

# Notice of Annual General Meeting.

**Friday 18 May 2018 at 10.00 a.m.**  
Sofitel, St James, 6 Waterloo Place,  
London SW1Y 4AN

**This document is important and requires your immediate attention.**

If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Hikma Pharmaceuticals PLC, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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(Incorporated and registered in England and Wales with registered number 5557934)

**hikma.**

# Notice of Annual General Meeting of Hikma Pharmaceuticals PLC

Notice is hereby given that the twelfth Annual General Meeting of Hikma Pharmaceuticals PLC (the 'Company') will be held at Sofitel, St James, 6 Waterloo Place, London SW1Y 4AN, on Friday 18 May 2018 at 10.00 a.m. to transact the following business:

To consider, and if thought fit to pass, the following resolutions, of which resolutions 1-17 are ordinary resolutions and require a simple majority to be passed. Resolutions 18-21 are special resolutions which require 75 per cent. of votes cast to be passed. A poll will be called on each of the resolutions. Further details are set out in the explanatory notes.

## Resolution 1

To receive the accounts for the financial year ended 31 December 2017, together with the reports of the Directors and auditors thereon.

## Resolution 2

To declare a final dividend on the Ordinary Shares totalling 23 cents per Ordinary Share in respect of the year ended 31 December 2017, payable on 24 May 2018, to Shareholders on the register of members at the close of business on 6 April 2018.

## Resolution 3

To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.

## Resolution 4

To authorise the Audit Committee to determine the auditors' remuneration.

## Resolution 5

To elect Sigg Olafsson as a director of the Company.

## Resolution 6

To re-elect Said Darwazah as a director of the Company.

## Resolution 7

To re-elect Mazen Darwazah as a director of the Company.

## Resolution 8

To re-elect Robert Pickering as a director of the Company.

## Resolution 9

To re-elect Ali Al-Husry as a director of the Company.

## Resolution 10

To re-elect Patrick Butler as a director of the Company.

## Resolution 11

To re-elect Dr. Jochen Gann as a director of the Company.

## Resolution 12

To re-elect John Castellani as a director of the Company.

## Resolution 13

To re-elect Dr. Pamela Kirby as a director of the Company.

## Resolution 14

To re-elect Nina Henderson as a director of the Company.

## Resolution 15

To receive and approve the Remuneration Committee Report for the financial year ended 31 December 2017.

## Resolution 16

To approve and adopt for a period of 10 years from the date of the Annual General Meeting the Company's 2018 Management Incentive Plan (MIP), the principal terms of which are summarised in Appendix 1 that accompanies this Notice. The rules of the MIP will be produced to the AGM and initialled by the Chairman for identification purposes.

## Resolution 17

That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act'), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares in the Company:

- a. up to an aggregate nominal amount of £8,022,630 (such amount to be reduced by any allotments or grants made under paragraph (b) below in excess of such sum); and
- b. comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £16,045,260 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with or pursuant to an offer or invitation by way of a rights issue:
  - i. in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to their existing holdings; and

- ii. to holders of other equity securities, as required by the rights of those securities or as the Directors otherwise consider it necessary,

but subject to such limits, restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange, in any territory or any other matter whatsoever,

such authority to apply until the conclusion of the next Annual General Meeting (or, if earlier, at the close of business on 30 June 2019), save that, in each case, the Company may during this period make any offer or enter into any agreements which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted, after the authority ends and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authority conferred hereby had not ended.

### Resolution 18

That if Resolution 17 is passed, the Directors be given the power to:

- a. allot equity securities (as defined in section 560 of the Act) of the Company for cash under the authority conferred by that resolution; and/or
- b. sell Ordinary Shares held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited:

- i. to the allotment of equity securities and the sale of treasury shares in connection with or pursuant to an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 17 above, by way of a rights issue only):
  - a. to holders of Ordinary Shares in proportion (as nearly as practicable) to their existing holdings; and
  - b. to holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,

but subject to such limits, restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any other matter whatsoever, and

- ii. in the case of the authority granted under paragraph (a) of Resolution 17 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £1,203,394.

such power to apply until the conclusion of the next Annual General Meeting (or, if earlier, at the close of business on 30 June 2019), save that, in each case, the Company may during this period make any offer or enter into any agreements which would or might require equity securities to be allotted, or treasury shares to be sold, after the power ends and the Directors may allot equity securities, or sell treasury shares, in pursuance of any such offer or agreement as if the power conferred hereby had not ended.

### Resolution 19

That, if Resolution 17 is passed, the Directors be given the power in addition to any power granted under Resolution 19 to:

- a. allot equity securities (as defined in section 560 of the Act) of the Company for cash under the authority granted under paragraph (a) of resolution 17; and/or
- b. sell Ordinary Shares held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be:

- i. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,203,394; and
- ii. used only for the purposes of financing a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles most recently published by the Pre-Emption Group prior to the date of this Notice or for the purposes of refinancing such a transaction within six months of its taking place,

such power to apply until the conclusion of the next Annual General Meeting (or, if earlier, at the close of business on 30 June 2019), save that, in each case, the Company may during this period make any offer or enter into any agreements which would or might require equity securities to be allotted, or treasury shares to be sold, after the power ends and the Directors may allot equity securities, or sell treasury shares, in pursuance of any such offer or agreement as if the power conferred hereby had not ended.

### Resolution 20

That the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- a. the maximum number of Ordinary Shares which may be purchased is 24,067,889;
- b. the minimum price which may be paid for each Ordinary Share is 10 pence which amount shall be exclusive of expenses, if any;
- c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the highest of:
  - i. an amount equal to 5% above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
  - ii. the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out at the relevant time;
- d. unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the Annual General Meeting to be held in 2019 (or, if earlier 30 June 2019); and
- e. under this authority the Company may enter into a contract to purchase Ordinary Shares which would or might be executed wholly or partly after the expiry of this authority, and the Company may make purchases of Ordinary Shares pursuant to any such contract as if this authority had not expired.

### Resolution 21

That a general meeting of Shareholders of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board



**Peter A Speirs**  
Company Secretary  
28 March 2018

Registered Office:  
1 New Burlington Place, London W1S 2HR  
United Kingdom

Registered in England and Wales  
No. 5557934

# Explanatory notes

## Resolution 1: Reports and accounts

This resolution is to receive the Company's accounts and the reports of the Directors and auditors for the financial year ended 31 December 2017.

## Resolution 2: Dividend

This resolution is to approve the payment of a final dividend of 23 cents per Ordinary Share (approximately 16 pence) (2016: 22 cents) for the year ended 31 December 2017. The proposed dividend will be paid on 24 May 2018 to all Shareholders on the register of Members at the close of business on 6 April 2018.

