. The Committee is cognisant that this could lead to declining revenue over the longer term, which could ultimately result in a declining business overall. By ensuring that a significant proportion of performance remuneration is based on revenue, the Committee is able to ensure that the Executive Directors are focused on mitigating pricing declines by maximising the potential of the in-market portfolio, launching new products, and developing the pipeline. See page 1 of the Strategic report for further detail on the performance related to this target.

– Core operating profit (COP)
Ultimately, the COP is a key measure of value to Hikma's shareholders. Given the highly competitive business environment in which Hikma operates, the Executive Directors must focus continuously on optimising Hikma's cost base.

Strategic measures
– Water related targets
The Board remains mindful of Hikma's environmental impact, particularly in regions facing water stress. The Executive Directors were collectively tasked with setting water-related targets for Jordan, KSA, Algeria and Egypt, and making progress towards these goals.

Executive Chairman (audited)

In addition to the common performance conditions set out above the Executive Chairman was set the following:

- Financing structure
The correct financing structure, business constituents and locations are critical to the future growth of Hikma. The Executive Chairman was required to review these and provide the Board with recommendations.

Performance conditions – satisfaction

Executive Chairman

	Weight	Threshold 50% of salary awarded	Target 100% of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	30%	Target -10% $2,763m	Target $3,070m	Target +10% $3,377m	$3,156m	Target to maximum	38.4%
Core operating profit (COP)	50%	Target -10% $620m	Target $689m	Target +10% $758m	$719m	Target to maximum	71.8%
Strategic							
Financing structure	10%	The financing and business structure was thoroughly assessed and after recommendations to the Board, appropriate actions were taken				Maximum	20.0%
Water related targets	10%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship				Target to maximum	16.6%
Total	**100%**	**Acceptable**	**Good**	**Excellent**			**146.8%**

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	Policy element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/shares	Receive
Executive Chairman	Cash bonus	$1,018,000	100%	73.42%	$747,422	Cash now (March 2025)
	Deferred shares		100%	73.42%	$747,422	Shares deferred for a period of 3 years
Total			**200%**	**146.84%**	$1,494,844	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

Annual report on remuneration
continued

Executive Vice Chairman (audited)

In addition to the common performance conditions set out on page 127, the Executive Vice Chairman was set the following performance conditions:

Financial measures
– MENA revenue and COP
The Executive Vice Chairman is responsible for this region. The Committee considered financial metrics to be the best method of ensuring delivery of the strategy that could be measured in an objective manner that is readily understandable by investors. Measured by audited MENA revenue compared to target MENA revenue for the year ended 31 December 2024 and by audited MENA COP compared to target MENA COP for the year ended 31 December 2024.

Strategic measures
– Strategic expansion in KSA
To ensure continued focus on Hikma's presence in the region, the Executive Vice Chairman was requested to establish a regional headquarter, expand manufacturing capacity and establish an R&D center. Measured by progress made in the establishment of capability in KSA.

– Review MENA strategy
The MENA region continues to contribute significantly to the Group's revenue. To safeguard future revenues, the Executive Vice Chairman was ask to present a clear future strategy for the region and its markets, highlighting capital allocation required for investment. Measured by the Committee's assessment of the strategy.

MENA business development
To support expansion in the region, the Executive Vice Chairman was set the target of entering into at least two new alliances and/or licensing opportunities, including at least one new technology. Measured by the number of agreements completed in 2024.

Performance conditions – satisfaction

Executive Vice Chairman

	Weight	Threshold 50% of salary awarded	Target 100 % of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	12%	Target -10% $2,763m	Target $3,070m	Target +10% $3,377m	$3,156m	Target to maximum	15.4%
Core operating profit (COP)	18%	Target -10% $620m	Target $689m	Target +10% $758m	$719m	Target to maximum	25.8%
MENA revenue	20%	Target -10% $858m	Target $953m	Target +10% $1,048m	$983m	Minimum to target	26.5%
MENA COP	30%	Target -10% $188m	Target $209m	Target +10% $230m	$225m	Target to maximum	53.0%
Strategic							
Strategic expansion in KSA	5%	Expansion in the Kingdom of Saudi Arabia (KSA) supported our strategy to expand our manufacturing and commercial operations				Target to maximum	6.7%
Review MENA strategy	5%	The MENA strategy was thoroughly assessed and after recommendations to the Board were made, appropriate actions were taken				Maximum	10.0%
MENA business development	5%	The number of business development projects signed in 2024 was in excess of the approved budget				Maximum	10.0%
Water related targets	5%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship.				Target to maximum	8.3%
Total	**100%**	**Acceptable**	**Good**	**Excellent**			**155.7%**

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	EIP Element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/ shares	Receive
Executive Vice Chairman	Cash bonus	806,787	100%	77.84%	$627,968	Cash now (March 2025)
	Deferred shares		100%	77.84%	$627,968	Shares deferred for a period 3 years
Total			**200%**	**155.67%**	**$1,255,936**	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

CEO (audited)

In addition to the common performance conditions set out on page 127, the CEO was set the following performance conditions:

Strategic Measures
– Effective organisational structure for senior executives
Effective leadership in the organisation is critical for setting up the Group for future success. The CEO was given a target to review the structure of senior leadership and implement changes to ensure that the right team are in place to deliver the Group strategy. Measured by evidence of structural and personnel changes and the delivery of initiatives by the Leadership Council.

– Execution of the approved Group strategy
To support this, the CEO was tasked with recruiting strong leadership and developing a robust business plan for the Generics business. In addition, he was required to expand the Generics business by signing of at least one additional CMO contract or extending an existing contract by adding at least one product.

– Assess Hikma's operating model
The CEO was asked to work closely with the Executive Vice Chairman to develop the strategy for MENA. An important part of this was to ensure that the correct organisational structure was in place to deliver sustainable profitable growth. Measured by the Committee's assessment of the strategy.

