

Rule 9 Waiver FAQs

This document has been prepared based on the questions most commonly asked by shareholders in relation to Rule 9 Waivers during shareholder and proxy advisor engagements. We are publishing this on our website as a helpful aide for all shareholders.

If shareholders have any further queries or would like to discuss these points in any further detail, they should contact the Company Secretary (cosec@hikma.com).

1. What is the Rule 9 Waiver?

The Rule 9 Waiver is a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code for the Darhold Concert Party to make a mandatory offer for Hikma if, as a consequence of any share buyback activity on the part of Hikma, the aggregate ownership of the Darhold Concert Party reaches 30% or more of Hikma's voting capital.

The Rule 9 Waiver is reviewed and approved by the Takeover Panel annually ahead of its inclusion in the AGM Notice.

The Rule 9 Waiver in relation to the Buyback Authority is being sought under Resolution 21 at the 2026 AGM.

2. Does the authority under the Rule 9 Waiver have an expiry date?

Yes, each Rule 9 Waiver is valid for 12 months from the date it was approved by shareholders. Hikma intends to renew its Rule 9 Waivers on an annual basis to provide Hikma with additional flexibility to return value to shareholders, including through a possible future buyback programme.

3. What is the Buyback Authority?

The Buyback Authority provides Hikma with the authority to carry out a share buyback of up to 10% of the issued share capital of Hikma. This market-standard authority is in line with institutional investor guidance, in compliance with the provisions of the Companies Act 2006, and is typically sought every year by Hikma and its peers.

The Buyback Authority is being sought under Resolution 19 at the 2026 AGM.

4. What was the outcome of resolutions in relation to the Buyback Authority and Rule 9 Waiver at the 2025 AGM?

The Buyback Authority was approved with a majority of 99.21%.

The Rule 9 Waiver was approved with a majority of 93.41% of the independent shareholders of Hikma (being holders of Ordinary Shares other than the Darhold Concert Party).

The full 2025 AGM results announcement can be found [here](#).

5. Why did Hikma decide to launch a share buyback programme in 2026?

Hikma announced a share buyback programme of up to \$250 million on 26 February 2026 ([here](#)).

The buyback reflects the Group's strong cash generation, balance sheet strength and the Board's confidence in the future growth prospects of the business. The Board also considered investor feedback in making this decision and the support for share buybacks received from shareholders at the 2025 AGM (see FAQ No.4 for the outcome of the 2025 AGM). The buyback has been sized to maintain balance sheet efficiency whilst leaving significant headroom for continued investment opportunities.

6. Does the current share buyback programme have any impact on the resolutions and waivers to be sought at the 2026 AGM?

Hikma has amended the Buyback Authority being sought under Resolution 21 at the 2026 AGM to state that the specified number of shares included in the 2026 Buyback Authority (usually 10% of Hikma's share capital) will be adjusted (reduced) by the amount of shares bought back by Hikma after the Latest Practicable Date (9 March 2026), ahead of the publication of the Notice of Meeting for the 2026 AGM and before the AGM on 23 April 2026. The rationale for this approach stems from a desire to show awareness to any heightened scrutiny or sensitivity that may be expressed by shareholders and is a common approach adopted by FTSE companies seeking a Buyback Waiver while simultaneously undertaking a share buyback programme.

7. Why is Hikma seeking a Rule 9 Waiver in relation to the Buyback Authority?

A Rule 9 Waiver enables Hikma to fully exercise the authority granted under the Buyback Authority to make on-market purchases of up to approximately 10% of its issued Ordinary Share capital, which is a market standard authority in line with institutional investor guidance and is typically sought by Hikma and its peers on an annual basis. At our 2024 and 2025 AGM the Buyback Authority and Rule 9 Waiver were approved, together these resolutions provide Hikma with additional flexibility to return value to shareholders, including through a possible future buyback programme.

Hikma has strong cash generation and low leverage and would like the flexibility to return surplus capital to shareholders if appropriate. In February 2024 Hikma announced a change to the dividend policy ([here](#)), intending to progressively increase the dividend payout ratio, reflecting the Board's confidence in the long-term growth prospects for the group. We would equally like the optionality to augment the return of value to shareholders by way of a buyback.

