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HIKMA PHARMACEUTICALS PLC

(Incorporated and registered in England and Wales with Registered Number 5557934)

Notice of Annual General Meeting Waiver of Rule 9 of the Takeover Code in respect of the authority of Hikma to purchase its own shares and the grant of up to 150,600 LTIP Awards and up to 15,000 MIP Awards

The Annual General Meeting of Hikma Pharmaceuticals PLC ("**Hikma**") will be held at The Westbury, Bond Street, Mayfair, London W1S 2YF, on Thursday, 15 May 2014 at 11.00 a.m. 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 Hikma's registrars, Capita Asset Services, no later than 48 hours before the meeting, being 11.00 a.m. on 15 May 2014. 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.

Alternatively, you may register your proxy appointment and instructions on-line by visiting the website of Capita Asset Services, by logging onto www.capitashareportal.com, where full instructions are given. In order to register your vote on-line you will need to enter your Investor Code which appears on the top left-hand side of your share certificate.

Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained in the Notice of Annual General Meeting contained in this document.

To all Shareholders of Hikma Pharmaceuticals PLC



Dear Shareholder

8 April 2014

This document contains the Notice of the 2014 Annual General Meeting of Hikma Pharmaceuticals PLC. You are warmly invited to attend the meeting and, even if you are unable to attend, to vote on the resolutions by proxy by completing and returning the enclosed Form of Proxy.

This document contains explanatory notes for certain of the resolutions to be put to the Annual General Meeting. All resolutions will be voted on by way of a poll.

In line with the Company's succession plans, changes to the Board's composition have been developed and implemented during the year. Mr. Samih Darwazah, non-executive Chairman and Sir David Rowe-Ham, Senior Independent Director will retire from the Board at the end of this Annual General Meeting. The Board recommends that Mr. Said Darwazah, current Chief Executive, be appointed Chairman Chief Executive and that Mr. Robert Pickering, current Director, be appointed Senior Independent Director. As part of the Board's succession plan in the medium term, the Board further recommends the election of Mr. Patrick Butler as Non-Executive Director. You will find details of the Board appointments in Resolutions 4 to 12 and on pages 54 to 57 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

During the year, the Remuneration Committee undertook on behalf of the Board a review of executive incentive arrangements, in order to ensure that they remained aligned with the Company's longer term strategy. Following this review the Committee designed, developed and consulted on a new Executive Incentive Plan which will replace the existing bonus and Long Term Incentive Plans for executives. The key to the design was to develop performance metrics that focus on underlying profitability and long term strategic action, but are measured over a period whereby the executive equates what is received to their individual performance. A summary of the principal terms and rules of the proposed new EIP is set out in the Exhibit 1 to this Notice.

Your Board unanimously recommends that you vote in favour of each of the resolutions to be put to the meeting. As Said Darwazah, Mazen Darwazah, Ali Al-Husry and I are directly interested in the subject matter of Resolutions 21 and 22, which refer to the Waiver of Rule 9 of the Takeover Code in respect of the authority of Hikma to purchase its own shares and the grant of up to 150,600 LTIP Awards and up to 15,000 MIP Awards, we have not participated in the recommendation to vote in favour of these resolutions and such recommendation, which is unanimous, has been given by the Independent Directors. Resolutions 21 and 22, if passed, could result in the aggregate interests of the Concert Party (as defined below) in Hikma increasing and you are referred to the explanatory notes on pages 7 to 12 for further information in this regard.

EXPLANATORY NOTES

Accounts

Resolution 1: This resolution is to receive Hikma's accounts and the reports of the Directors and auditors for the financial year ended 31 December 2013.

Dividend

Resolution 2: This resolution is to approve the payment of a dividend of US\$0.17 (17 cents) (approximately 10 pence per Ordinary Share), comprising the final dividend for the year ended 31 December 2013 of US\$0.13 (13 cents) per Ordinary Share and a special dividend of US\$0.04 (4 cents) per Ordinary Share. The special dividend reflects the exceptional performance of the Generics business over the period. When the interim dividend is included, this creates a total dividend for the year of US\$0.27 (27.0 cents) per Ordinary Share (2013: 16 cents), of which 7 cents is special. This will be payable on 22 May 2014 to all Shareholders on the register at the close of business on 25 April 2014.

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 write to the Registrar, at the address provided at the end of the Notice, informing them of your currency selection.

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

Reappointment and remuneration of auditors

Resolution 3: This resolution is to re-appoint Deloitte LLP as auditors of Hikma, to hold office from the end of the Annual General Meeting to the end of the next Annual General Meeting at which accounts are laid before Hikma.

Resolution 4: This resolution is to authorise the Directors to fix the remuneration of the auditors.

Appointment of Mr Patrick Butler

Resolution 5: This resolution is to appoint Mr. Patrick Butler as a director of the Company. In accordance with the UK Corporate Governance Code, the Chairman is happy to confirm that Mr. Butler, who is putting himself forward for election was selected by the Nomination Committee following an extensive search process and is an excellent candidate for the Audit Committee chair. He has performed his role effectively and has demonstrated considerable commitment to the Board since his appointment on 1 April 2014. Details of the experience of Mr. Butler are set out on page 57 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr Said Darwazah

Resolution 6: This resolution is to reappoint Mr. Said Darwazah as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Darwazah's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Mr. Darwazah are set out on page 54 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr Mazen Darwazah

Resolution 7: This resolution is to reappoint Mr. Mazen Darwazah as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Darwazah's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Mr. Darwazah are set out on page 54 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr. Robert Pickering

Resolution 8: This resolution is to reappoint Mr. Robert Pickering as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Pickering's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Mr. Pickering are set out on page 55 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr Ali Al-Husry

Resolution 9: This resolution is to reappoint Mr. Ali Al-Husry as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Al-Husry's performance and considered the balance of skills and experience required and fully

supports his re-election. Details of the experience of Mr. Al-Husry are set out on page 56 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr Michael Ashton

Resolution 10: This resolution is to reappoint Mr. Michael Ashton as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Ashton's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Mr. Ashton are set out on page 56 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Mr Breffni Byrne

Resolution 11: This resolution is to reappoint Mr. Breffni Byrne as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Mr. Byrne's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Mr. Byrne are set out on page 56 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Reappointment of Dr Ronald Goode

Resolution 12: This resolution is to reappoint Dr. Ronald Goode as a director of Hikma. Hikma's policy is that each director will retire and, if appropriate, seek re-election on an annual basis. The Board has appraised Dr. Goode's performance and considered the balance of skills and experience required and fully supports his re-election. Details of the experience of Dr. Goode are set out on page 57 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Remuneration Policy 2014

Resolution 13: This resolution is to approve the remuneration policy for the financial year ending 31 December 2014. The policy is detailed on pages 90 to 105 and 112 to 115 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Remuneration Committee Report 2013

Resolution 14: This resolution is to approve the Remuneration Committee Report for the financial year ended 31 December 2013. The relevant section is detailed on pages 105 to 111 of the annual report and accounts for the year ended 31 December 2013, which accompanies this document.

Executive Incentive Plan

Resolution 15: This resolution is to approve and adopt the rules of the Executive Incentive Plan ("**EIP**"), the principal terms of which are summarised in Exhibit 1 to this Notice and a copy of the full rules will be available from the Company Secretary on request. The Company believes that the EIP provides a competitive incentive and retention tool which will drive underlying profitability and corporate strategy while ensuring that executive and shareholder interests are better aligned. The EIP replaces the existing Bonus Scheme and Long Term Incentive Plan. The Remuneration Committee intends to make an award under the EIP to executive directors annually.