Performance conditions – satisfaction

CEO

	Weight	Threshold 50% of salary awarded	Target 100% of salary awarded	Maximum 200% of salary awarded	Results	Achievement	% of salary
Financial							
Core revenue	30%	Target -10% $2,763m	Target $3,070m	Target +10% $3,377m	$3,156m	Target to maximum	38.4%
Core operating profit (COP)	50%	Target -10% $620m	Target $689m	Target +10% $758m	$719m	Target to maximum	71.8%
Strategic							
Effective structure	5%	Effective leadership has been put in place through both internal and external appointments				Maximum	10.0%
Execution of Strategy	5%	Completed and implemented the approved strategy in the year by extending CMO and compounding businesses and strengthening R&D				Maximum	10.0%
Operating model	5%	The MENA region operating model was updated to support faster decision making				Maximum	10.0%
Water related targets	5%	Strong progress has been made in efficiency and monitoring efforts which will support a strong foundation for water stewardship.				Target to maximum	8.3%
Total	**100%**	**Acceptable**	**Good**	**Excellent**			**148.5%**

Performance outcome

The above performance results in performance remuneration under the new Policy as follows (audited):

Participant		Calculation			Receive	
Executive	Policy element	Salary	Maximum potential (% of salary)	Application % of salary	Value of bonus/shares	Receive
CEO	Cash bonus	$1,000,000	100%	74.25%	$742,540	Cash now (March 2025)
	Deferred shares		100%	74.25%	$742,540	Shares deferred for a period of 3 years
Total			**200%**	**148.51%**	**$1,485,079**	

Note. All shares vesting are subject to continued employment and a holding period after vesting. These shares may not be sold until 5 years after grant.

Annual report on remuneration
continued

Long-term incentive awards made during the year ended 31 December 2024 (audited)

On 9 April 2024, Said Darwazah and Mazen Darwazah and Riad Mishlawi received awards of performance shares under the Hikma Pharmaceuticals plc Long-Term Incentive Plan 2023 as a percentage of salary as outlined below. The three-year period over which performance will be measured is 1 January 2024 to 31 December 2026.

The performance measures for these awards are outlined below:

Measure	Rationale	Weighting	Threshold	Target	Maximum
Core compound EPS growth for 1 January 2024 to 31 December 2026	Alignment with shareholders' return	30%	1%	2%	5%
Percentage of revenue from new business over 3 years	Developing revenue from new business is a key element of Hikma's business plan	40%	12%	15%	18%
Relative TSR performance compared to FTSE 50-150 (excluding investment trusts)	Alignment with shareholders' return	20%	Median	–	Upper Quartile
Retention of employees measured by a reduction in voluntary turnover measured against the 2023 base number	Retention and cost management	10%	7%	10%	13%

Details of the value of these awards[1] are shown in the table below:

Executive Director	Date of grant	Award made	Grant price[2]	Face value $000	Face value as % salary
Said Darwazah	9 April 2024	129,792	$23.53	$3,054,006	300%
Mazen Darwazah	9 April 2024	102,863	$23.53	$2,420,366	300%
Riad Mishlawi	9 April 2024	127,497	$23.53	$3,000,004	300%

1. No award vests for performance below threshold, 25% at threshold and 62.5% at target
2. The share price was determined by the average closing price in the five business days preceding the grant date

The proportion of the awards outlined above that will vest will depend on the achievement against the performance objectives and their continued employment. The final value that vests may be zero if the threshold performance for each of the objectives is not achieved. The vesting outcome of the awards will be disclosed in the 2026 Annual Report.

Outstanding share awards (audited)

Hikma continued to operate the EIP with the final award being made in May 2023. The first award under the new LTIP was made on 30 May 2023. The outstanding share awards in respect of each of the Executive Directors are:

Participant	Share scheme				Quantum		
Director	Scheme description[1,3]	Type of interest	Date of award	Date of vesting	% Salary	Shares (max)	Face value[2]
Said Darwazah	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	53%	18,420	$544,311
	EIP Element B	Conditional award	30-May-23	30-May-25	57%	31,679	$584,161
	EIP Element C	Conditional award	30-May-23	30-May-26	36%	19,761	$364,393
	LTIP 2023[2]	Conditional award	30-May-23	30-May-26	241%	132,783	$2,448,519
	LTIP 2024[4]	Conditional award	09-Apr-24	09-Apr-27	300%	129,792	$3,054,006
	Deferred Shares 2024[5]	Conditional award	09-Apr-24	09-Apr-27	81%	34,884	$820,821
Total						**367,319** 2023: 257,125	**$7,816,211** 2023: $6,353,163
Riad Mishlawi	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	55%	18,691	$552,319
	EIP Element B	Conditional award	30-May-23	30-May-25	79%	36,371	$670,690
	EIP Element C	Conditional award	30-May-23	30-May-26	67%	30,749	$567,012
	LTIP 2023[2]	Conditional award	30-May-23	30-May-26	139%	75,339	$1,389,251
	LTIP 2023[2,6]	Conditional award	31-Aug-23	31-Aug-26	23%	12,263	$226,130
	LTIP 2024[4]	Conditional award	09-Apr-24	09-Apr-27	300%	127,497	$3,000,004
	Deferred Shares 2024[5]	Conditional award	09-Apr-24	09-Apr-27	28%	11,777	$277,113
Total						**312,687** 2023: 212,632	**$6,682,519** $5,306,268
Mazen Darwazah	EIP Element C	Conditional award	25-Feb-22	25-Feb-25	54%	14,844	$438,640
	EIP Element B	Conditional award	30-May-23	30-May-25	83%	36,171	$666,993
	EIP Element C	Conditional award	30-May-23	30-May-26	47%	20,650	$380,786
	LTIP 2023[2]	Conditional award	30-May-23	30-May-26	241%	105,233	$1,940,497
	LTIP 2024[4]	Conditional award	09-Apr-24	09-Apr-27	300%	102,863	$2,420,366
	Deferred Shares 2024[5]	Conditional award	09-Apr-24	09-Apr-27	84%	28,926	$680,629
Total						**308,687** 2023: 217,613	**$6,527,911** 2023: $5,319,848

1. The performance criteria for Elements B and C of the EIP are assessed before a grant is considered. Additionally, Element B is subject to forfeiture criteria for the first two years after grant
2. The face value is calculated as the monetary value of the award at the point of grant converted to the number of shares using the 30-day average share price to the 31 December of the performance year. The 30 day average share price used for awards granted in 2022 was $29.55(£22.20), 2023 $18.44(£15.15). The actual value received by Executive Directors under the share incentive arrangements is dependent upon the share price of Hikma at the time of vesting, the satisfaction of performance criteria and the non-occurrence of forfeiture events (EIP Element B only). Forfeiture would apply to 50% of any unvested Element B shares if the financial performance in any year is less than 30% of the target. 2023 numbers have been restated to reflect the correct face value
3. The minimum value of the awards at vesting will be the share price on the day of vesting multiplied by the number of shares vesting. If the Executive Director leaves employment during the vesting period, the normal position is that zero shares vest. If all the forfeiture conditions occur in each year of the vesting period under Element B only, zero shares will vest. The weighting of each forfeiture condition has a proportional impact on the vesting percentage under Element B only
4. The face value was determined by the average closing price in the five business days preceding the grant date, $23.53(£18.64)
5. The deferred shares granted in 2024 relate to the 50% of the 2023 annual bonus deferred into shares
6. The LTIP award granted to Riad Mishlawi on 31 August 2023 represented an exceptional award on his apppointment to the position of CEO