Shareholders may elect to receive dividends in Pounds Sterling or Jordanian Dinar. If you have previously made a currency election, the most recent election will continue to apply. In the absence of an election form, the default position is to receive your dividend in Jordanian Dinar if you are located in Jordan and US dollars if you are located elsewhere in the world. If you wish to change the currency in which your dividend is paid, please contact the Registrar informing them of your currency selection at:

Link Asset Services, The Registry  
34 Beckenham Road, Beckenham,  
Kent BR3 4TU, United Kingdom

Or by telephoning a representative on:

Tel: 0871 664 0300 (from within the UK)

Tel: +44 371 664 0300 (from outside the UK)

Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Fax: +44 1484 600 911

E-mail: [shareholder.services@linkregistrars.com](mailto:shareholder.services@linkregistrars.com)

All CREST holders will be able to select the currency of their choice via a dividend election input message in accordance with the procedure set out in the CREST Manual.

A Euroclear Corporate Actions bulletin will be issued in due course.

## Resolutions 3 and 4: Re-appointment and remuneration of auditors

Resolution 3 is to re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office from the end of this Annual General Meeting to the end of the next Annual General Meeting at which accounts are laid before the Shareholders.

Resolution 4 is to authorise the fixing of the remuneration of the auditors. The Audit Committee will consider and approve the audit fees on behalf of the Board.

## Resolution 5: Election of Directors

Resolution 5 is to elect Sigurdur (Siggi) Olafsson as a director of the Company. Siggi was appointed to the Board as Chief Executive Officer on 20 February 2018. Siggi brings a wealth of international experience in the pharmaceutical industry, having held senior positions at Actavis Pharma Inc. and Teva Pharmaceuticals. A summary of Siggi's experience is set out on page 70 of the annual report and accounts for the year ended 31 December 2017 and a full biography is available from the Company's website [www.hikma.com](http://www.hikma.com)

## Resolutions 6 to 14: Re-election of Directors

The Directors included in these resolutions are standing for re-election, in accordance with the Company policy and in line with Section B.7.1 of the UK Corporate Governance Code which states that all directors of FTSE 350 companies should be subject to annual election by shareholders. A summary of the experiences of all the Directors is detailed on pages 70-71 of the annual report and accounts for the year ended 31 December 2017, which accompanies this document and on the Company's website [www.hikma.com](http://www.hikma.com).

In reviewing the independence of each Non-Executive Director, the Board has concluded that all Non-Executive Directors with the exception of Dr. Jochen Gann and Ali Al-Husry are independent.

In addition, the Chairman confirms that the Board has appraised the performances of each of the Directors and considered the balance of skills and experience required. The Board has determined that they each continue to make an effective and valuable contribution to the Board and fully supports each re-election.

## Resolution 15: Remuneration Committee Report 2017

The Company is required to seek Shareholders' approval in respect of the contents of the Remuneration Committee Report on an annual basis. The vote is advisory.

The Remuneration Committee Report is detailed on pages 86-108 of the annual report and accounts for the year ended 31 December 2017, which accompanies this document.

## Resolution 16: Approval of the 2018 Management Incentive Plan

This resolution is to approve and adopt the rules of the 2018 Management Incentive Plan ('MIP'), the principal terms are summarised in Appendix 1 of this Notice and a copy of the full rules is available from the Company Secretary on request. The Company believes that the MIP provides a competitive incentive and retention tool for management below the executive level that will drive underlying profitability and corporate strategy while further aligning management and shareholder interests. The 2018 MIP replaces the 2009 MIP, on a like for like basis. The Remuneration Committee intends to make awards under the 2018 MIP to key management personnel.

### Resolution 17: Authority to allot Ordinary Shares

Your Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by Shareholders.

The authority granted at the Annual General Meeting held in 2017 is due to expire at this year's Annual General Meeting. Accordingly, Resolution 17 will be proposed as an ordinary resolution to grant a new authority to allot share capital. Paragraph (a) of this resolution would give the Directors the authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount equal to £8,022,630 (representing 80,226,300 Ordinary Shares). This amount represents approximately one-third of the issued Ordinary Share capital of the Company as at 28 March 2018, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the Investment Association ('IA'), paragraph (b) of this resolution would give the Directors authority to allot equity securities (as defined in the Act and which includes Ordinary Shares) in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to £16,045,260 (representing 160,452,600 Ordinary Shares), as reduced by the nominal amount of any Ordinary Shares previously issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued Ordinary Share capital of the Company as at 28 March 2018, the latest practicable date prior to publication of this Notice. If the Directors were to exercise this further authority, they intend to follow the recommendations of the IA as regards to its use.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the earlier of 30 June 2019 (the last date by which the Company must hold an Annual General Meeting in 2019) or the conclusion of the Annual General Meeting to be held in 2019.

In the year ahead, other than in respect of the Company's obligations to satisfy rights granted to employees under its various share-based incentive arrangements, the Directors have no present intention of exercising this authority.

As at the date of this Notice, the Company holds no treasury shares.

### Resolutions 18 and 19: Authority to disapply pre-emption rights

Your Directors also require authority from Shareholders to allot Ordinary Shares or grant rights over Ordinary Shares or sell treasury shares where they propose to do so for cash and otherwise than to existing Shareholders pro rata to their existing shareholdings.

The authority granted at the Annual General Meeting in 2017 is due to expire at this year's Annual General Meeting. Resolutions 18 and 19 will be proposed as special resolutions, each of which requires a 75% majority of the votes to be cast in favour. They would give the Directors the authority to allot equity securities (and/or sell any Ordinary Shares which the Company elects to hold in treasury) for cash without first offering them to existing Shareholders in proportion to their existing shareholdings.

The power set out in Resolution 18 would be, similar to previous years, limited to: (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares, or as the Directors otherwise consider necessary, or (b) otherwise up to an aggregate nominal amount of £1,203,394 (representing 12,033,940 Ordinary Shares). This aggregate nominal amount represents approximately 5% of the issued Ordinary Share capital of the Company as at 28 March 2018, the latest practicable date prior to publication of this Notice.

In respect of the power under Resolution 18(ii), the Directors confirm their intention to follow the provisions of the Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Statement of Principles provides that usage in excess of 7.5% of the issued Ordinary Share capital of the Company should not take place without prior consultation with Shareholders.