Articles of Association

Resolution 16: This resolution is to approve an amendment to clause 90 of the Company's Articles of Association, to increase the non-executive directors' fee limit from £750,000 to £1,000,000 per annum. The Board recommends this increase in light of additional non-executive director appointments over the medium term, and the increased demands made upon non-executive directors in terms of time and commitment.

Authority to Allot Ordinary Shares

Resolution 17: 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 2013 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 up to an aggregate nominal amount equal to £6,605,233 (representing 66,052,330 Ordinary Shares). This amount represents approximately one-third of the issued ordinary share capital of Hikma as at 7 April 2014, the latest practicable date prior to publication of the Notice.

In line with guidance issued by the Association of British Insurers, paragraph (b) of this resolution would give the Directors authority to allot Ordinary Shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to £13,210,466 (representing 132,104,660 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 Hikma as at 7 April 2014, the latest practicable date prior to publication of the Notice.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the earlier of 30 June 2015 (the last date by which Hikma must hold an annual general meeting in 2015) or the conclusion of the annual general meeting of Hikma to be held in 2015.

Since the annual general meeting held in 2013, your Directors have used the section 551 authority then granted solely in respect of the issue of Ordinary Shares pursuant to option exercises under the Hikma 2004 Stock Option Plan, the LTIP, and under the MIP, issuing a total of 1,120,490 ordinary shares. In the year ahead, other than under paragraph (a) 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 exercising this authority.

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

Authority to disapply pre-emption rights

Resolution 18: 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 holdings. The authority granted at the annual general meeting in 2013 is due to expire at this year's Annual General Meeting. Resolution 18 will be proposed as a special resolution, which requires a 75 per cent. majority of the votes to be cast in favour. It would give the Directors the authority to allot Ordinary Shares (or sell any Ordinary Shares which Hikma elects to hold in treasury) for cash without first offering them to existing Shareholders in proportion to their existing shareholdings.

This authority is similar to the one passed in 2013, being limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities, if required by the rights of those Ordinary Shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £990,785 (representing 9,907,850 Ordinary Shares). This aggregate nominal amount represents approximately 5 per cent. of the issued ordinary share capital of Hikma as at 7 April 2014, the latest practicable date prior to publication of this Notice.

Allotments made in connection with the authorisation in paragraph (b) of Resolution 17 would be limited to allotments by way of rights issues only (subject to the right of the Board to impose necessary or appropriate limitations to deal with, for example, fractional entitlements and regulatory matters).

The authority will expire at the earlier of 30 June 2015 (the last date by which Hikma must hold an annual general meeting in 2015) or the conclusion of the annual general meeting of Hikma to be held in 2015.

Your Directors do not have any present intention of exercising this authority, but consider it desirable to have the flexibility to use it should the opportunity arise.

Authority to purchase Ordinary Shares

Resolution 19: This resolution will give Hikma authority to purchase its own Ordinary Shares in the market up to a limit of up to an aggregate nominal amount equal to £1,981,570 (representing 19,815,700 Ordinary Shares), being approximately 10 per cent. of its issued ordinary share capital. The maximum and minimum prices are stated in the resolution. Your Directors believe that it is advantageous for Hikma to have the flexibility to make market purchases of its Ordinary Shares. Your Directors will exercise this authority only if they are satisfied that it would be in the interests of Shareholders generally. If Ordinary Shares are purchased, they would either be cancelled (and the number of Ordinary Shares in issue would be reduced accordingly) or, subject to the Treasury Share Regulations, be retained as treasury shares. The Treasury Share Regulations enable companies to hold shares repurchased as treasury shares with a view to possible re-sale at a future date rather than having to cancel them. Hikma will consider holding repurchased Ordinary Shares pursuant to the authority conferred by this resolution as treasury shares. This would give Hikma the ability to re-issue treasury shares quickly and cost effectively and would provide Hikma with additional flexibility in the management of its capital base. Any issues of treasury shares for the purposes of Hikma's employee share schemes will be made within the 10 per cent. anti-dilution limit set by the Association of British Insurers. As at 7 April 2014, the total number of options and awards over Ordinary Shares that were outstanding under all of Hikma's share incentive plans was 1,857,291, which if exercised would represent 0.94 per cent. of Hikma's issued share capital at that date. If Hikma were to purchase its own Ordinary Shares to the fullest possible extent of its authority from Shareholders (existing and being sought), this number of outstanding options could potentially represent 1.04 per cent. of the issued share capital of Hikma.

If granted, the authority will expire at the earlier of 30 June 2015 (the last date by which Hikma must hold an annual general meeting in 2015) or the conclusion of the annual general meeting of Hikma to be held in 2015.

Since the annual general meeting held in 2013, your Directors have used the authority to purchase 210,000 ordinary shares of £0.10 each at an average price of 10.13 per share. The shares purchased were held as treasury shares and have been used to satisfy share option obligations arising under the LTIP.

Notice of General Meetings

Resolution 20: This resolution is required to reflect the provisions of the Regulations which increased the notice period for general meetings of Hikma to 21 days unless the Shareholders agree to a shorter notice period. In 2013, the Shareholders voted in favour of allowing Hikma 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, Hikma would like to preserve the flexibility to do so. In order to be able to do so, Shareholders must approve the calling of meetings on 14 days' notice. Resolution 20 seeks such approval. The approval will be effective until Hikma's next annual general meeting, when it is intended that a similar resolution will be proposed. Hikma will also need to meet the requirements for electronic voting under the Regulations before it can call a general meeting on 14 days' notice.

Waiver of Rule 9 of Takeover Code - Purchase of own Ordinary Shares

Resolution 21: The purpose of this resolution is to seek the approval of Independent Shareholders to a waiver, which the Panel has agreed to give (subject to such approval, to be sought by way of a vote taken by poll), of the obligation that might otherwise arise under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the Ordinary Shares not already owned by it as a result of the repurchase of Ordinary Shares by Hikma. Under Resolution 21 Hikma is seeking the authority to make market purchases of up to 19,815,700 Ordinary Shares. Your Directors believe that it is advantageous for Hikma to have the flexibility to make market purchases of its own Ordinary Shares, and if that resolution is passed will only exercise this authority if they are satisfied that it would be in the interests of the Shareholders generally. The Concert Party currently holds 31.66 per cent. of Hikma's issued share capital. Were Hikma to exercise the buy-back authority to its full extent and to the exclusion of the Concert Party such that the Concert Party maintained its current shareholding, that would result in the Concert Party's percentage interest in Hikma's issued share capital increasing to 35.37 per cent. (assuming that all Existing LTIP Awards and all Existing MIP Awards vest in full and all Options held by members of the

Concert Party are exercised and the resulting Ordinary Shares are retained, but not including the Share Awards proposed to be granted following the approval of Resolution 22). Any such percentage increase in its interest would trigger an obligation on the part of the Concert Party to make an offer for the entire share capital of Hikma pursuant to Rule 9 of the Takeover Code.

Please see the further disclosures on the Takeover Code and the Concert Party set out on pages 7 to 12 of this document.