Annual report on remuneration
continued

The applicable share prices for Hikma during the period under review were:

Date	Market price (Closing price)
1 January 2024	1,787p
31 December 2024	1,993p
2024 Range (low to high)	1,772p to 2,088p
25 February 2025	2,296p

Dilution

In accordance with the guidelines set out by the Investment Association applicable in 2024, Hikma can issue a maximum of 10% of its issued share capital in a rolling ten-year period to employees under all its share plans and a maximum of 50% of this (representing 5% of issued share capital) for discretionary share plans. The following table summarises the current level of dilution resulting from Hikma's share plans since 2015:

Type of plan	Granted in a rolling ten-year period	Granted during the year
Discretionary Share Plans (5% Limit)	4.7%	0.76%

Director share interests (audited)

Said Darwazah, Mazen Darwazah and Ali Al-Husry are Directors and shareholders of Darhold Limited. Darhold holds 60,000,000 Ordinary Shares in Hikma. The table below breaks down their shareholdings in Hikma by shares effectively owned through Darhold and shares held personally or by connected people as at 31 December 2024. The cancellation and issuance of shares in Darhold and Hikma, as well as changes in the number of Hikma shares held by Darhold, can lead to a degree of variation in the 'Effective Hikma shares'.

	Darhold		Personal	
Director	Interest in Darhold	Effective Hikma shares	Shares (incl. connected people)	Total shareholding
Said Darwazah	22.50%	13,501,800	852,467	14,354,267
Mazen Darwazah[1]	11.34%	6,803,400	1,392,222	8,195,622
Ali Al-Husry[2]	8.32%	4,992,600	1,162,811	6,155,411

1. Mazen Darwazah holds his shares in Darhold Limited through a family trust
2. Ali Al-Husry holds his shares in Hikma and Darhold Limited through a family trust

The following table sets out details of the Directors' shareholdings in Hikma as at 31 December 2024 and, where there are shareholding requirements, whether these have been met:

	Ownership requirements			Total	Scheme Interests		Total
Director	Percentage of salary	Number of shares	Requirement fulfilled?	Shares owned[2]	Awards subject to performance conditions[3]	Awards not subject to performance conditions[6]	Share interests
Said Darwazah[1]	**300%**	122,403	Yes	14,354,267	294,254	73,065	14,721,586
Riad Mishlawi	**300%**	120,239	Yes	133,302	251,470	61,217	445,989
Mazen Darwazah[2]	**300%**	97,007	Yes	8,195,622	244,267	64,420	8,504,309
Ali Al-Husry[4]	N/A	N/A	N/A	6,155,411	N/A	N/A	6,155,411
Patrick Butler[5]	N/A	N/A	N/A	3,875	N/A	N/A	3,875
John Castellani	N/A	N/A	N/A	3,500	N/A	N/A	3,500
Nina Henderson	N/A	N/A	N/A	7,100	N/A	N/A	7,100
Cynthia Flowers	N/A	N/A	N/A	1,100	N/A	N/A	1,100
Douglas Hurt	N/A	N/A	N/A	4,500	N/A	N/A	4,500
Deneen Vojta	N/A	N/A	N/A	1,000	N/A	N/A	1,000
Laura Balan	N/A	N/A	N/A	N/A	N/A	N/A	–
Victoria Hull	N/A	N/A	N/A	N/A	N/A	N/A	–

1. Including shares effectively owned through Darhold as per the table above
2. Mazen Darwazah holds his shares in Darhold Limited through a family trust, in which he has a beneficial interest
3. This includes element B awards made under the EIP (see page 126) and the LTIP under the new Policy.
4. Ali Al-Husry holds his shares in Hikma and Darhold Limited through a family trust, in which he has a beneficial interest
5. Patrick Butler stepped down on 29 February 2024
6. This includes element C awards made under the EIP (see page 126) and deferred shares under the annual bonus plan of the current remuneration policy

The share price used to calculate whether the shareholding requirements have been met is the price on 31 December 2024 of £19.93 and foreign exchange rate of $1.252 to £1 on the same date.

There have been no changes in the interests of the Directors in the shares of Hikma between 31 December 2024 and the date of this report.

Director share interests (audited) continued

The following table sets out the changes in the share interests of Directors during the year under review and up to the date of this report. Other than as detailed in the table, the Directors' share interests in Hikma did not change during the period.

Director	Date	Event	Number of shares
Said Darwazah	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	19,830
Said Darwazah	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	34,652
Riad Mishlawi	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	17,120
Riad Mishlawi	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	22,099
Riad Mishlawi	07/05/2024	Dividend reinvestment	736
Riad Mishlawi	23/09/2024	Dividend reinvestment	509
Mazen Darwazah	26/02/2024	Vesting of 2021 EIP Element C. Retained all Shares	13,903
Mazen Darwazah	26/02/2024	Vesting of 2022 EIP Element B. Retained all Shares	26,812

Scheme interests (audited)