The Board believes the Buyback Authority is most likely to promote the success of Hikma and is in the best interests of shareholders as a whole. The Board (excluding any directors in the Darhold Concert Party) has taken independent financial advice and believes that the Rule 9 Waiver is fair and reasonable and in the best interests of the independent shareholders (excluding the Darhold Concert Party) and Hikma as a whole.

The Rule 9 Waiver is designed to provide flexibility for Hikma to return value to shareholders, rather than to facilitate creeping control of Hikma by its longstanding shareholders. If shareholders vote against the Rule 9 Waiver and it is not passed at the 2026 AGM, then Hikma's optionality for a buyback will be restricted.

Further detail on the background to, and reasons for, the Rule 9 Waiver is set out in section 1 of Appendix II of the AGM Notice (pages 16-18).

8. How are decisions relating to the Rule 9 Waiver made by the Board (noting that the Darhold Concert Party is represented on the Board)?

When the Rule 9 Waiver was approved by the Board at its February 2026 meeting, the Concert Party Directors left the meeting. The Senior Independent Director took the Chair and only the Non-Concert Party Directors took part in the discussion.

Further detail on the Concert Party Directors and Non-Concert Party Directors is included in the glossary of the AGM Notice (pages 29-30).

9. Has Hikma sought Rule 9 Waivers before?

Since 2024 and from 2009 to 2015, Hikma sought similar Rule 9 Waivers, which were approved by shareholders in each case.

10. Has Hikma historically used its Buyback Authority to undertake share buybacks?

2026: Hikma announced a share buyback programme of up to \$250 million on 26 February 2026. At the Latest Practicable Date (9 March 2026), ahead of the publication of the Notice of Meeting for the 2026 AGM, 1,815,148 Ordinary Shares had been purchased and cancelled, at a cost of £22.8 million (USD 30.5 million).

2022: Hikma purchased and cancelled 12,499,670 Ordinary Shares.

2020: Hikma purchased 12,833,233 Ordinary Shares from Boehringer Ingelheim. These Ordinary Shares are held in treasury, do not receive dividends and hold no voting rights.

11. What are the intentions of the Darhold Concert Party in relation to Hikma?

The Darhold Concert Party is fully supportive of Hikma's management and has no intention of changing any aspect of Hikma's business or operations (including its current business operations or strategic direction or arrangements with respect to its employees, management, pension schemes, headquarters or business locations, fixed assets or trading facilities for its securities).

Further detail on the intentions of the Darhold Concert Party is set out in section 2 of Appendix II of the AGM Notice (page 17).

Further detail on the Darhold Concert Party is set out in section 4 of Appendix III of the AGM Notice (page 21).

12. What interests does the Darhold Concert Party hold in Hikma shares?

At the date of our 2026 AGM Notice, the Darhold Concert Party held 27.97% of Hikma's total issued share capital and 29.60% of Hikma's total voting rights. The Darhold Concert Party has held between 25% and 33% of Hikma total voting rights over the last 10 years.

Further detail on the current interests and dealing in Hikma shares by the Darhold Concert Party is set out in section 5 of Appendix III of the AGM Notice (pages 22 to 24).

13. What is the maximum potential holding of the Darhold Concert Party?

If the full buyback authority is exercised along with the maximum possible vesting of all share awards to the Darhold Concert Party, the Darhold Concert Party holding in Hikma could increase to a maximum of 33.99% of Hikma total voting rights. This assumes that:

- The Buyback Authority is exercised in full
- Maximum possible vesting of all in-flight share awards as well as share awards to be granted in 2026 and 2027 (in the ordinary course and up to a specified limit)
- No sales of shares by the Darhold Concert Party
- No further issuance of shares by the Company

Under a maximum potential holding scenario, the Darhold Concert Party holding in Hikma would remain in line with its historic levels.

Further detail, including a number of scenario analyses are set out in section 3 of Appendix II of the AGM Notice (page 17) and section 6 of Appendix III (pages 24 and 25).