Waiver of Rule 9 of Takeover Code – LTIP Awards and MIP Awards

Resolution 22: The purpose of this resolution is to seek the approval of Independent Shareholders to a waiver, which the Panel has agreed to give (subject to such approval, to be sought by way of a vote taken by poll), of the obligation that might otherwise arise under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the Ordinary Shares not already owned by it as a result of the grant (and subsequent vesting) of up to 150,600 LTIP Awards and up to 15,000 MIP Awards to certain key managers.

Should Shareholders approve this waiver, Hikma will grant these LTIP Awards and MIP Awards on 15 May 2014. The precise number of shares subject to the award is dependent on the closing share price the day immediately prior to grant. The value of the awards is determined and set at US\$1,686,000 for Said Darwazah and US\$1,132,000 for Mazen Darwazah. Irrespective of the share price, the number of shares awarded cannot exceed the number approved by Shareholders. By consenting to the waiver, Shareholders are also consenting to the award of the LTIP Awards and the MIP Awards, irrespective of whether Hikma is in a prohibited period at that time for the purposes of the Model Code. Hikma has previously received confirmation from the FCA that it may make the awards in this manner.

Takeover Code

The Takeover Code is issued and administered by the Panel and applies to Hikma because it is a public company which has its registered office in the United Kingdom and its securities admitted to the Official List. The Takeover Code and the Panel operate principally to ensure fair and equal treatment of shareholders in relation to takeovers, and also provide an orderly framework within which takeovers are conducted.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of Hikma during the 12 months prior to the announcement of the offer.

The Concert Party

Darhold holds 57,183,028 Ordinary Shares which, as at 7 April 2014 (the latest practicable date prior to the posting of this document), represented approximately 28.86 per cent. of the issued share capital of Hikma. Samih Darwazah, Said Darwazah, Mazen Darwazah and Ali Al-Husry are deemed to be acting in concert with Darhold due to being non-executive directors and shareholders of Darhold. Additionally, each of the persons named in the table on page 9, and the footnotes to the table, is deemed to be acting in concert with the others as they are either shareholders of Darhold or are considered to be part of the Concert Party for other reasons referred to below.

As at 7 April 2014, the latest practicable date prior to the posting of this document, each principal member of the Concert Party owned that number of Ordinary Shares and that number of Options and Share Awards shown in the table below and the total number of Ordinary Shares held by the Concert Party was 62,743,049, representing 31.66 per cent of Hikma's issued share capital.

For the years 2006, 2007, 2009, 2010, 2011 and 2012 the Panel agreed, with the approval of Independent Shareholders, to waive the requirement for the Concert Party to make a mandatory offer to Independent Shareholders as would otherwise have arisen under Rule 9 of the Takeover Code as a result of the grant and subsequent vesting of other share awards.

In 2013, the Panel agreed, with the approval of Independent Shareholders, to waive the requirement for the Concert Party to make a mandatory offer to Independent Shareholders as would otherwise have arisen under Rule 9 of the Takeover Code as a result of the grant and subsequent vesting of up to 155,000 LTIP Awards and 25,000 MIP Awards. Following such approval, the 2013 LTIP Awards and the 2013 MIP Awards were made by Hikma to members of the Concert Party. Assuming that the 2009, 2010, 2011, 2012 and 2013 LTIP Awards vest in full (and the resulting Ordinary Shares are retained), that all Existing MIP Awards vest in full (and the resulting Ordinary Shares are retained), and that all remaining Options held by members of the Concert Party at the date of the notice of annual general meeting in 2013 were to be fully exercised and the resulting Ordinary Shares retained by the Concert Party members, the Concert Party would have held, in aggregate, interests over 64,562,267 Ordinary Shares, which at that time represented 32.57 per cent of the issued share capital of Hikma (as enlarged by the exercise of Options then held by the Concert Party and the issue of Ordinary Shares to members of the Concert Party pursuant to the Existing LTIP Awards and Existing MIP Awards, but assuming no other issue of Ordinary Shares).

Darhold is a vehicle used by the Concert Party to hold Ordinary Shares in Hikma and therefore all shareholders of Darhold are deemed to comprise part of the Concert Party, whether or not they directly own Ordinary Shares in Hikma. In addition, the Concert Party includes close family relations of shareholders in Darhold who themselves own Ordinary Shares directly in Hikma. Mariana Melhem and Riham Khair are wives of shareholders of Darhold. Zahold Limited is a company owned by family members related to Samih Darwazah. Tala, Haya and Faisal Al-Husry are children of Mohammed "Ali" Khaldoun Al-Husry. Save for members which are companies, all the members of the Concert party are therefore either shareholders in Darhold or close relatives of such shareholders.

The table on page 9 identifies all of the directors of Darhold; it also includes all the members of the Concert Party, including directors of Darhold, shareholders of Darhold and other individuals deemed to comprise part of the Concert Party. Substantially all of Darhold's assets consist of its shareholding in Hikma.

Name of Concert Party Member	Number of Ordinary Shares	Percentage of issued Ordinary Shares	Number of Options remaining	Max no. of Ordinary Shares from Existing LTIP Awards	Max no. of Ordinary Shares from Existing MIP Awards	No. of Ordinary Shares to be granted pursuant to Share Awards in 2014	Enlarged number of Ordinary Shares	Percentage of enlarged share capital ¹	Percentage of Darhold owned (above 5 percent only)
Darhold Limited	57,183,028	28.857%	--	--	--	--	57,183,028	28.758%	--
Samih Taleb Mahmoud Darwazah ²	2,006,299	1.012%	--	--	--	--	2,006,299	1.009%	16.08%
Said Samih Darwazah ²	269,800	0.136%	--	307,000	--	82,200	659,000	0.331%	19.09%
Mazen Samih Taleb Darwazah ²	791,425	0.399%	--	190,000	--	60,600	1,042,025	0.524%	10.73%
Mohammed "Ali" Khalidoun Al-Husry ²	1,109,748	0.560%	--	--	--	--	1,109,748	0.558%	7.88%
Mohammed Mahmoud Mohammed Saffouri ²	--	--	--	--	--	--	--	--	7.68%
Khalid Bashir Yusuf Al-Alami ³	10,533	0.005%	--	--	--	--	10,533	0.005%	38.53%
Ziyad Bashir Yusuf Al-Alami ³	10,533	0.005%	--	--	--	--	10,533	0.005%	
Ghassan Bashir Yusuf Al-Alami ³	10,534	0.005%	--	--	--	--	10,534	0.005%	
May Samih T. Darwazah ³	6,757	0.003%	--	--	1,275	5,000	13,032	0.007%	
Moh'd T.M. Darwazah ³	--	--	--	--	--	--	--	--	
Hana Samih Taleb Darwazah ³	--	--	5,000	3,298	4,934	7,800	21,032	0.011%	
Areej Samir Abdel Razzaq Qutob ³	6,016	0.003%	--	--	--	--	6,016	0.003%	
Tareq Mazen Samih Taleb Darwazah ³	--	--	--	--	3,450	5,000	8,450	0.004%	
Walid Mazen Samih Taleb Darwazah ³	--	--	--	--	--	--	--	--	
Zeena Murad ³	--	--	--	--	3,249	5,000	8,249	0.004%	
Other members of Darhold ⁴	--	--	--	--	--	--	--	--	--
Zahold Limited ⁵	880,312	0.444%	--	--	--	--	880,312	0.443%	--
Mariana Melhem	370,000	0.187%	--	--	--	--	370,000	0.186%	--
Riham Khair	35,000	0.018%	--	--	--	--	35,000	0.018%	--
Tala Ali Al-Husry	17,688	0.009%	--	--	--	--	17,688	0.009%	--
Haya Ali Al-Husry	17,688	0.009%	--	--	--	--	17,688	0.009%	--
Faisal Sati Ali Al-Husry	17,688	0.009%	--	--	--	--	17,688	0.009%	--
Bashir Yusuf Moh'd Al-Alami ²	--	--	--	--	--	--	--	--	--
TOTAL	62,743,049	31.663%	5,000	500,298	12,908	165,600	63,426,855	31.898%	100%

1 Assumes that up to 150,600 LTIP Awards and the maximum number of MIP Awards are granted to members of Concert Party and vest in full, all Existing LTIP Awards and MIP Awards held by members of the Concert Party vest in full and are retained, all Options held by members of the Concert Party are exercised in full and retained and no other Ordinary Shares are issued, including in respect of Options held by other people.