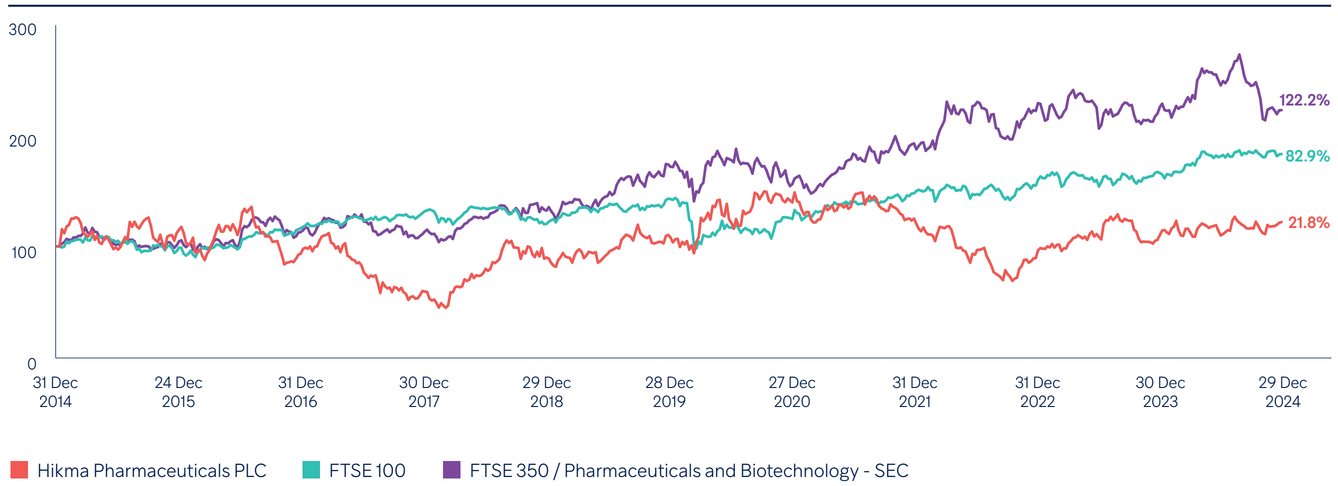
The following table sets out details of the 'scheme interests' of the Directors. Element B and C of the EIP have been included because they have service conditions in excess of one year.

	Type of interest		Share interests with performance measures	
Director	Shares	Share options	Yes	No
Said Darwazah	367,319	–	294,254	73,065
Riad Mishlawi[1]	312,687	–	251,470	61,217
Mazen Darwazah	308,687	–	244,267	64,420
All other directors	–	–	–	–

1. Riad Mishlawi was appointed CEO with effect from 1 September 2023

Total shareholder return

During the last ten years, Hikma's performance has been below the FTSE 100 and FTSE 350 Pharmaceuticals & Biotechnology segment, a relatively small group of companies that are mainly focused on developing new drugs. During the last 12 months, Hikma has outperformed these peer groups (see table on page 116). The Remuneration Committee has chosen these comparators because it uses executive compensation benchmarking data from the FTSE 100 and the pharmaceutical industry when considering compensation for the Executive Directors.



Annual report on remuneration
continued

Remuneration table

The following table sets out the total remuneration, including amounts vesting under short-term and long-term incentive plans, for each financial period in respect of the Directors holding the positions of Executive Chairman and CEO. The total figures for the financial years 2017 and 2016 are higher than would otherwise be the case due to a change of incentive plan. In accordance with the Regulations, the 2017 and 2016 totals include LTIPs vesting during the relevant period (which were granted three years before) and Element C of the EIP which was granted in respect of the relevant period. The Regulations require Element C to be treated in a similar way to the annual bonus, although it is an award of shares that will vest three years after grant.

	Said Darwazah – Executive Chairman			Riad Mishlawi– Chief Executive Officer		
Year	Total	Bonus as % max[1]	Deferred share awards as % max[2]	Total	Bonus as % max[1]	Deferred share awards as % max[2]
2024	**$3,537,622**	**73%**	**73%**	**$3,506,667**	**74%**	**74%**
2023	$3,573,139	81%	81%	$1,552,833	83%	83%
2022	$3,402,078	37%	38%	N/A	N/A	N/A
2021	$4,586,119	62%	67%	N/A	N/A	N/A
2020	$4,059,653	73%	77%	N/A	N/A	N/A
2019	$4,448,934	74%	78%	N/A	N/A	N/A
2018	$4,501,217	88%	90%	N/A	N/A	N/A
2017	$3,538,646	0%	0%	N/A	N/A	N/A
2016	$6,308,238	71%	68%	N/A	N/A	N/A
2015	$7,316,042	98%	98%	N/A	N/A	N/A

1. For the years 2014-2022 the 'Bonus as % max' column comprises cash under Element A of the EIP paid immediately and shares under Element C of the EIP that are released three years after grant. For the years 2023-2024 the figure comprises the cash element of the annual bonus
2. For the years 2014-2022 the 'deferred share award as % max' column includes Element B of the EIP, shares that vest in two years from the date of grant provided that the Executive remains in employment and forfeiture events have not occurred. For the years 2023-2024 the figure comprises the shares element of the annual bonus deferred for 3 years

Non-Executive Directors (audited)

In December 2022, the Executive Directors reviewed the fees paid to Non-Executive Directors and made a number of changes that came into effect from 1 January 2023, the full details of which can be found on page 121 of the Annual Report 2022. No subsequent changes have been made.

		Fee (all elements) $		Taxable benefits[1] $		Total $	
Name	Board position	**2024**	2023	**2024**	2023	**2024**	2023
Patrick Butler[2]	Non-Executive Director	**21,401**	136,234	**1,082**	973	**22,483**	137,207
Ali Al-Husry	Non-Executive Director	**115,632**	112,546	**1,329**	4,170	**116,961**	116,716
John Castellani	Independent Director and CRE Committee Chair	**147,574**	143,636	**17,573**	16,056	**165,147**	159,692
Nina Henderson	Independent Director, Remuneration Committee Chair and Workforce Engagement Lead	**166,740**	162,290	**10,930**	14,085	**177,670**	176,375
Cynthia Flowers	Independent Director	**128,409**	124,982	**2,816**	9,697	**131,225**	134,679
Douglas Hurt	Independent Director and Audit Committee Chair	**153,963**	149,854	**–**	–	**153,963**	149,854
Laura Balan	Independent Director	**128,409**	124,982	**–**	–	**128,409**	124,982
Victoria Hull	Senior Independent Director and Nomination and Governance Committee Chair	**166,740**	149,196	**420**	77	**167,160**	149,273
Deneen Vojta	Independent Director	**128,409**	124,982	**15,776**	2,072	**144,185**	127,054

1. 'Taxable benefits' includes certain accommodation expenses for Non-Executive Directors that are wholly related to their attendance at Board meetings and are in accordance with normal Hikma expense policy
2. Patrick Butler was Senior Independent Director and Nomination and Governance Committee Chair until April 2023 and retired from the Board on 29 February 2024

Payments to past Directors (audited)

There were no payments made to past Directors during 2024.

Payments for loss of office (audited)

There were no payments for loss of office during the financial year.