Resolution 19 is intended to give the Company flexibility to make non pre-emptive issues of Ordinary Shares in connection with acquisitions and other capital investments as contemplated by the Statement of Principles. The power under Resolution 19 is in addition to that proposed by Resolution 19 and would be limited to allotments or sales of up to an aggregate nominal amount of £1,203,394 (representing 12,033,940 Ordinary Shares) in addition to the power set out in Resolution 18. This aggregate nominal amount represents an additional 5% of the issued Ordinary Share capital of the Company as at 28 March 2018, the latest practicable date prior to publication of this Notice.

The authority will expire at the earlier of 30 June 2019 (the last date by which the Company must hold an Annual General Meeting in 2019) or the conclusion of the Annual General Meeting to be held in 2019.

### Resolution 20: Authority to purchase Ordinary Shares

This resolution will give the Company authority to purchase its own Ordinary Shares in the market up to a limit of up to 24,067,889 Ordinary Shares, being 10% of the Company's issued Ordinary Shares as at 28 March 2018 (the latest practicable date prior to the posting of this document), renewing the authority granted by the Shareholders at the previous Annual General Meeting. The Company has not used the authority granted at the previous Annual General Meeting to carry out any market purchases of Ordinary Shares.

The Directors have no present intention of exercising the authority, however, your Directors believe that it is advantageous for the Company to have the flexibility to make market purchases of its Ordinary Shares. Your Directors would exercise this authority only if they are satisfied that it would be in the best interests of the Company, and of its Shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased pursuant to this authority may be cancelled (and the number of Ordinary Shares in issue would be reduced accordingly) or, subject to the provisions of Chapter 6 of Part 18 of the Act, be retained as treasury shares. The Company will consider holding re-purchased Ordinary Shares pursuant to the authority conferred by this resolution as treasury shares (the Company currently has no Ordinary Shares in treasury). This would give the Company the ability to re-issue treasury shares quickly and cost effectively, and would provide the Company with additional flexibility in the management of its capital base. Any holdings of treasury shares will not exceed the 10% anti-dilution limit set by the IA.

The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is 10 pence. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of: (i) an amount equal to 5% above the average market value for an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out at the relevant time.

As at 28 March 2018, the total number of options and awards over Ordinary Shares was 1,892,342 which if exercised would represent 0.78% of the Company's issued share capital at that date. If the Company was to purchase its own Ordinary Shares to the fullest possible extent of its authority from Shareholders given at the 2017 AGM and the authority now being sought by Resolution 20, this number of outstanding options and awards could potentially represent 0.87% of the issued share capital of the Company.

This authority is in addition to and separate from the specific authority granted by Shareholders at the General Meeting on 19 February 2016 whereby, pursuant to the shareholders' agreement between the Company, Boehringer Ingelheim International GmbH ('BI') and Boehringer Ingelheim Corporation, Shareholders authorised the off market purchase of all or part of any Ordinary Shares held by BI or its affiliates from time to time and that BI or its affiliates propose to dispose of from time to time, being up to 40,000,000 Ordinary Shares as at completion of the acquisition.

If granted, the authority will expire at the earlier of 30 June 2019 (the last date by which the Company must hold an Annual General Meeting in 2019) or the conclusion of the Annual General Meeting to be held in 2019.

### **Resolution 21: Notice of General Meetings**

This resolution authorises a reduction in the minimum notice period for general meetings, other than Annual General Meetings. Whilst the Company's articles of association already provide for a minimum notice period of 14 clear days for General Meetings, the Act requires that the Company requests Shareholders to authorise this minimum notice period at every Annual General Meeting in order to be able to take advantage of this provision. In 2017, the Shareholders voted in favour of allowing the Company to call general meetings (other than an AGM) on 14 clear days' notice. Whilst the Board considers that it is unlikely to use this authority, the Company would like to preserve the flexibility to do so. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will meet the requirements for electronic voting under the Act before it will call a general meeting on 14 clear days' notice.

### **Recommendation**

Your Directors as a whole believe that the proposals above are most likely to promote the success of the Company for the benefit of Shareholders as a whole and unanimously recommend that you vote in favour of Resolutions 1 to 21 as they intend to do in respect of their entire holdings which effectively amount to 28,304,094 Ordinary Shares, representing approximately 11.8% of the Company's issued share capital. Further details of directors' shareholdings, including those effectively owned through Darhold Limited, can be found in the 2017 Annual Report on page 105.

### **Proxy form**

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned as soon as possible. To be valid, it must reach the Company's registrars, Link Asset Services, no later than 48 hours before the Annual General Meeting, being 10.00 a.m. on 16 May 2018 (or, if the Annual General Meeting is adjourned, by no later than the close of business two business days prior to the adjourned Annual General Meeting). Completion and return of the Form of Proxy will not prevent you from attending and voting at the Annual General Meeting in person, should you so wish.

## Right to attend and vote

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), the Company specifies that, in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Ordinary Shares of the Company by no later than the close of business on 16 May 2018 or, if the meeting is adjourned, a person must be entered on the register of members of the Ordinary Shares of the Company by no later than the close of business two days prior to the adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## Proxies

2. A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of the Company to attend, to speak and to vote at the Annual General Meeting instead of him or her. A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned as soon as possible. To be valid, it must reach the Company's registrars, Link Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or by using the Business Reply service attached to this form or at the electronic address provided below, in each case no later than 48 hours before the meeting. Therefore, please deposit your form before 10.00 a.m. on 16 May 2018. Completion of a Form of Proxy will not preclude a member from attending and voting in person at the meeting should he or she so wish. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.

## Electronic proxies

3. Alternatively, you may register your proxy appointment and instructions on-line by visiting the Link Share Portal, by logging onto [www.hikmashares.com](http://www.hikmashares.com), where full instructions are given. In order to register your vote online you will need to enter your Investor Code which appears on the bottom right-hand side of your share certificate.

## Directors' service contracts

4. Copies of the Executive Directors' service contracts and the Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office, from the date of this notice until the date of the meeting, between 9.00 a.m. and 5.00 p.m. Monday to Friday (except public holidays). You can also inspect copies of these documents at the AGM venue; they will be available from 15 minutes before the meeting to 15 minutes after the meeting.

## CREST electronic proxies

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via <https://my.euroclear.com/en/login>). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 16 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointing a proxy will not prevent a member from attending in person and voting at the meeting should he or she so wish.

## Joint holders

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

## Appointing a corporate representative

7. Any corporation which is a member can appoint one or more corporate representatives. Each representative may exercise on behalf of the corporation the same powers as the corporation could exercise if it were an individual member of the Company provided that they do not do so in relation to the same Ordinary Shares. It is therefore no longer necessary to nominate a designated corporate representative.