2 Non- Executive Directors of Darhold Limited.

3 Each of Khalid Bashir Yusuf Alami, Ziyad Bashir Yusuf Alami, Ghassam Bashir Yusuf Alami, May Samih T. Darwazah, Moh'd T. M. Darwazah, Hana Samih Darwazah, Areej Samir Abdel Razzaq Qutob, Tareq Mazen Samih Darwazah, Walid Mazen Samih Taleb Darwazah and Zeena Maeyad Mansur Wajeh Murad hold less than 5 percent of the voting rights of Darhold.

4 Each of the following individually holds less than 5 percent of the voting rights of Darhold:

Lina Abdelrahim Hasan Abwaini	Huda (Moh'd Ali) Othman Bdaire	Taleb Khaled Taleb Darwazah
Ahmed Majdi Al Kayyali	Samih Said Samih Darwazah	Qamar Taleb Mahmoud Darwazah
Haitham Majdi Al Kayyali	Maher Khaled Taleb Darwazah	Karim Saad Khaled Taleb Darwazah
Majdah Majdi Al Kayyali	Ghalia Homan 'Mohammed Ali' Darwazah	Seema Saad Khaled Darwazah
Naimat Majdi Al Kayyali	Hala Homan 'Mohammed Ali' Darwazah	Karim Abdel Hamid Masoud Abdel Majid
Hedaiah Majdi Al Kayyali	Saad Khaled Taleb Darwazah	Khaled Abdel Hamid Masoud Abdel Majid
Mohammad Majdi Al Kayyali	Yasmin Said Darwazah	Masoud Abdel Hamid Masoud Abdel Majid
Halah Majdi Al Kayyali	Ahmad Khaled Taleb Darwazah	Deema Muayad Mansour Murad
Iman Majdi Al Kayyali	Lara M. T. Darwazah	Linda GJ Pinsonneault
Nadera Taleb Mahmoud Darwazah	Maha Khaled Taleb Darwazah	Natasha Omar Ramadan
Nirah S A Qutob	Salam Khaled Taleb Darwazah	Tamara Omar Ramadan
Samir Samir Abdel Razzaq Qutob	Faisal Moh'd T. Darwazah	Basel Mohamuod Mohammad Saffouri
		Fathiya Hasan Mohammed Saffouri

The combined holding of these individuals in Darhold Limited is 38.53% per cent, Darhold treasury shares excluded.
5 Zahold Limited, a Jersey company, holds all of the interest in Hikma's Ordinary Shares previously held by Zahi Darwazah & Co., which were transferred to Zahold Limited on 29 September 2010.

Proposed LTIP Awards

Hikma believes that LTIP Awards enable it to provide a competitive incentive and retention tool which is also cost effective in respect of both Shareholder dilution and income statement expense. This will be the last year of operation of the 2005 Long Term Incentive Plan ("**LTIP**"). Each LTIP Award has performance conditions attached which demonstrates the Remuneration Committee's desire to correlate incentive arrangements with the achievement of substantial performance. In 2014 the Remuneration Committee will, subject to the approval of the Shareholders, grant Said Darwazah an LTIP Award over up to 82,200 Ordinary Shares, Mazen Darwazah an LTIP Award over up to 60,600 Ordinary Shares and Hana Darwazah on LTIP Award up to 7,800 Ordinary Shares (all members of the Concert Party). Should Shareholders approve the Waiver, Hikma will grant these awards on 15 May 2014. By consenting to the Waiver, Independent Shareholders are also consenting to the award of the LTIP Awards on that date, irrespective of whether Hikma is in a prohibited period at that time for the purposes of the Model Code. The precise number of shares subject to the award is dependent on the closing share price the day immediately prior to grant. The value of the awards is determined and set at US\$1,686,000 for Said Darwazah, US\$1,132,000 for Mazen Darwazah and US \$144,000 for Hana Darwazah. Irrespective of the share price, the number of shares awarded cannot exceed the number approved by Shareholders.

Proposed MIP Awards

Hikma also believes in the importance of providing long term incentives to the key management below senior management who are the future of the business. MIP Awards enable Hikma to provide an effective retention tool for these executives and Hikma intends to make annual MIP Awards across this group of individuals. Participants will be notified of a maximum monetary entitlement, being a percentage of salary, the value of which will be awarded in the form of nil cost options over Ordinary Shares, based on the executive's performance against individual and Group KPIs. The MIP Awards vest two years after the date of award (being approximately three years after the commencement of the financial year to which the awards relate), subject to the participant remaining in employment with the Group during this period. Once MIP Awards have been made, the continued employment requirement is the only condition for vesting.

Hikma wishes to grant MIP Awards to May Darwazah, Zeena Murad and Tareq Darwazah, each a member of the Concert Party and is proposing MIP Awards that could vest over a maximum individual grant of 5,000 Ordinary Shares, to each of the above.

Effects of the Share Awards

The grant of LTIP Awards and MIP Awards in respect of which the Waiver (subject to Independent Shareholder approval) has been given will not increase the interests of the Concert Party to above 31.90 per cent. of the voting rights of Hikma (assuming that all grants of Share Awards in 2014 and Existing LTIP Awards vest in full, that all grants of Existing MIP Awards vest in full and that all Options currently held by members of the Concert Party were to be fully exercised and the resulting Ordinary Shares were in each case retained by the Concert Party members and that the Company does not repurchase any of its Ordinary Shares).

Each of Said Darwazah, Mazen Darwazah, Hana Darwazah, May Darwazah, Zeena Murad and Tareq Darwazah are members of the Concert Party and consequently the receipt by them of Ordinary Shares on vesting of Share Awards could give rise to an obligation pursuant to Rule 9 of the Takeover Code to make a mandatory offer to acquire the Ordinary Shares not owned by the Concert Party. The Independent Directors consider that it would undermine the purpose for which the Share Awards are granted to require such an offer to be made and accordingly are seeking a waiver of that obligation from Independent Shareholders for LTIP Awards to be granted to Said Darwazah, Mazen Darwazah and Hana Darwazah in respect of up to 150,600 Ordinary Shares in aggregate and for MIP Awards to be granted to May Darwazah, Zeena Murad and Tareq Darwazah in respect of up to 15,000 Ordinary Shares in aggregate.