Terms of appointment and service

Service contracts

The details of the service contracts of the Executive Directors of Hikma in force at the end of the year under review are available for inspection at Hikma's registered office at 1 New Burlington Place, London W1S 2HR, were:

Executive Director	Notice period	Contract date	Unexpired term of contract	Potential termination payment
Said Darwazah	12 months	1 July 2007	Rolling contract	12 months' salary and benefits
Riad Mishlawi	12 months	11 April 2023	Rolling contract	12 months' salary and benefits
Mazen Darwazah	12 months	25 May 2006	Rolling contract	12 months' salary and benefits

The Executive Directors are not appointed for a specified term and, therefore, do not have an outstanding term that requires disclosure.

Letters of appointment

The Non-Executive Directors have letters of appointment with Hikma, not service contracts, which are available for inspection at Hikma's registered office at 1 New Burlington Place, London W1S 2HR. Appointments are made for a period of 36 months and then reviewed.

Non-Executive Director	Date of appointment	Notice period
Ali Al-Husry	14 October 2005	1 month
Pat Butler	1 April 2014	1 month
John Castellani	1 March 2016	1 month
Nina Henderson	1 October 2016	1 month
Cynthia Flowers	1 June 2019	1 month
Douglas Hurt	1 May 2020	1 month
Laura Balan	1 October 2022	1 month
Victoria Hull	1 November 2022	1 month
Deneen Vojta	1 November 2022	1 month

Hikma complies with the 2018 Code requirement that all Directors be subject to election or annual re-election by shareholders.

External appointments

Hikma recognises that Executive Directors may be invited to take up non-executive directorships or public sector and not-for-profit appointments, and that these can broaden the experience, network and knowledge of the Director, from which Hikma can benefit. Executive Directors may accept external appointments as long as they do not lead to a conflict of interest and are allowed to retain any fees. During the year under review, Said Darwazah received fees of $4,100 (2023: $4,100), There were no other fees paid to Executive Directors relating to external appointments. External appointments are detailed in their Director profiles on pages 98 and 99.

Implementation of Policy

In February 2025, the Remuneration Committee reviewed the base salaries for Executive Directors and agreed an increase of 2% for the Executive Chairman, 3% for the Executive Vice Chairman and 20% for the CEO with effect from 1 January 2025.

Annual report on remuneration
continued

Annual bonus design for year ending 31 December 2025

The measures and targets for the annual bonus plan will be reviewed annually by the Committee and those agreed for 2025 are:

Area	Description	Rationale	Weighting[1] Executive Chairman	Executive Vice Chairman	CEO
Financial	Group/Division Revenue	Historically, the pricing of generic pharmaceutical products has decreased with time. The Committee recognises that this could lead to declining revenue over the longer term, which could ultimately result in a declining business overall. By ensuring that a significant proportion of performance remuneration is based on revenue, the Committee is able to ensure that the Executive Directors are focused on mitigating pricing declines by maximising the potential of the in-market portfolio, launching new products, and developing the pipeline. Please see page 16 of the Strategic report for the detail on this target	30%	30%	30%
	Group Core/ Divisional EBIT	Ultimately, core operating profit is a key measure of value to Hikma's shareholders. Given the highly competitive business environment in which Hikma operates, the Executive Directors must focus continuously on optimising Hikma's cost base.	50%	50%	50%
Strategic	Enhance strategy execution	The effective execution of the Group's strategy is critical to creating long-term value for shareholders. The Executive Chairman will drive delivery of the strategy to optimise performance and value creation	10%		10%
	Sustainability	Drive cost effective near-term renewable energy projects, research medium-term renewable capacity and set the long-term strategic direction for carbon reduction.	10%	5%	5%
	Strategic execution	To continue Hikma's growth the CEO and Executive Vice Chairman have been set a number of targets regarding commercial development and business plans. These will be disclosed in the 2025 Annual Report		15%	5%

1. The financial weightings for the Executive Vice Chairman are 12% Group Revenue,18% Core EBIT, 20% MENA Revenue and 30% MENA Core EBIT

The Committee has discretion to adjust the pay out to reflect the underlying business performance and any other relevant factors. Details of the financial and strategic targets for the year ended 31 December 2025 will be disclosed retrospectively in next year's Annual Report on remuneration, by which time the Board will no longer deem them commercially sensitive.

Long term incentive awards to be made in year ending 31 December 2025

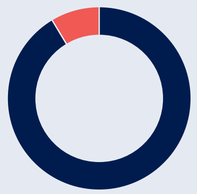
The Committee intends to issue a Performance Share Plan (PSP) award to the Executive Directors. Under the Policy long-term incentive measures will be reviewed annually by the Committee and will be designed to drive Hikma business strategy and align with the delivery of value to shareholders. It is proposed that the following targets will be set for the 2025 award and measure over the period 1 January 2025 to 31 December 2027:

Measure	Rationale	Weighting	Threshold	Target	Maximum
Core compound EPS growth for 1 January 2025 to 31 December 2027[1]	Alignment with shareholders' return	35%	5%	8%	11%
Percentage of revenue from new business over 3 years	Developing revenue from new business is a key element of Hikma's business plan	35%	13%	16%	20%
Relative TSR performance compared to FTSE 50-150 (excluding investment trusts)	Alignment with shareholder's return	20%	Median	–	Upper quartile
Sustainability	To establish a global culture and framework for good water stewardship	10%	Progress against key aspects of the ISO 46001 Water Efficiency Management System in high water-extracting MENA sites		

It is proposed that a PSP share award of 300% is made to the Executive Directors subject to the measures in the above table.

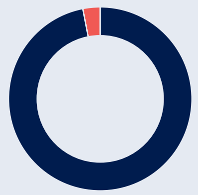
Shareholder approval

Annual report on remuneration (25 April 2024 AGM)



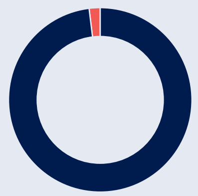
Votes available	183,621,063
Votes cast	183,617,785
For	91.44%
Against	8.56%
Withheld	3,278

Annual report on remuneration (28 April 2023 AGM)



Votes available	174,909,650
Votes cast	174,904,505
For	97.16%
Against	2.84%
Withheld	5,145

Remuneration Policy (28 April 2023 AGM)



Votes available	174,909,661
Votes cast	174,905,422
For	98.24%
Against	1.76%
Withheld	4,239

Annual report on remuneration
continued

Director and average employee compensation change

The table below shows the percentage change in the Executive Directors and Non-Executive Directors , benefits and bonus for the five years between 2020 and 2024 compared with the percentage change in the average of each of those components of pay for employees (excluding the Executive Directors).