### Nominated persons

8. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

The statement of the rights of the members in relation to the right to vote and the appointment of corporate representatives and proxies set out in paragraphs 1 to 7 above, does not apply to Nominated Persons. Those rights can only be exercised by Shareholders of the Company.

### Voting rights

9. As at 28 March 2018 (being the last business day prior to publication of this Notice) the Company's issued share capital consists of 240,689,192 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28 March 2018 are 240,689,192. There are no shares held in treasury.

### Website publication of audit concerns

10. Shareholders should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to:

- i. the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
- ii. any circumstance connected with an auditor of the Company appointed ceasing to hold office since the previous meeting at which annual accounts and reports were laid (in each case) that the members propose to raise at the Annual General Meeting.

The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### Website

11. A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.hikma.com](http://www.hikma.com)

**You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice (or in any related documents including the annual report and accounts and the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.**



## Hikma Pharmaceuticals PLC

### 2018 Management Incentive Plan ('MIP')

The 2018 MIP, if approved by the shareholders of Hikma Pharmaceuticals PLC, will replace the 2009 Management Incentive Plan.

The Board of Hikma Pharmaceuticals PLC reserves the right up to the time of the annual general meeting on 18 May 2018 to make such amendments or additions to the rules of this MIP as it may consider necessary or desirable, provided that such amendments or additions do not conflict in any material aspect with the description contained in the circular to shareholders dated 28 March 2018.

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The MIP enables the Remuneration Committee to grant share awards in the form of Conditional Share Awards or Nil Cost Options to members of senior management below the executive level. Executives participating in the 2014 Executive Incentive Plan are not eligible to participate in the MIP.

## 1 Grant of awards

- 1.1 The Committee may in its absolute discretion grant Awards to Eligible Employees at any time or times during a Grant Period but no later than the tenth anniversary of the Approval Date. If the Committee is prevented by the Company being in a Close Period from granting Awards within any Grant Period, then the Committee may grant Awards within forty two days of the lifting of such restrictions.
- 1.2 The Committee shall determine in respect of each grant of Awards:
- the Date of Grant;
  - those Eligible Employees who shall receive an Award;
  - the number of Shares subject to each Award granted;
  - the Holding Period in respect of each Award;
  - the Performance Requirements applicable to each Award (if any); and
  - any other terms and conditions applying to each Award including in the case of Awards granted in the form of Nil Cost Options, the Exercise Price.

The Committee shall issue an Award Certificate to each Participant setting out the Committee's determinations under Rule 1.2 in respect of that Participant's Award. Alternatively a Participant may be advised where that information can be accessed or be given the opportunity to obtain details of the grant electronically. The grant of an Award will be subject to compliance with and obtaining any approval or consent required under any applicable regulations or enactments.

## 2 Rights of Participants during the holding period

A Participant shall have no voting rights or rights to receive dividends in respect of Shares subject to the Award during the applicable Holding Period:

- prior to the Release of the Award in the case of a conditional entitlement to Shares;
- prior to the Exercise of the Award in the case of a Nil Cost Option;

provided that the Committee may in its discretion at the end of the Holding Period provide the Participant with either:

- a cash bonus equivalent to the aggregate value of the dividends paid in respect of a Share over the Holding Period multiplied by the number of Shares subject to the Award; or
- additional Shares where the aggregate value of such Shares is equivalent to the aggregate value of the dividends paid in respect of a Share over the Holding Period multiplied by the number of Shares subject to the Award.

## 3 Release and/or exercise of awards

- 3.1 Subject to Rules 5.3<sup>1</sup> and 3.2 Awards shall be Released:
- at the end of the Holding Period; and
  - subject to the satisfaction of any Performance Requirements or other terms and conditions imposed pursuant to Rules 1.2(e) and 1.2(f) respectively.

- 3.2 Awards may be released without fully satisfying the requirements of Rule 3.1 in accordance with Rule 6<sup>2</sup> and Rule 7<sup>3</sup>.

In the case of Awards in the form of Nil Cost Options which have been Released in accordance with Rule 3.1 or 3.2, a Participant may Exercise his Awards from the date of Release to the earliest of the following dates:

- the tenth anniversary of the Date of Grant; and
- the end of the periods set out in Rule 6 and Rule 7.

## 4 Lapse of awards

- 4.1 All subsisting Awards shall lapse on the earliest of the following events:

- the date on which the Award lapses pursuant to Rule 6<sup>4</sup> or Rule 7<sup>5</sup>;
- when it has been determined by the Committee that the conditions of Rule 3.1 (b) cannot be satisfied;
- the tenth anniversary of the Date of Grant;
- the date on which the Participant is adjudicated bankrupt or does or attempts or omits to do anything as a result of which he is deprived of the legal or beneficial ownership of the Award;
- in the case of a Nil Cost Option the date on which the Award lapses following the expiry of the period during which the Award remains Exercisable as determined by the Committee and set out in the Award Certificate.

## 5 Taxation

- 5.1 The grant of an Award to an Eligible Employee under the Plan shall be conditional upon the agreement of that Eligible Employee to indemnify his employing Group Company for any Tax Payment, such agreement to be deemed by the failure of the Eligible Employee to renounce the Award in accordance with Rule 11.6.

1. Taxation – Release of Shares may be prohibited if the Eligible Employee has not made a Tax Payment or agreed to sell sufficient Shares to meet this Tax Payment.

2. On cessation of employment.

3. On Take-over, Reconstruction, Amalgamation and Winding up of the Company.

4. On cessation of employment.

5. On Take-over, Reconstruction, Amalgamation and Winding up of the Company.

5.2 The Participant shall pay all expenses and Taxes which arise or result from the grant, Release or Exercise of an Award, provided that the Company in its absolute discretion and subject to any statutory prohibition may meet any stamp duty or liability for any other Taxes or expenses arising which it deems appropriate.

5.3 In a case where a Group Company by virtue of the grant, Release or Exercise of an Award shall be obliged to make a Tax Payment, the grant, Release or Exercise shall not take place, unless:

- (a) the Group Company has received payment prior to the grant, Release or Exercise from the Participant of an amount not less than the Tax Payment; or
- (b) authority from the Participant to deduct the Tax Payment from his Emoluments has been received; or
- (c) that Participant giving irrevocable instructions to the Company's brokers (or any person acceptable to the Company) for the sale of sufficient Shares on the Release or Exercise to realise an amount equal to the Tax Payment and authority to pay the proceeds of such sale to the employing Group Company.