Assuming that Share Awards are made in respect of the full number of Ordinary Shares referred to above, that all such grants vest in full, that all grants of Existing LTIP Awards and Existing MIP Awards vest in full and that all Options currently held by members of the Concert Party were to be fully exercised and the resulting Ordinary Shares were in each case retained by the Concert Party members and that the Company does not repurchase any of its Ordinary Shares, the Concert Party would hold, in aggregate, interests over 63,426,855 Ordinary Shares, representing 31.90 per cent. of the issued share capital of Hikma (as enlarged by the Existing LTIP Awards, Existing MIP Awards and Option Exercises by members of the Concert Party and the issue of Ordinary Shares pursuant to the Share Awards referred to above, but assuming no other issue of Ordinary Shares) versus 31.84 per cent. of the issued share capital of Hikma on a similar basis, prior to the grant of such Share Awards.

Waiver of the obligation to make a general offer under Rule 9 of the Takeover Code

The vesting of the LTIP Awards and the MIP Awards made in 2014 (together with the Existing LTIP Awards, Existing MIP Awards and Option Exercises) would increase the aggregate shareholding of the Concert Party in Hikma to 31.90 per cent. and thereby trigger an obligation on the part of the Concert Party, under Rule 9 of the Takeover Code, to make a general offer to all Shareholders to purchase their Ordinary Shares.

The Panel has agreed, subject to Resolution 22 being passed on a poll by Independent Shareholders at the AGM, to waive the requirement for the Concert Party to make a general offer to the Independent Shareholders as would otherwise arise under Rule 9 of the Takeover Code as a result of the grant and/or vesting of an aggregate of up to 150,600 LTIP Awards to Said Darwazah, Mazen Darwazah and Hana Darwazah and an aggregate of up to 15,000 MIP Awards to each of, May Darwazah, Zeena Murad and Tareq Darwazah. The members of the Concert Party may attend the AGM but will not be entitled to vote on this Whitewash Resolution.

Pursuant to its obligations under the Takeover Code, Hikma will announce the grant of Share Awards made from time to time together with their effect on the overall deemed control of the Concert Party.

Following any vesting of Ordinary Shares pursuant to the Existing LTIP Awards, the Existing MIP Awards, Option Exercises and Share Awards referred to above, the Concert Party will in aggregate hold more than 30 per cent. but less than 50 per cent. of the voting share capital of Hikma and, for so long as the members of the Concert Party continue to be treated as acting in concert for the purposes of the Takeover Code, any further increase by the Concert Party of its percentage interest in Hikma would be subject to the provisions of Rule 9 of the Takeover Code. Were the members of the Concert Party to cease to be treated as acting in concert, there would not currently be a prohibition on Darhold increasing its percentage interest in Hikma (subject to the provisions of Rule 9 of the Takeover Code) as it does not hold over 30 per cent. of the voting share capital of Hikma on its own. In such circumstances, Darhold could therefore increase its percentage interest in Hikma up to a total of 29.99 per cent. in aggregate (i.e. by a further 1.13 per cent. of the issued share capital of Hikma) without triggering an obligation under Rule 9 of the Takeover Code to make a takeover offer in respect of Hikma.

Interaction of Share Awards and purchase of own Ordinary Shares

The maximum vesting of the Share Awards (together with the Existing LTIP Awards, Existing MIP Awards and Option Exercises) could increase the aggregate shareholding of the Concert Party in Hikma by a total of 683,806 Ordinary Shares, with the effect of increasing the holding of the Concert Party to 31.90 per cent, assuming that the Company does not repurchase any of its Ordinary Shares. Subject to any extraordinary discretionary decision by the Remuneration Committee of Hikma, the earliest date on which the Share Awards may vest is 16 May 2017.

If the maximum repurchase of Ordinary Shares authorised under Resolution 19 was made and the Concert Party did not sell any Ordinary Shares in the repurchase, this would increase the aggregate shareholding of the Concert Party in Hikma to 35.37 per cent. (assuming that all Existing LTIP Awards and Existing MIP Awards vest in full and all Options held by members of the Concert Party are exercised and the resulting Ordinary Shares are retained but the Share Awards proposed in Resolution 22 were not granted).

If the maximum repurchase of Ordinary Shares authorised was carried out by Hikma and also the maximum number of Share Awards proposed in Resolution 22 vested, together with the Existing LTIP Awards, the Existing MIP Awards and Option Exercises these changes would increase the aggregate shareholding of the Concert Party in Hikma to 35.43 per cent. (assuming that the Concert Party did not sell any Ordinary Shares in the repurchase of Ordinary Shares and assuming no other issue of Ordinary Shares).

Intentions of the members of the Concert Party

In the event that the proportionate shareholding of the Concert Party increases as a result of the grant of the Share Awards or the repurchase of Ordinary Shares referred to above, the members of the Concert Party have confirmed that there would be no intention to cause Hikma to undergo a material change from the business carried on by it as at the date of this document. The Concert Party members further confirm that there would be no intention to effect any changes which would have material repercussions on employment or result in a change to the location of Hikma's places of business. In addition, the members of the Concert Party would not intend to terminate the continued employment of, or materially change the existing employment rights, including pension rights of, any of the employees of Hikma, redeploy Hikma's fixed assets or cease to maintain any of the trading facilities in respect of the Ordinary Shares in Hikma.

Since the annual general meeting held in 2013, your Directors have used the authority to purchase 210,000 ordinary shares of £0.10 each at an average price of £10.13 per share. The shares purchased were held as treasury shares and have been entirely used to satisfy share option obligations arising under the LTIP.

FURTHER INFORMATION

Your attention is drawn to the remainder of this document which contains further information relating to Hikma and the members of the Concert Party. Financial information on Hikma is set out in Hikma's annual report and accounts for the year ended 31 December 2013, with which this document has been posted.

RECOMMENDATION

The Independent Directors, who have been so advised by Centerview Partners, consider that the Waiver and the passing of the Whitewash Resolutions are fair and reasonable and in the best interests of Independent Shareholders and Hikma as a whole. In providing its advice, Centerview Partners has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolutions at the AGM, as they intend to do in respect of their entire holdings which amount to 63,066 Ordinary Shares, representing approximately 0.032 per cent. of Hikma's issued share capital.

Your Directors as a whole believe that the other proposals above are most likely to promote the success of Hikma for the benefit of Shareholders as a whole and unanimously recommend that you vote in favour of Resolutions 1 to 20 as they intend to do in respect of their entire holdings which amount to 4,240,338 Ordinary Shares, representing approximately 2.140 per cent. of Hikma's issued share capital.

Yours faithfully



Samih Darwazah
Chairman

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Independent Directors, who have been so advised by Centerview Partners, accept responsibility for the recommendation to vote in favour of the Whitewash Resolutions. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information relating to such recommendation contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The directors of Darhold whose names appear in paragraph 2.2 below accept responsibility for the information relating to the Concert Party contained in this document. To the best of the knowledge and belief of the directors of Darhold (who have taken all reasonable care to ensure that such is the case) the information relating to the Concert Party contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Directors, whose names appear in paragraph 2.1 below, accept responsibility for the information contained in this document other than the information referred to in paragraphs 1.1 and 1.2 above. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information for which they take responsibility contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE DIRECTORS OF HIKMA AND DARHOLD

- 2.1 The current Directors of Hikma, whose registered office is 13 Hanover Square, London W1S 1HW, are:

Samih Darwazah (Chairman)

Said Darwazah (Chief Executive Officer)

Mazen Darwazah (Vice-Chairman and Director)

Sir David Rowe-Ham (Non-Executive Director)

Ali Al-Husry (Non-Executive Director)

Michael Ashton (Non-Executive Director)

Breffni Byrne (Non-Executive Director)

Ronald Goode (Non-Executive Director)

Robert Pickering (Non-Executive Director)

Patrick Butler (Non-Executive Director)

- 2.2 The current directors of Darhold Limited, a privately held company incorporated in Jersey with company number 89009, with its registered office situated at 47 Esplanade, St. Helier, JE1 0BD, Jersey are:

Samih Darwazah

Said Darwazah

Mazen Darwazah

Ali Al-Husry

Bashir Al Alami

Mohammed Saffouri

Substantially all of Darhold's assets consist of its shareholding in Hikma. The shareholdings of Concert Party members who hold more than 5 per cent. of Darhold are set out in the table on page 9 of this document.