	Salary					Benefits					Bonus				
	Average percentage change					Average percentage change					Average percentage change				
Director and average employee compensation change – salary[1]	2019-2020	2020-2021	2021-2022	2022-2023	**2023-2024**	2019-2020	2020-2021	2021-2022	2022-2023	**2023-2024**	2019-2020	2020-2021	2021-2022	2022-2023	**2023-2024**
Said Darwazah	0%	0%	0%	0%	**0%**	-16%	-21%	-3%	40%	**10%**	-1%	-17%	-40%	73%	**-9%**
Riad Mishlawi[2]	N/A	N/A	N/A	N/A	**200%**	N/A	N/A	N/A	N/A	**99%**	N/A	N/A	N/A	N/A	**168%**
Mazen Darwazah	0%	5%	4%	3%	**0%**	1%	-30%	-52%	113%	**45%**	-1%	-6%	-15%	30%	**-8%**
Patrick Butler[5]	2%	-3%	-8%	2%	-84%	0%	0%	0%	22%	11%	N/A	N/A	N/A	N/A	N/A
Ali Al-Husry[3]	3%	5%	-8%	3%	**3%**	-40%	-64%	-100%	0%	**-69%**	N/A	N/A	N/A	N/A	**N/A**
John Castellani[3]	3%	5%	-8%	7%	**3%**	-24%	-30%	135%	-11%	**5%**	N/A	N/A	N/A	N/A	**N/A**
Nina Henderson[3]	3%	5%	-3%	13%	**3%**	-18%	-30%	-41%	96%	**-26%**	N/A	N/A	N/A	N/A	**N/A**
Cynthia Flowers[3]	77%	5%	-8%	3%	**3%**	0%	-29%	-24%	45%	**-72%**	N/A	N/A	N/A	N/A	**N/A**
Douglas Hurt[3]	0%	86%	-8%	3%	**3%**	0%	0%	0%	0%	**0%**	N/A	N/A	N/A	N/A	**N/A**
Laura Balan[3,4]	0%	0%	0%	76%	**3%**	0%	0%	0%	0%	**0%**	N/A	N/A	N/A	N/A	**N/A**
Victoria Hull[3,4]	0%	0%	0%	86%	**12%**	0%	0%	0%	0%	**422%**	N/A	N/A	N/A	N/A	**N/A**
Deneen Vojta[3,4]	0%	0%	0%	84%	**3%**	0%	0%	0%	-16%	**629%**	N/A	N/A	N/A	N/A	**N/A**
Employees ($m)	2%	4%	3%	1%	**9%**	1%	7%	3%	1%	**11%**	0%	9%	-10%	20%	**-13%**
Growth in number of Employees	1%	0%	1%	2%	**4%**	1%	0%	1%	2%	**4%**	1%	0%	1%	2%	**4%**
Average per Employee	1%	4%	2%	-1%	**5%**	0%	0%	8%	-1%	**7%**	-1%	0%	-3%	18%	**-16%**
Average per the listed parent Company Employee	1%	16%	11%	-29%	**36%**	35%	-54%	-39%	6%	**58%**	6%	18%	-16%	-18%	**49%**

1. The current Remuneration Policy was introduced on 28 April 2023. NED fees are paid in GBP and reported in USD so an element of changes will be as a result of exchange rate differences
2. Riad Mishlawi was appointed as CEO with effect from 1 September 2023 and therefore comparative figures are not provided
3. Non Executive Directors do not participate in the bonus plan
4. These NEDs were appointed during 2022
5. Patrick Butler stepped down on 29 February 2024

Hikma's pay review, which took effect from 1 January 2024, awarded average percentage increases in wages and salaries of 4.5% (2023: 4%) for existing employees (with certain exceptions for jurisdictions experiencing very high inflation). The nature and level of benefits to employees in the year ended 31 December 2024 were broadly similar to those in the previous year (2023: unchanged).

UK gender and CEO pay ratios

Hikma has 30 employees employed in the UK and, as a result, is exempt from gender pay and average employee: CEO pay disclosure requirements. The small number of employees and significant diversity of roles and seniority in the UK makes meaningful gender pay comparisons in the UK difficult. The ratio of total CEO pay to the average Group employee is 19:1 using a simple average methodology. Hikma is committed to paying fairly and not discriminating on gender or other grounds.

Relative importance of spend on pay

The following table sets out the total amount spent in 2023 and 2024 on remuneration of Hikma's employees and major distributions to shareholders.

Distribution expense	2023	2024	**% change from 2023 wto 2024**
Employee	$610 million	$654 million	**7.2%**
Distributions to shareholders[1]	$137 million	$175 million	**28.0%**

1. The Group purchased 12,833,233 shares during 2020 at a cost of $292 million, which is excluded from the distributions to shareholders in accordance with the regulations. Those shares are held in treasury and do not receive dividends

Committee membership and attendance

Members and attendance

Member	**Meetings**	**Attendance**
Nina Henderson (Chair)	6	6
John Castellani	6	5
Cynthia Flowers	6	6
Douglas Hurt	6	6
Laura Balan	6	6

Where a Director was unable to attend a meeting, their comments on the business of the meeting were shared with the Chair in advance of the meeting.

Advice and support

The Committee seeks the assistance of senior management (CEO, CPO, VP Total Reward and Company Secretary) on matters relating to policy, performance and remuneration but ensures that no Director takes part in discussions relating to their own remuneration or benefits.

Willis Towers Watson (WTW) continue to provide independent advice to the Committee in relation to market practice, UK corporate governance best practice, incentive plan review and target setting. The total fees for advice to the Committee during the year, including advice relating to the CEO compensation undertaken in 2024, were $112,769 (2023: $121,244). WTW was appointed by the Committee in 2016 following a competitive tender process. WTW adheres to the Remuneration Consultants Group Code of Conduct. They charge their fees on a time spent basis. They provide no other services to the Group other than Remuneration Committee advice and compensation benchmarking.

The Committee is satisfied that the WTW team providing remuneration advice do not have connections with Hikma that may impair their independence.

During the year the Committee instructed Mercer to conduct a MENA region specific benchmarking exercise on a fixed fee basis of $6,000 (2023: $6,000). Mercer are a recognised expert in the region in question.