5.4 The Committee may determine that any Award granted under the Plan shall be subject to additional and/or modified terms and conditions relating to the grant, Release or Exercise of an Award as may be necessary to comply with or take account of any securities, exchange control or taxation laws, regulations, practice or other laws of any territory which may apply to the relevant Eligible Employee, Participant or Group Company.

5.5 In exercising its discretion under Rule 5.4 above the Committee may:

- (a) require an Eligible Employee and/or a Participant to make such declarations or take such other action as may be required for the purpose of any securities, exchange control or taxation laws, regulations, practice or other laws of any territory which may be applicable to him at the Date of Grant, Release or Exercise; and
- (b) adopt any supplemental rules or procedures governing the grant, Release or Exercise of an Award as may be required for the purpose of any securities, exchange control or taxation laws, regulations, practice or other laws of any territory which may be applicable to an Eligible Employee or Participant.

The Committee may in its discretion require a Participant in the UK to enter into an agreement under paragraph 3A of Schedule 1 to the Social Security Contributions and Benefits Act 1992 or to make an election under paragraph 3B of Schedule 1 to that Act in relation to any secondary Class 1 National Insurance Contributions arising on the Release or Exercise of an Award.

Immediately prior to the Release or Exercise of an Award, the Committee may in its absolute discretion and if requested by a Participant, deliver cash in lieu of a number of Shares Released and/or Exercised save that:

- (c) the number of Shares replaced by such cash amount shall be restricted to the number of Shares which have an aggregate Market Value equal to the Participant's Tax Liability due on Release or Exercise; and
- (d) such cash amount shall be paid directly to the relevant Group Company.

## 6 Cessation of employment

6.1 Subject to Rule 6.2, if a Participant ceases to be employed by a Group Company for any reason an Award that has not been Released shall lapse unless the Committee in its absolute discretion determines otherwise for reasons including, amongst others, injury, disability, ill health, retirement, redundancy and death.

If the Committee, in accordance with its discretion under Rule 6.1, determines that an Award shall not lapse on cessation, the proportion of the Award which shall be Released will be calculated based upon the amount of the relevant Holding Period completed on the date of cessation and on the satisfaction of the Performance Requirements (if any) relating to the Award.

For the purposes of calculating the number of Shares subject to the Awards which shall be Released in accordance with Rule 6.2 the Committee shall:

- (a) firstly, pro-rate the number of Shares subject to the Awards based on the amount of the relevant Holding Period completed on the date of cessation; and
- (b) secondly, determine if the Release of the Award was subject to Performance Requirements when the Performance Requirements shall be measured and when the Awards are Released, which shall be either:
  - (i) at the date of cessation of employment; or
  - (ii) the end of the relevant Holding Period.

6.2 It shall be a condition of participation in the Plan that a Participant shall not be entitled to any compensation in the event of cessation, lapse or alteration of any actual or prospective rights under the Plan or under any Award granted thereunder. No provisions of the Plan form part of any contract of employment between any Group Company and a Participant.

6.3 Nothing in the Plan or in any document issued pursuant thereto shall confer upon any person any right to continue in the employ of any Group Company or shall affect the right of any Group Company to terminate the employment of any person, or shall impose upon any Group Company or employees of such Group Company, the Committee or their respective servants or agents any liability for the loss of any rights under the Plan which may result if that person's employment is so terminated (whether such termination is in breach of the relevant terms and conditions of employment or otherwise). In no circumstances shall any Participant, by reason of ceasing to be employed by any Group Company be entitled to any compensation for any loss of any actual or prospective right or benefit under the Plan which he might otherwise have enjoyed, whether such compensation is claimed by way of damages for wrongful or unfair dismissal or other breach of contract or by way of compensation for loss of office or otherwise.

For the purposes of Rule 6, no Participant shall be treated as ceasing to be employed by a Group Company until he ceases to hold office or employment in any Group Company and a Participant (being a woman) who is a director or employee who ceases to be such a director or employee by reason of pregnancy or confinement and who exercises her right to return to work under section 79 of the Employment Rights Act 1996 before the Release and/or Exercise of an Award shall be treated for those purposes as not having ceased to hold such an office or employment.

6.4 No benefit under the Plan shall be pensionable.

6.5 In the case of Awards granted in the form of Nil Cost Options, the Participant shall have, such period as is determined by the Committee in its discretion, from his date of cessation of employment to Exercise all Released Awards including those Awards Released as a result of the operation of Rule 6, at the end of which period any Awards that have not been Exercised shall lapse.

### **7 Take-over, reconstruction, amalgamation, winding up, merger and demerger of the Company**

7.1 If any of the following events occurs:

- (a) a company or person acting alone or in concert with another or others obtains Control of the Company ('Control Change') as a result of making a general offer to acquire Shares in the Company;
- (b) the Court sanctions a scheme of arrangement or compromise under section 900 of the Companies Act 2006 which amounts to a Control Change;
- (c) a company or person becomes bound or entitled to acquire Shares under sections 979 to 982 of the Companies Act 2006; and
- (d) a voluntary winding up of the Company is proposed or if an order is made for the compulsory winding up of the Company,

the Company shall notify Participants.

7.2 Subject to Rule 7.6, on the occurrence of any of the events set out in Rule 7.1 Awards shall be Released provided that the Committee may also, in its absolute discretion, apply a reduction to the number of Shares based on the period of time from the Date of Grant ending on the date of the occurrence of the event relative to the period of time from the Date of Grant to the normal Release date(s), if it so decides.

7.3 If, as a result of events specified in Rule 7.1 (a) or (b) above, a company has obtained Control of the Company or if a company has become bound or entitled as stated in Rule 7.1 (c) above (such company referred to as the 'Acquiring Company'), the Participant may, by agreement with the Acquiring Company, cancel each subsisting Award (the 'Old Award') in exchange for a replacement award (the 'New Award') provided that the New Award:

- (a) is over shares in the Acquiring Company or some other company which has Control of the Acquiring Company or is a member of a consortium owning either the Acquiring Company or having Control of the Acquiring Company;
- (b) is a right over such number of shares as have an aggregate Market Value equal to those Shares subject to the Old Award at the date of exchange; and
- (c) is, so far as practicable, otherwise upon identical terms to the Old Award.

The New Award shall for all purposes of the Plan be treated as having been acquired on the same Date of Grant as the Old Award and thereafter references in these Rules to the Company, Shares and Awards, where appropriate, shall be construed as references to the Acquiring Company and its shares and New Awards.