3. INTERESTS AND DEALINGS

3.1 Save as disclosed in the table in the explanatory notes in respect of Resolution 22, as at the close of business on 7 April 2014 (being the latest practicable date prior to the publication of this document), neither Hikma nor any person acting in concert with Hikma had any interest in Darhold.

3.2 As at the close of business on 7 April 2014 (being the latest practicable date prior to the publication of this document), the interests of the Directors and of their immediate families and of persons connected with the Directors (within the meaning of Section 252 of the CA 2006) in Ordinary Shares were as follows:

Name	Number of Ordinary Shares	Percentage of current issued share capital	Number of Options held	Number of LTIPs held
Samih Darwazah	2,006,229	1.01	-	-
Said Darwazah	269,800	0.14	-	307,000
Mazen Darwazah	791,425	0.40	-	190,000
Ali Al-Husry	1,109,748	0.56	-	-
Breffni Byrne	10,000	<0.01	-	-
Michael Ashton	18,566	0.01	-	-
Sir David Rowe-Ham	10,000	<0.01	-	-
Ronald Goode	17,000	0.01	-	-
Robert Pickering	7,500	<0.01	-	-
Patrick Butler	-	-	-	-

Mariana Melhem, who holds 370,000 Ordinary Shares, is a connected person of Said Darwazah.

The following dealings by the Directors and of their immediate families and of persons connected with the Directors (within the meaning of Section 252 of the CA 2006) have taken place during the period from 7 April 2013 until the date of this document:

Name	Date	Type of transaction	Price (£) per Ordinary Share	Number of Ordinary Shares
Samih Darwazah	16 October 2013	Sale of Shares	11.00	30,000
	24 October 2013	Sale of Shares	11.44	100,000
Said Darwazah	7 May 2013	Sale of Shares	9.77	40,000

	23 May 2013	Sale of Shares	9.88	188,445
	8 November 2013	Exercise of LTIPs	11.93	79,800
Mazen Darwazah	18 June 2013	Sale of Shares	9.90	70,000
	8 November 2013	Exercise of LTIPs	11.93	53,200
Ronald Goode	21 May 2013	Sale of Shares	9.83	5,700

The Concert Party

3.3 In addition to the dealings by members of the Concert Party set out in paragraph 3.2 above, the following dealings by members of the Concert Party have taken place during the period from 7 April 2013 until the date of this document (some earlier dealings by Zahold Limited are also included in the below table):

Name	Date	Type of transaction	Price (£) per Ordinary Share	Number of Ordinary Shares
May Darwazah	11 May 2013	Exercise of MIP	9.72	757
Hana Darwazah	11 May 2013	Exercise of MIP and Sale of Shares	9.72	2,760
Moh'd T. M. Darwazah	31 October 2013	Sale of Shares	11.98	3,100
Zahold Limited	22 April 2013	Sale of Shares	9.43	2,000
	23 April 2013	Sale of Shares	9.67	10,000
	24 April 2013	Sale of Shares	9.84	4,000
	24 April 2013	Sale of Shares	9.94	6,800
	24 April 2013	Sale of Shares	9.81	10,000
	24 April 2013	Sale of Shares	9.85	10,000
	25 April 2013	Sale of Shares	9.85	20,000
	26 April 2013	Sale of Shares	9.80	7,890
	07 June 2013	Purchase of Shares	9.38	19,500
	08 July 2013	Sale of Shares	10.80	10,000
	08 July 2013	Sale of Shares	10.36	20,000
	08 July 2013	Sale of Shares	10.45	26,800
	30 July 2013	Sale of Shares	10.95	50,000
	15 August 2013	Purchase of Shares	10.69	20,000
	21 August 2013	Purchase of Shares	10.90	1,000
	21 August 2013	Sale of Shares	11.16	2,000
	28 August 2013	Purchase of Shares	10.25	20,000
	29 August 2013	Sale of Shares	10.30	179
	30 August 2013	Sale of Shares	10.25	4,821
	09 September 2013	Sale of Shares	10.35	5,000
	10 September 2013	Sale of Shares	10.42	10,000
	16 September 2013	Sale of Shares	10.45	2,923
	19 September 2013	Sale of Shares	10.50	10,000
	26 September 2013	Sale of Shares	10.44	6,500
	15 October 2013	Sale of Shares	10.90	20,000
	18 October 2013	Sale of Shares	11.23	10,000
	18 October 2013	Sale of Shares	11.25	10,000
	22 October 2013	Sale of Shares	11.43	10,000
	23 October 2013	Sale of Shares	11.57	660
	23 October 2013	Sale of Shares	11.47	10,000
	24 October 2013	Sale of Shares	11.50	9,340
	31 October 2013	Sale of Shares	12.00	10,000
	01 November 2013	Sale of Shares	12.02	15,000
	04 November 2013	Sale of Shares	12.35	2,187
	11 November 2013	Purchase of Shares	11.67	2,189
	13 December 2013	Purchase of Shares	11.71	8,200
	18 December 2013	Sale of Shares	11.98	5,000
	18 December 2013	Sale of Shares	12.05	10,000

02 January 2014	Sale of Shares	12.69	20,000
02 January 2014	Sale of Shares	12.44	40,000
16 January 2014	Purchase of Shares	12.50	10,000
17 January 2014	Purchase of Shares	12.59	10,000
21 January 2014	Sale of Shares	12.70	5,000
24 January 2014	Purchase of Shares	12.31	30,000
05 February 2014	Purchase of Shares	11.90	20,000
14 February 2014	Sale of Shares	13.29	7,740
14 February 2014	Sale of Shares	13.27	10,000
14 February 2014	Sale of Shares	13.26	30,000
14 February 2014	Sale of Shares	13.00	40,000
20 February 2014	Sale of Shares	13.30	10,000
20 February 2014	Sale of Shares	13.22	25,000
21 February 2014	Sale of Shares	13.50	10,000
21 February 2014	Sale of Shares	13.51	10,000
21 February 2014	Sale of Shares	13.76	10,000
21 February 2014	Sale of Shares	13.80	10,000
21 February 2014	Sale of Shares	13.52	15,000
24 February 2014	Sale of Shares	14.02	5,000
24 February 2014	Sale of Shares	14.00	10,000
24 February 2014	Sale of Shares	14.05	20,000
28 February 2014	Sale of Shares	14.35	10,000
04 March 2014	Sale of Shares	14.60	5,000
05 March 2014	Sale of Shares	14.97	2,726

- 3.4 Save as disclosed in this document, neither any member of the Concert Party, nor any directors of Darhold, nor any person acting in concert with any member of the Concert Party, has any interests in the issued share capital of Hikma or any rights to subscribe or short positions in any Ordinary Shares nor have they had any dealings in or borrowed or lent relevant securities in the 12 months prior to the date of this document.