Except as disclosed on page 101 Hikma has complied with all the relevant principles and provisions of the 2018 Code throughout the year.

Closing statement

We have continued to develop our approach to remuneration reporting this year and the Committee hopes that this has aided your understanding of our Remuneration Policy and practices. Please do not hesitate to contact me if you have any questions or observations.

For and on behalf of the Remuneration Committee.

Nina Henderson
Chair of the Remuneration Committee
25 February 2025

Other statutory disclosures

Directors' report and Strategic report

The Directors' report and Strategic report for the year ended 31 December 2024 comprise pages 92 to 144 and pages 1 to 91. This report forms the management report for the purposes of the Disclosure and Transparency Rules. Readers are asked to cross refer to the other sections of the Annual Report to the extent necessary to meet Hikma's reporting obligations as follows (statements that are not applicable have been excluded):

- Likely future developments of Hikma: Strategic report and the Business and financial review, pages 1 to 43
- Related party transactions: Note 37 to the Group financial statements, page 203
- Going concern statement: Risk management report, page 87
- Longer-term viability statement: Risk management report, page 88
- Greenhouse gas emissions: Sustainability report, pages 56 to 59
- Financial instruments and risk: Notes 2 and 29 to the Group financial statements, pages 165 to 166 and pages 190 to 195
- Stakeholder and S.172 Statement, pages 24 to 29

For the purposes of UK Listing Rule 6.6.1, shareholders are directed in accordance with the following table to notes in the consolidated financial statements:

Item	Reference
Interest capitalised and associated tax relief	See Notes 11 and 12 on pages 174 to 177
Publication of unaudited financial information	None
Details of long-term incentive schemes	See Note 36 on pages 199 to 202
Waiver of emoluments by Directors	None
Allotment of securities for cash, including by major subsidiaries	None
Controlling entities/parent undertakings of Hikma	None
Contracts of significance with a material interest of a Director or controlling shareholders	None
Services provided to Hikma by controlling shareholders	None
Arrangements by which shareholders have agreed to waive current or future dividends	See Note 31 on page 195
Controlling shareholder agreements and associated obligations	Hikma does not have any controlling shareholders within the meaning of the UK Listing Rules

Principal activity

The principal activities of Hikma are the development, manufacture and marketing of a broad range of generic, branded and in-licensed pharmaceutical products. Hikma's pharmaceutical operations are conducted through three business segments: Injectables, Branded and Generics. The majority of Hikma's operations are in the MENA region, North America and Europe. The Company does not have overseas branches within the meaning of the Companies Act 2006 (the Act).

Hikma's net sales, gross profit and segmental results are shown by business segment in Note 5 to the Group financial statements on pages 169 and 170.

Results

The reported profit attributable to shareholders of Hikma Pharmaceuticals PLC for the year in 2024 was $359 million (2023: $190 million).

Dividend

The Board is recommending a final dividend of 48 cents per share (2023: 47 cents per share) bringing the total dividend for the full year to 80 cents per share (2023: 72 cents per share). The proposed dividend will be paid on 1 May 2025 to eligible shareholders on the register at the close of business on 21 March 2025, subject to approval at the Annual General Meeting on 24 April 2025.

Creditor payment policy

Hikma's policy, which is also applied by all subsidiaries and will continue in respect of the 2025 financial year, is to settle terms of payment with all suppliers when agreeing the terms of each transaction and to ensure that we abide by those terms of payment. Trade creditors of Hikma at 31 December 2024 were equivalent to 76 days' purchases (2023: 76 days), based on Group trade payables multiplied by 365, divided by trailing 12 months' Group cost of goods sold.

Political donations

Hikma's policy prohibits the payment of political donations and expenditure within the meaning of the Act. No payments were made in 2024.

Research and development

Hikma's investment in research and development (R&D) during 2024 represented 4.5% of Group revenue (2023: 5.2%). Further details on Hikma's R&D activities can be found on pages 12 to 42.

Significant contracts

Due to the nature of Hikma's business, members of Hikma are party to agreements that could alter or be terminated upon a change of control of Hikma following a takeover. However, none of these agreements is individually deemed to be significant in terms of its potential impact on the business of Hikma taken as a whole. The Directors are not aware of any agreements between Hikma and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid. There are no persons with whom Hikma has contractual or other arrangements, who are deemed to be essential to the business of Hikma.

Directors

It is the Board's policy that all Directors should seek election or re-election on an annual basis. Accordingly, Said Darwazah, Riad Mishlawi, Mazen Darwazah, Ali Al-Husry, Nina Henderson, Cynthia Flowers, Douglas Hurt, Laura Balan, Victoria Hull and Deneen Vojta will seek re-election at the 2025 AGM. John Castellani will retire from the Board at the conclusion of the 2025 AGM, having reached nine years of service in March 2025.

Indemnities and insurance

Hikma maintains an appropriate level of Directors' and Officers' insurance. The Directors benefit from qualifying third-party indemnities made by Hikma that were in force during the year and as at the date of signing this report. These indemnities are uncapped in amount in relation to losses and liabilities that Directors may incur to third parties in the course of the performance of their duties.

Auditors

Each person who was a Director of Hikma at the date when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which Hikma's auditors are unaware
- the Director has taken all the steps that they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that Hikma's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Act.

Workforce engagement

Nina Henderson is the designated Non-Executive Director to engage with the workforce under the UK Corporate Governance Code 2018 (the 2018 Code) and has undertaken various workforce engagement activities, as described on pages 26 and 95. Hikma continued to operate its existing workforce engagement mechanisms which include intra-Group communications, social networking, an open door policy for legitimate union representatives and the operation of share incentive arrangements. Hikma does not discriminate against a potential employee on grounds of disability and will make reasonable adjustments to employ and develop disabled people. Nina will reach nine years' service at Hikma during 2025 and will be succeeded as the designated Non-Executive Director for workforce engagement by Laura Balan with effect from close of business at the AGM in 2025, as disclosed in our Board succession plan on page 94 of our 2023 Annual Report.

Stakeholder engagement

Further information on the Board's engagement with stakeholders is detailed in our Section 172 Statement on pages 24 to 29.