7.4 In the event that the Company merges with another company, or any of the businesses of the Group are demerged (whether such merger or demerger is effected by way of sale, distribution or in any other manner) the Committee shall have the discretion whether or not to take any action pursuant to this Rule 7.4 and, if they decide to do so, shall notify each Participant whether any Award shall be Released and/or adjustments be made to the number of Shares comprised in an Award in such manner and with effect from such date as the Committee shall determine to be appropriate and the advisors of the Company confirm to be fair and reasonable provided that should the merger or demerger amount to a Control Change then the Committee shall apply the provisions of Rule 7.2.

7.5 The Committee shall notify Participants as soon as reasonably practicable of any adjustments made pursuant to Rule 7.4 and may call in Award Certificates for endorsement or replacement.

In the case of an Internal Reorganisation, the Committee may decide that the provisions of Rules 7.2 and 7.4 shall not apply and:-

- (a) no adjustment is required to subsisting Awards; or
- (b) to treat the Internal Reorganisation as a variation of share capital and apply Rule 10; or
- (c) with the consent of the acquiring company, Awards shall be cancelled and replaced by New Awards on the basis set out in Rule 7.3 provided that there shall be no requirement to seek Participant consent.

7.6 In the case of Awards granted in the form of Nil Cost Options, the participants shall have such period as determined by the Committee in its discretion from the date of the occurrence of any of the events set out in Rules 7.1 and 7.4 (inclusive), to Exercise all Released Nil Cost Options including those Nil Cost Options Released as a result of the operation of this Rule 7, at the end of which period any Nil Cost Options not exercised shall lapse.

## 8 Limits and restrictions

8.1 An Award shall be personal to a Participant and neither the Award nor any rights under the Award may be transferred, assigned, pledged, charged or otherwise disposed of by a Participant to any other person (except in accordance with these Rules) and if a Participant shall do, suffer or permit any such act or thing whereby he would or might be deprived of the legal and/or beneficial ownership of an Award that Award shall lapse forthwith.

8.2 Subject to Rule 8.6, in respect of Awards which shall be satisfied by the subscription of Shares, the total number of Shares over which such Awards may be granted as determined on any Date of Grant, when added to the number of Shares issued or remaining issuable pursuant to rights to subscribe for Shares granted under the Plan and Any Other Share Plan during the preceding 10 years shall not exceed 10% of the number of Shares in issue on the relevant Date of Grant provided that in respect of Awards granted to executive directors of the Company under any discretionary share scheme that limit shall be 5% of the number of Shares in issue on the relevant Date of Grant. For the purposes of this Rule 8.2, there shall be ignored Awards to subscribe for Shares:

- (a) granted under Any Other Share Plan which were granted prior to the Company's first listing of Shares on the Exchange; or
- (b) granted under the Plan or Any Other Share Plan which have lapsed, become void, been cancelled or which otherwise become incapable of being Released.

For the purposes of this Rule 8.2 where Awards are intended to be satisfied or are satisfied by the transfer and/or re-issue of Treasury Shares these Shares shall be deemed to count against the limits set out in this Rule, unless and until the Association of British Insurers suggests otherwise.

8.3 The maximum level of Award (being the aggregate Market Value of Shares subject to the Award at the date of grant) that can be granted to an Eligible Employee under this Plan in any financial year shall be limited to 75% of such Eligible Employee's Emoluments. In the event that the Committee considers that exceptional circumstances exist, the maximum level of Award that can be granted to an Eligible Employee shall be limited to 100% of such Eligible Employee's Emoluments. For the purposes of this Rule 8.3, there shall be ignored Awards granted under the Plan or awards under Any Other Share Plan which have lapsed, become void, been cancelled or which otherwise become incapable of being Released.

8.4 The Plan shall terminate on the earlier of the following dates:

- (a) any date determined by the Committee to be the date of termination of the Plan; and
- (b) the tenth anniversary of the Approval Date.

8.5 Following termination of the Plan pursuant to this Rule no further Awards shall be granted, but the subsisting rights and obligations of Participants at that time shall continue in force as if the Plan had not been terminated.

8.6 No Shares may be issued under this Plan without prior shareholder approval of the Plan in General Meeting of the Company.

### 9 Adjustments and amendments

9.1 If a variation of the issued share capital of the Company by way of a bonus issue or rights issue, sub-division, consolidation, reduction or otherwise shall take place then the number of Shares subject to an Award and the terms and conditions applying to such Award shall be adjusted in such manner and with effect from such date as the Committee may determine to be appropriate and as the advisors of the Company shall have confirmed in writing to be, in their opinion, fair and reasonable.

9.2 The Committee may from time to time make and amend such regulations for the implementation and administration of the Plan in a manner consistent with the Plan as it thinks fit and to make any amendments to these Rules provided that:

- (a) no amendment can be made to the advantage of Participants to:
  - (i) the persons to whom Awards may be granted;
  - (ii) the limit on the number of Shares which may be issued under the Plan;
  - (iii) the maximum entitlement for individual Participants;
  - (iv) the basis for determining a Participant's entitlement to Shares and the terms on which they can be acquired; and
  - (v) the rights of Participants limits and the adjustments that may be made following a rights issue or any other variation of capital;

without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change of legislation or to obtain or maintain favourable Tax, exchange control or regulatory treatment for Participants in the Plan or for any Group Company); and

(b) subject to Rules 5.4 and Rule 5.5 no alteration shall be made which would materially affect any subsisting rights of Participants granted prior to the date of the alteration without the prior consent or sanction of the majority of that number of Participants who responded to the notification by the Company of such proposed alteration.

9.3 Any matters pertaining or pursuant to the Plan which are not dealt with by these Rules and any uncertainty or dispute as to the meaning of these Rules shall be determined or resolved by decision of the Committee which shall be binding on the Company and all Participants.

9.4 In the application of Rule 1.2(e), if events subsequently occur which cause the Committee to consider that the existing Performance Requirements have become unfair or impractical it may, in its discretion (provided such discretion is exercised fairly and reasonably) amend the relevant Performance Requirements so that in the reasonable opinion of the Committee they shall be no more or less difficult to abide by or satisfy as when they were originally imposed or last amended.

### 10 Shares

10.1 Subject to Rule 10.2 below, any Shares to be issued pursuant to the Release or Exercise of an Award shall be allotted and issued, and any Shares to be transferred shall be transferred to the relevant Participant or a nominee nominated by a Participant not later than 30 days after the date of Release or Exercise of the Award. Such Shares shall rank *pari passu* in all respects with other Shares of the same class save that the Participant shall have no entitlement in relation to rights attaching to the Shares until the date of such allotment or transfer. Shares to be allotted shall not rank for any dividend or other distribution to be paid by reference to a record date before the date of allotment.

10.2 Any allotment and issue or transfer of Shares pursuant to this Plan shall be subject to such consents (if any) of HM Treasury and/or other authorities as may from time to time be required.