Other interests and dealings

- 3.5 Other than the holdings and dealings as set out in the table on page 9 and paragraphs 3.2 and 3.3 above, neither Hikma nor any Director or any person acting in concert with Hikma or a Director is interested in any relevant securities of Darhold or has any rights to subscribe or short positions in any relevant securities of Darhold nor have any of them borrowed or lent any such relevant securities.
- 3.6 Other than the holdings and dealings as set out in the table on page 9 and paragraphs 3.2 and 3.3 above, no Director nor any person acting in concert with Hikma is interested in any relevant securities of Hikma or has any rights to subscribe or short positions in any relevant securities of Hikma nor have any of them borrowed or lent any such relevant securities.
- 3.7 Other than as disclosed above or referred to in this document, as at the close of business of 7 April 2014 (being the latest practicable date prior to the publication of this document) no loan or guarantee has been granted or provided by Hikma to any Director or any person connected with them.

4. DIRECTORS' SERVICE AGREEMENTS

- 4.1 Said Darwazah and Mazen Darwazah are employed by the Group pursuant to service agreements, dated 1 July 2007 and 25 May 2006, respectively, which are ongoing unless terminated by at least 12 months' written notice. In the event of such termination, salary and benefits will be payable during the notice period. There is, however, no automatic entitlement to bonus payments or share incentive grants during the period of notice other than in accordance with the rules of Hikma's relevant incentive plan. In addition to the basic salary set out below, each Executive Director is capable of receiving an annual cash performance bonus of up to 200 per cent. of basic salary in accordance with the Group's remuneration policy. Furthermore, each Executive Director is entitled to participate in the LTIP, by receiving awards of up to 300 per cent. of basic salary in any given year (but with a functional ceiling of awards of 200 per cent. in accordance with the Group's

remuneration policy). Subject to the approval of shareholders at this meeting, in future each Executive Director will participate in the Executive Incentive Plan, instead of the Bonus Scheme and LTIP. The Executive Directors participate in the Hikma Pharmaceuticals defined contribution retirement benefit plan in accordance with the rules of the benefit plan relevant to employees of the Group based in Jordan, and are provided with the normal benefits in kind for executives of this level in a company of Hikma's size. There are no special provisions in the contracts of employment extending notice periods on a change of control, liquidation of Hikma or cessation of employment.

<u>Name</u>	<u>Basic Salary (2014)</u>
Said Darwazah	\$842,625
Mazen Darwazah	\$620,172

The salaries of Said Darwazah and Mazen Darwazah have increased for 2014 from \$802,500 and \$539,280 respectively. No other amendments to the service agreements have been made in the six months prior to the date of this document.

- 4.2 The Non-Executive Directors have each been appointed to the Board under letters of appointment dated as summarised below. Under the terms of their appointment, as subsequently amended, the Non-Executive Directors are paid the following annual fees:

<u>Name</u>	<u>Date of original Appointment Letter</u>	<u>Effective Date of original appointment</u>	<u>Previous Fees (£)</u>	<u>Revised Fees (£)</u>
Samih Darwazah*	17 July 2007	1 July 2007	200,000	210,000
Sir David Rowe-Ham*	27 October 2005	14 October 2005	91,000	95,000
Ali Al-Husry	1 November 2005	14 October 2005	76,000	80,000
Michael Ashton	20 October 2005	14 October 2005	91,000	95,000
Breffni Byrne	14 October 2005	14 October 2005	98,500	102,500
Ronald Goode	12 December 2006	12 December 2006	91,000	95,000
Robert Pickering*	1 September 2011	1 September 2011	83,500	95,000
Patrick Butler*	1 April 2014	1 April 2014	N/A	87,500

* The 2014 fees for these individuals will be pro-rated.

- 4.3 The annual fees payable to the Non-Executive Directors for the performance of their duties were revised as set out in the table in paragraph 4.2 above, with effect from 1 January 2014. No other amendments have been made to any such letters of appointment during the six months preceding the date of this document.

5. MATERIAL CONTRACTS

- 5.1 No contracts have been entered into by Hikma or any of its subsidiaries, other than in the ordinary course of business, within the period of two years prior to the publication of this document which are or may be material.

6. HISTORICAL MARKET VALUE OF ORDINARY SHARES

The following table shows the closing middle market quotations for an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the first dealing day in each of the six

months before the date of this document and for 7 April 2014 (being the latest practicable date before the publication of this document).

<u>Date</u>	<u>Price per Ordinary Share (pounds sterling)</u>
1 November 2013	12.02
2 December 2013	12.03
2 January 2014	12.77
3 February 2014	12.10
3 March 2014	14.30
1 April 2014	16.74
7 April 2014	16.64

7. **GENERAL**

7.1 Centerview Partners has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advice to the Directors in the form and context in which it appears.

7.2 There is no agreement, arrangement, or understanding (including any compensation arrangement) between the members of the Concert Party or any person acting in concert with them, and any of the Directors, recent directors of Hikma, Shareholders or recent shareholders of Hikma having any connection with or dependence upon the grant of the LTIP Awards and MIP Awards set out in this document, or having any connection with or dependence upon Hikma having the flexibility to enter into the Buyback.

7.3 No agreement, arrangement or understanding exists whereby any Ordinary Shares acquired pursuant to the vesting of the LTIP Awards or the MIP Awards will be transferred to any other person. Any Ordinary Shares acquired by Hikma under the Buyback if it does take place will be cancelled by Hikma or held as treasury shares and there is no agreement, arrangement or understanding to transfer such Ordinary Shares to any other person.

7.4 Save as referred to in the section entitled "Delivering our strategy" in the annual report and accounts of the Group posted with this document there has been no known significant change in the financial or trading position of Hikma since 31 December 2013. Information on the nature of Hikma's business and Hikma's financial and trading prospects can be found in Hikma annual report and accounts 2013, Business and Financial Review on page 20. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

7.5 All information relating to the financial position of the group required by Rules 24.3(a) and 24.3(c) of the City Code on Takeovers and Mergers may be found in (i) the audited consolidated accounts for Hikma for the financial years ended 31 December 2011, 2012 and 2013 which can be found on Hikma's website at <http://www.hikma.com/en/investors/reports.aspx> and (ii) the preliminary results announcement for the year ended 31 December 2013 dated 12 March 2014 which can be found at <http://www.hikma.com/en/media-center/financial-results/2014.aspx>. These accounts and the preliminary results announcement are hereby incorporated into this document. If you wish

to receive a hard copy of these documents, please contact Investor Relations at 13 Hanover Square, London, W1S 1HW or on +44 (0)20 7399 2760. No copies of this information will be sent to any person unless requested. In particular but without limitation, the information listed below relating to Hikma is hereby incorporated by reference into this document:

(a) Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Hikma for the three years ended 31 December 2013.

(b) Company annual report and accounts 2013, Group Income Statement on page 125. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

(c) Company annual report and accounts 2012, Group Income Statement on page 111. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

(d) Company annual report and accounts 2011, Group Income Statement on page 99. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

(e) A statement of assets and liabilities as shown in the latest published audited accounts of Hikma.

Company annual report and accounts 2013, Group Balance Sheet on page 127. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

(f) A cash flow statement as provided in the latest published audited accounts of Hikma

Company annual report and accounts 2013, Group Cash Flow Statement on page 129. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

(g) Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures.