14. What safeguards are in place to protect shareholder rights?

There are significant regulatory protections to guard against any creeping control of the Darhold Concert Party. The proposed Rule 9 Waiver only applies where the Darhold Concert Party shareholding increases as a consequence of:

- a share buyback implemented pursuant to the Buyback Authority, or
- in-flight share awards, which have been approved under previous Rule 9 Awards Waivers, or
- share awards to be granted in 2026 and 2027 (in the ordinary course and up to a specified limit, as approved by shareholders when they supported the 2023 remuneration policy)

Any increase in the Darhold Concert Party shareholding outside of the limited scenarios outlined above will not benefit from the Rule 9 Waiver meaning that the Darhold Concert Party remains subject to the Takeover Code requirement to make a mandatory offer for the company if its interest in Hikma reaches 30% or more in circumstances other than those very limited situations covered by the Rule 9 Waiver.

Further detail is included in section 4 of Appendix II of the AGM Notice (page 18).

Hikma has also amended the Buyback Authority being sought under Resolution 19 at the 2026 AGM to reduce the Buyback Authority by the number of shares bought back by Hikma between the Latest Practicable Date (9 March 2026), ahead of the publication of the Notice of Meeting for the 2026 AGM and the AGM on 23 April 2026, see FAQ No.6 for further detail.

15. What was the outcome of the resolution to approve the Directors' Remuneration Policy at the last AGM it was put to shareholders?

The Directors' Remuneration Policy received a strong level of shareholder support when it was last put to shareholders at the 2023 AGM, with a majority of 98.24% votes in favour. The Directors' Remuneration Policy will be put to shareholders at the 2026 AGM; no changes are proposed to the current Directors' Remuneration Policy. The Directors' Remuneration Policy sets out the maximum share award which may be granted to Executive Directors; these maximum amounts are taken into account when setting the maximum amounts under the Rule 9 Awards Waiver.

16. What shareholder engagement has Hikma undertaken in relation to the Rule 9 Waiver?

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 and address any concerns they may have. This included offering 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. In Q4 2024, Hikma also undertook an investor perception study to conduct an in-depth survey of current financial market sentiment towards Hikma. Amongst a number of topics discussed, views on Rule 9 Waivers were sought and no major concerns were raised.

Ahead of the 2025 AGM, Hikma undertook a further programme of shareholder engagement and prepared this FAQ document based on the most common queries and concerns raised on Rule 9 Waivers.

Hikma acknowledges that a Rule 9 Waiver is not a market-typical resolution and the associated safeguards that accompany it may not be well known. To address this point, Hikma has refreshed this FAQ document ahead of the 2026 AGM and will closely monitor levels of shareholder support for the Rule 9 Waivers at the 2026 AGM. In the event of any concerns, Hikma will engage with proxy advisers and shareholders on the rationale and merits of the Rule 9 Waivers as part of a constructive dialogue.

17. What recommendations have proxy advisors made historically in relation to the Rule 9 Waiver?

Hikma engages with proxy advisors which represent our shareholders, typically this includes ISS, Glass Lewis and IVIS, with the majority of our shareholders using one or a combination of ISS and/or Glass Lewis. The below table sets out the voting recommendations of ISS and Glass Lewis on the Rule 9 Waivers since 2024.

Proxy Advisor	Resolution	2024 voting recommendation	2025 voting recommendation
ISS	Rule 9 Buyback Waiver	Oppose	In favour
	Rule 9 Awards Waiver	In favour	In favour
Glass Lewis	Rule 9 Buyback Waiver	In favour	In favour
	Rule 9 Awards Waiver	In favour	In favour

Hikma engaged with ISS ahead of the 2024 AGM and has continued a dialogue since then to discuss their policy position to vote against Rule 9 Waivers, explaining the safeguards in place to protect against any creeping control, Hikma's rationale for seeking a Rule 9 Waiver, shareholder engagement activities and voting activity in relation to the Rule 9 Waivers. In 2025, ISS recommended that shareholders vote for the Rule 9 Waiver at the 2025 AGM, citing the support received from shareholders in relation to previous buyback authorities and the Directors' Remuneration Policy.

Other proxy advisors have not raised major issues in relation to Rule 9 Waivers and assess them on a case-by-case basis.