10.3 The Company shall apply to the relevant Exchange on which the Shares are listed for Shares issued pursuant to the Release of Awards to be admitted to the Official List or equivalent on or as soon as practicable after allotment.

10.4 The Release of Awards may be satisfied by the subscription of Shares by the Trustees of the Trust and/or the transfer of Shares held by the Trustees of the Trust and/or the issue of Shares and/or the transfer of Treasury Shares by the Company pursuant to section 727-730 of the Companies Act 2006 or any combination thereof. The Committee may determine which method or combination thereof shall be used to satisfy the Release or Exercise of Awards.

10.5 The Trustees may determine in their discretion to undertake the responsibility of satisfying Awards on behalf of the Company.

10.6 Shares that are issued may not be subscribed for at less than their nominal value.

10.7 The Company shall:

- (a) when necessary keep available for issue sufficient authorised and unissued Shares to satisfy all rights to subscribe for Shares from time to time subsisting under Awards granted pursuant to the Plan, taking account of any other obligations of the Company to allot and issue Shares; and/or
- (b) ensure when necessary that it is in a position to satisfy or procure the satisfaction of all rights to acquire Shares from time to time subsisting under the Plan, taking account of other obligations of the Company in relation to the provision of Shares.

## 11 Administration

Any notice or other communication in connection with the Plan will be in writing and may be given:

- (a) by personal delivery; or
- (b) by sending it by post:
  - (i) in the case of the Company, to its registered office addressed to the Company Secretary (or other address that it notifies in writing); and
  - (ii) in the case of an Eligible Employee or Participant, to his normal place of work or at his last known address; or
- (c) by sending it by facsimile, email or any form of electronic transfer acceptable to the Committee:
  - (i) in the case of the Company to the facsimile number, email address or other number or address that the Company notifies; and
  - (ii) in the case of an Eligible Employee or Participant to the individual's workplace facsimile number or email address or his last known facsimile number or email address.

Any notice under Rule 11.1 will be given:

- (d) if delivered, at the time of delivery;
- (e) if posted, at 10.00 a.m. on the second business day after it was put into the post; or
- (f) if sent by facsimile, email or any other form of electronic communication, at the time of despatch.

In proving service of notice it will be sufficient to prove that delivery was made or that the envelope containing it was properly addressed, prepaid and posted or that the facsimile message, email or other form of electronic communication was properly addressed and despatched as appropriate.

11.2 Participation in the Plan shall not entitle a Participant to receive copies of any notice or other document sent by the Company to its shareholders prior to the Release and/or Exercise of the Award.

11.3 The Company shall bear the costs of establishing and administering the Plan.

11.4 The Company shall maintain or cause to be maintained all necessary accounts and records relating to the Plan.

11.5 A Participant may at any time prior to the Release and/or Exercise of an Award renounce the Award (in whole or in part) by serving notice in writing on the Company of such intention. The renunciation shall be effective from the date of receipt of such notice by the Company.

11.6 The Rules and the operation of the Plan shall be governed and construed in accordance with English Law.

## 12 Definitions

12.1 In these Rules the following words and expressions have the following meanings:

**Announcement Date** means the day on which the results of the Company are announced for any period

**Approval Date** means the date of approval of the Plan by shareholders in the Company at a general meeting

**Any Other Share Plan** means any 'employees' share scheme' (as such term is defined in section 1166 of the Companies Act 2006) (other than this Plan) which provides for the subscription of Shares by or on behalf of employees of the Company, or any associated company (within the meaning of Section 416 of the Act)

**Award** means a conditional entitlement to Shares or a Nil Cost Option over Shares

**Award Certificate** means a document evidencing an Award issued by the Company in such form as the Committee may from time to time prescribe

**Closed Period** has the meaning given to it under Article 19 (11) of the Market Abuse Regulations

**Committee** means the Remuneration Committee of the Company

**Company** means Hikma Pharmaceuticals PLC

**Control** has the meaning given to it by section 995 of the Income Tax Act 2007 (and 'Controlled' shall be construed accordingly)

**Conditional Share Award** means a right to acquire a number of Shares subject to the satisfaction of terms and conditions determined by the Committee in accordance with Rule 1.2 at no or nominal cost to the Participant

**Date of Grant** means the date on which an Award is granted under Rule 1

**Eligible Employee** means any employee of a Group Company (excluding executive directors) with a minimum period of continuous service with a Group Company, such minimum period to be determined by the Committee in its absolute discretion, or a trustee acting on behalf of such employee

**Emoluments** means base salary or notional base salary provided to an Eligible Employee

**Exchange** means the London Stock Exchange Limited or any other recognised exchange on which the Company's Shares are listed from time to time

**Exercise** means the payment of the Exercise Price and the resulting purchase of the Shares subject to the Released Award

**Exercise Price** means such value determined by the Committee in its discretion which must be paid by the Participant to acquire the Shares subject to his Released Award. The Committee may determine an Exercise Price for each Share subject to an Award or a single Exercise Price to Exercise some or all of the Shares subject to an Award

**Grant Period** means the period of forty two days commencing on:

- (a) the Approval Date;
- (b) the date of issue of any prospectus, listing particulars or other document containing equivalent information relating to Shares; or
- (c) the day following an Announcement Date;

or such other period during which the Committee considers that exceptional circumstances exist for the granting of Awards

**Group** means the Company, any 'Subsidiary' of the Company, any 'Holding Company' of the Company and any Subsidiary of any such Holding Company (as such terms are defined in section 1159 and 1261(1) respectively of the Companies Act 2006) and the term 'Group Company' shall be construed accordingly

**Holding Period** means a minimum period of two years from the Date of Grant set by the Committee in its discretion or, in the event that the Committee determines that exceptional circumstances exist, the period set by the Committee in its discretion which shall be such period from the Date of Grant of the Award

**Internal Reorganisation** means any offer, compromise or arrangement (including the events set out in Rule 7.1) which in the reasonable opinion of the Committee, having regard to the shareholdings in the Company and any acquiring company before and after the offer, compromise or arrangement and/or the consideration given for the acquisition of the Shares and/or any other matter which it considers relevant, is in the nature of an internal reorganisation or reconstruction of the Company or is a change in the shareholding of the Company not requiring or amounting to a general offer for the Company in accordance with Rule 7.1(a)

**Market Value** means on any dealing day means an amount equal to the closing price quoted for a Share on the Exchange

**Nil Cost Option** means a right to purchase a number of Shares subject to the satisfaction of the conditions and the payment of the Exercise Price

**Official List** means the register of listed securities and the prices of transactions published by the London Stock Exchange plc

**Participant** means an Eligible Employee who has been granted and still has a subsisting Award. Reference to a Participant shall include, where the context so admits or requires, his personal representatives

**Plan or MIP** means Hikma Pharmaceuticals plc 2018 Management Incentive Plan as established by the Rules

**Performance Requirements** means such performance requirements or conditions (if any) as the Committee shall determine which must normally be satisfied before an Award may be Released

**Released** means:

- (a) where an Award has been granted in the form of a conditional share entitlement the point when the beneficial and legal ownership of the Shares subject to an Award transfer to the Participant; and
- (b) where an Award has been granted in the form of a Nil Cost Option the point at which the Award can be Exercised.