Other statutory disclosures
continued

Diversity disclosures pursuant to UK Listing Rule 6.6.6R

The UK Listing Rules require listed companies to state whether they have met certain targets on board diversity and disclose in a prescribed format information on the diversity of their board and executive committee. The information in the table below is at 31 December 2024, which is the date selected as the reference date within Hikma's accounting period. The targets set out in the UK Listing Rules are that:

- at least 40% of the individuals on its board of directors are women
- at least one of the following senior positions on its board of directors is held by a woman (the chair, SID, CEO or CFO)
- at least one individual on its board of directors is from a minority ethnic background

As at the reference date, the Board of Hikma meets all three targets above.

Gender diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[1]	Number in Executive Management	Percentage of Executive Management
Men	6	55%	2	6	67%
Women	5	45%	1	3	33%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[1]	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	7	64%	1	5	56%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	4	36%	2	4	44%
Not specified/prefer not to say	–	–	–	–	–

Each member of the Board or Executive Management has confirmed their gender and ethnic background to the Company Secretary and the above data has been collated from those records.

1. The CFO is not appointed to the Board

Equity

Capital structure

Details of the issued share capital, together with movements in the issued share capital during the year, can be found in Note 31 to the Group financial statements on page 195. Hikma has one class of Ordinary Shares of 10 pence each (Shares) which carries no right to fixed income. Each share carries the right to one vote at general meetings of Hikma.

As at 31 December 2024:

Type	Nominal value	In issue	Issued during the year	Cancelled during the year
Shares	10 pence	234,719,686	805,082	–

During 2024, Hikma issued Shares solely pursuant to the exercise of awards made under the 2018 Management Incentive Plan and 2014 Executive Incentive Plan.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provision in Hikma's Articles of Association (the Articles) and prevailing legislation.

The Directors are not aware of any agreements between holders of Hikma's shares that may have resulted in restrictions on the transfer of securities or on voting rights. No person has any special rights with regard to the control of Hikma's share capital and all issued shares are fully paid.

Share buyback

At the Annual General Meeting (AGM) on 25 April 2024, shareholders gave the Directors authority to purchase shares from the market up to a limit of 22,188,520 Ordinary Shares, being 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 15 March 2024. This authority expires at the earlier of 25 July 2025 or the 2025 AGM, which is scheduled for 24 April 2025. During 2024, no Ordinary Shares were purchased by the Company.

Below is a summary of share buyback activity undertaken by the Company prior to 2024.

During 2022, the Company purchased and cancelled 12,499,670 Ordinary Shares.

During 2020, the Company purchased 12,833,233 Ordinary Shares from Boehringer Ingelheim (the 'Treasury Shares'). The Treasury Shares are held in treasury and, accordingly, do not receive dividends and do not exercise voting rights.

Share issuance

At the AGM on 25 April 2024, the Directors were authorised to issue relevant securities up to an aggregate nominal amount of £7,396,175 and to be empowered to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £4,437,704 at any time up to the earlier of the date of the 2025 AGM or 25 July 2025. The Directors propose to renew these authorities at the 2025 AGM for a further year. In the year ahead, other than in respect of Hikma's obligations to satisfy rights granted to employees under its various share-based incentive arrangements, the Directors have no present intention of issuing any additional share capital of Hikma.

Details of the employee share schemes are set out in Note 36 to the Group financial statements on pages 199 to 202. As at 31 December 2024, the Hikma Pharmaceuticals Employee Benefit Trust (EBT) held 1,455,190 shares. The EBT has waived its entitlement to a dividend. Other than the EBT and the Treasury Shares, no other shareholder has waived the right to a dividend.

Pre-emptive issue of shares

During the year under review, and in the period since the date of Hikma's Initial Public Offering on 1 November 2005, Hikma did not issue any shares pursuant to an authority given by shareholders at an AGM to issue shares for cash on a non-pre-emptive basis, other than in respect of the placing undertaken on 17 January 2008.

Powers of the Directors

The powers of the Directors are determined by the Articles, the 2018 Code and other relevant UK legislation. The Articles give the Directors the power to appoint and remove Directors. The power to buy back, issue and allot shares contained in the Articles is subject to shareholder approval at each AGM. The Articles, which are available on the website, may only be amended by special resolution of the shareholders.

Substantial shareholdings

As at 31 December 2024, Hikma had been notified pursuant to sections 89A to 89L of the Financial Services and Markets Act 2000 and Rule 5 of the Disclosure and Transparency Rules of the UKLA of the following interests in the voting rights attaching to the share capital of Hikma:

Name of shareholder	Number of Shares	Percentage held[1]
Darhold Limited[2]	60,000,000	27.04%
Wellington Management Group LLP	11,556,882	5.21%
BlackRock Group	10,003,617	4.51%

1. The percentages detailed relate to voting rights in the Company. Therefore, the Treasury Shares have been excluded from the denominator for this calculation
2. Said Darwazah, Mazen Darwazah and Ali Al-Husry, each being a Director and shareholder of Hikma, are shareholders and Non-Executive Directors of Darhold Limited. See page 132 for details of their interests in Darhold Limited

Between 31 December 2024 and 25 February 2025, being the date at which this report is signed, no changes in substantial shareholdings were notified to Hikma.

Annual General Meeting

The AGM of Hikma will be held at Sofitel St James, 6 Waterloo Place, London SW1Y 4AN on Thursday 24 April 2025, starting at 11.30 am. The Notice convening the meeting is given in a separate document accompanying this document, and includes a commentary on the business of the AGM, explains how shareholders can take part and includes notes to help shareholders exercise their rights at the meeting.

Hikma provides for the vote on each resolution to be by poll rather than by show of hands. This provides for greater transparency and allows the votes of all shareholders to be counted, including those cast by proxy. The level of proxies lodged for each resolution is projected onto a screen as each resolution is put to the meeting. A 'vote withheld' explanation is included in the Notice.

Electronic communications

Hikma's preference is to communicate through Hikma's website, rather than in paper form. Shareholders are encouraged to visit the website to access Hikma's Annual Reports and half-year and final results presentations. Shareholders who wish to receive paper communications can elect to do so using our shareholder portal (**www.hikmashares.com**) or through Hikma's Registrar, MUFG Corporate Markets.

Other statutory disclosures
continued

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). In preparing the Group financial statements, the Directors have also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRSs as issued by IASB).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and IFRSs issued by IASB have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards and IFRSs issued by IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Directors' report was approved by the Board of Directors and signed on its behalf by:

Said Darwazah
Executive Chairman
25 February 2025

Riad Mishlawi
Chief Executive Officer
25 February 2025