**Release** shall be construed accordingly

**Rules** means these rules and the Schedules as amended from time to time in accordance with the amendment provisions of these rules

**Schedule** means the schedule to the Rules

**Shares** means ordinary shares in the capital of the Company

**Tax** means any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, made by any competent authority and interest or penalties in respect thereof

**Tax Payment** means an amount of Tax paid or payable by the Participant or the Group Company where the liability for such Tax is the Participant's in respect of the grant or Release or Exercise of an Award

**Trust** means any employee benefit trust which falls within section 86 of the Inheritance Tax Act 1984 and 'Trustees' shall be construed accordingly

12.2 Where the context so admits or requires words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter.

12.3 Any reference to a statute or a statutory provision shall be construed as if it referred also to that statute or provision as the same may from time to time be consolidated, replaced, amended or re-enacted and to any related statutory instrument or other subordinate legislation in force from time to time.

12.4 Wherever the Rules refer to the Committee having the ability to determine, decide or change matters howsoever this shall mean that the Committee shall be entitled to do so in its absolute and unfettered discretion and no person shall have any right to challenge, dispute or appeal whatsoever against the Committee's determination, decision or change howsoever made.

12.5 Headings, notes and footnotes to these Rules are included for convenience only and shall not affect the interpretation or construction of these Rules.

12.6 Reference to a 'company' shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

12.7 References to a 'person' shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having a separate legal personality).



## Voting

Voting on the Resolutions will be decided by poll. The Chairman will invite each registered Shareholder, duly appointed proxy and corporate representative at the meeting to complete a poll card indicating how they wish to cast their votes in respect of each Resolution. In addition, the Chairman will cast the votes for which he has been appointed as proxy. The proxy votes lodged in advance will be displayed at the meeting. Poll cards will be collected at the end of the meeting. Once the final results of the poll have been verified by the Company's registrars, they will be notified to the UK Listing Authority, announced through a Regulatory Information Service and available to view on the Company's website.

## Shareholders' rights to ask questions

Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

If you are a Shareholder who is unable to attend the Meeting, but have a specific question you would like to ask at the Meeting relating to the business being dealt with at the Meeting, you are invited to send the Company Secretary an email at [cosec@hikma.uk.com](mailto:cosec@hikma.uk.com) or write to him at the registered address at 1 New Burlington Place, London W1S 2HR.

## Documents available for inspection

Copies of:

- this Notice;
- the Form of Proxy;
- the letters of appointments, service agreements, deeds of indemnity of all Directors;
- the annual report and accounts for the year ended 31 December 2017; and
- the full rules of the MIP.

are available for inspection at Hikma's registered office during normal business hours from the date of this Notice until the date of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and after the meeting.

## Schedule and directions

The schedule and directions to the AGM, including a map can be found on the back cover of this document.

# Definitions

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## **Act**

The Companies Act 2006.

## **Annual General Meeting or AGM**

An annual general meeting of the Company, including any adjourned meeting.

## **BI**

Boehringer Ingelheim International GmbH.

## **Cents**

Cents of the United States Dollar.

## **Company**

Hikma Pharmaceuticals PLC.

## **CREST**

The trade settlement system of the Central Securities Depository.

## **CREST Manual**

A reference manual for the users of CREST as provided by Euroclear UK & Ireland Limited.

## **CREST Proxy Instruction**

A proxy appointment or instruction made using a message sent via CREST.

## **Directors or Board**

The directors of the Company, as a whole.

## **Directors' Remuneration Policy**

The Company's policy on remuneration of directors as set out in the Remuneration Committee Report 2016 and available on the Company's website, [www.hikma.com](http://www.hikma.com).

## **MIP**

The 2018 Company's Management Incentive Plan which is designed to incentivise management below the executive level, same as the 2009 Management Incentive Plan, predecessor to the proposed plan.

## **Form of Proxy**

The form of proxy accompanying this document for use by Shareholders in connection with the AGM.

## **IA**

The Investment Association.

## **Nominated Person**

A person nominated under section 146 of the Act to enjoy information rights.

## **Non-Executive Directors**

Ali Al-Husry, Robert Pickering, Patrick Butler, Dr. Pamela Kirby, Dr. Jochen Gann, John Castellani and Nina Henderson.

## **Notice**

The notice to Shareholders of Hikma's 2018 Annual General Meeting.

## **Ordinary Shares**

Ordinary shares of 10p each in the capital of the Company.

## **Registrar**

Link Asset Services whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

## **Remuneration Committee Report**

The report as prepared by the remuneration committee of the Company and disclosed in the 2017 Report and Accounts, in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

## **Shareholders**

Holders of Ordinary Shares.

## **Statement of Principles**

The Statement of Principles of Disapplying Pre-Emption Rights, as published by the Pre-Emption Group.

# Schedule and Directions to the Annual General Meeting

## AGM schedule

### Venue

Sofitel, St James, 6 Waterloo Place, London SW1Y 4AN

## Timings

### 9.30 a.m.

Doors open, registration begins, tea and coffee available. Opportunity to register questions with the Company Secretary

### 9.50 a.m.

Attendees to be seated

### 10.00 a.m.

AGM begins

### 11.00 a.m.

Expected closing

### 3.00 p.m.

Expected release of final AGM results on the Hikma website

## Your journey

### From Piccadilly Circus Station

Walk west on Coventry St/A4 towards Shaftesbury Ave/A401 then turn left onto A4. Turn left onto Regent Street and then bear left to stay on Regent Street. Continue onto Waterloo Place and the AGM venue will be on the left.

### From Charing Cross Station

Walk north-west and then turn left towards Strand/A4. Turn right towards Strand/A4 and then turn left onto Strand/A4. Continue to follow A4, bear left onto Pall Mall E/A4 Turn right onto Waterloo Place and the AGM venue will be on the right.

### Taxi

The Hotel forecourt can be used for drop-off and pick-ups.