Company annual report and accounts 2013, Significant Accounting Policies on pages 130 to 139. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.hikma.com/en/investors/reports.aspx>

Information relating to (a) to (g) above has not been published in an inflation adjusted form.

7.6 The address of each of the members of the Concert Party is c/o Hikma Pharmaceuticals LLC, PO Box 182400, 11118 Amman, Jordan.

7.7 In this section references to:

“bank” does not apply to a bank whose sole relationship with Hikma is the provision of normal commercial banking services;

“control” means a holding, or aggregate holding, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether or not the holding(s) give(s) de facto control.

8. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of Hikma at 13 Hanover Square, London, W1S 1HW and on the website of Hikma at <http://www.hikma.com/investors> up to and including 15 May 2014:

- (a) the Memorandum and Articles of Association of Hikma;
- (b) the written consent referred to in paragraph 7.1 above; and
- (c) this document.

Dated 8 April 2014

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Hikma Pharmaceuticals PLC (the "**Company**") will be held at The Westbury, Bond Street, Mayfair, London W1S 2YF, on Thursday 15 May 2014 at 11.00 a.m., to consider and, if thought fit to pass, the following resolutions. It is intended to propose resolutions 18 to 20 (inclusive) as special resolutions. Approval to resolutions 21 and 22 will be sought by way of a vote of the Independent Shareholders taken by poll, to be passed by way of a simple majority of those Independent Shareholders voting in favour of such resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Business

1. To receive the accounts for the financial year ended 31 December 2013, together with the reports of the Directors and auditors thereon. **(Resolution 1)**
2. To declare a final dividend on the Ordinary Shares of 17 cents per Ordinary Share in respect of the year ended 31 December 2013, payable on 22 May 2014 to shareholders on the register at the close of business on 25 April 2014. **(Resolution 2)**
3. To reappoint Deloitte LLP as auditors of the Company. **(Resolution 3)**
4. To authorise the Directors to set the remuneration of the auditors. **(Resolution 4)**
5. To appoint Mr. Patrick Butler as a director of the Company. **(Resolution 5)**
6. To reappoint Mr. Said Darwazah as a director of the Company. **(Resolution 6)**
7. To reappoint Mr. Mazen Darwazah as a director of the Company. **(Resolution 7)**
8. To reappoint Mr. Robert Pickering as a director of the Company. **(Resolution 8)**
9. To reappoint Mr. Ali Al-Husry as a director of the Company. **(Resolution 9)**
10. To reappoint Mr. Michael Ashton as a director of the Company. **(Resolution 10)**
11. To reappoint Mr. Breffni Byrne as a director of the Company. **(Resolution 11)**
12. To reappoint Dr. Ronald Goode as a director of the Company. **(Resolution 12)**
13. To approve the remuneration policy for the financial year ending 31 December 2014. **(Resolution 13)**
14. To approve the Remuneration Committee Report for the financial year ended 31 December 2013. **(Resolution 14)**

Special Business

15. To approve and adopt for a period of 5 years from the date of this meeting the Hikma Pharmaceuticals plc 2014 Executive Incentive Plan (the 'EIP'), the principal terms of which are summarised in the circular to this Notice of Meeting dated 8 April 2014, and the rules of the EIP which are produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification. **(Resolution 15)**
16. To approve the amendment to clause 90 of the Company's Articles of Association. **(Resolution 16)**

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 Ordinary Shares and grant rights to subscribe for, or convert any security into, Ordinary Shares:
- (a) up to an aggregate nominal amount within the meaning of section 551(3) and (6) of the Act) of £6,605,233 (such amount to be reduced by the nominal amount allotted or granted under (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 (within the meaning of section 551(3) and (6) of the Act) of £13,210,466 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer or invitation by way of a rights issue in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment, (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions 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,

these authorisations to expire at the conclusion of the next annual general meeting of the Company (or, if earlier, on 30 June 2015), save that the Company may before such expiry make any offer or agreement which would or might require Ordinary Shares to be allotted or rights to be granted, after such expiry and the Directors may allot Ordinary Shares, or grant rights to subscribe for or to convert any security into Ordinary Shares, in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

(Resolution 17)

18. That subject to the passing of resolution 17 above, the Directors be given power pursuant to sections 570(1) and 573 of the Act to:
- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by that resolution; and
 - (b) sell ordinary shares (as defined in section 560(1) of the Act) 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 to the allotment of equity securities for cash and the sale of treasury shares:

- (i) in the case of the authority granted under resolution 17(b) above (or in the case of any transfer of treasury shares), and otherwise than pursuant to paragraph (ii) of this resolution, up to an aggregate nominal amount of £990,785; and
- (ii) in connection with or pursuant to an offer or invitation to acquire equity securities (but in the case of the authority granted under resolution 17(a), by way of a rights issue only) in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions 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,

these authorisations to expire at the conclusion of the next annual general meeting of the Company (or, if earlier, on 30 June 2015), save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry 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 expired. **(Resolution 18)**

19. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary Shares of 10 pence each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, and where such Ordinary Shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:
- (a) the maximum number of Ordinary Shares which may be purchased is 19,815,700 representing approximately 10 per cent. of the issued ordinary share capital as at 7 April 2014;
 - (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 which may be paid for each Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for the Ordinary Shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased;
 - (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the annual general meeting to be held in 2015 or 30 June 2015, whichever is the earlier; and
 - (e) under this authority the Company may make a contract to purchase Ordinary Shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares pursuant to it as if this authority had not expired. **(Resolution 19)**
20. 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. **(Resolution 20)**
21. Subject to the time limitations set out in paragraph 19(d) of Resolution 19 above, that the Waiver granted by the Panel on Takeovers and Mergers (described in the circular to Shareholders dated 8 April 2014 (the "**Circular**")) of any requirements under Rule 9 of the Takeover Code (as defined in the Circular) for the Concert Party (as defined in the Circular) to make a general offer to Shareholders by reason of any buy back of up to 19,815,700 Ordinary Shares, as a result of which the aggregate interest of the Concert Party in Ordinary Shares could increase to 35.37 per cent. of the voting rights of the Company, be and is hereby approved. **(Resolution 21)**
22. That the Waiver granted by the Panel on Takeovers and Mergers (described in the Circular) of any requirements under Rule 9 of the Takeover Code for the Concert Party and persons acting in concert with them to make a general offer to Shareholders of the Company by reason of the issue of up to 165,600 Ordinary Shares to members of the Concert Party pursuant to the grant and vesting of up to 150,600 LTIP Awards and up to 15,000 MIP Awards (each as defined in the Circular) as a result of which the aggregate interest of the

Concert Party in Ordinary Shares would increase to 31.90 per cent. of the voting rights of the Company, be and is hereby approved. **(Resolution 22)**

NOTE: If the maximum repurchase of Ordinary Shares authorised proposed in Resolution 21 was carried out by the Company and also the maximum number of Share Awards (as defined in the Circular) proposed in Resolution 22 vested, together with the Existing LTIP Awards, the Existing MIP Awards and Option Exercises (each as defined in the Circular) these changes would increase the aggregate shareholding of the Concert Party in the Company to 35.43 per cent. (assuming that the Concert Party did not sell any Ordinary Shares in the repurchase of Ordinary Shares and assuming no other issue of Ordinary Shares).

By order of the Board

P A Speirs
Company Secretary

8 April 2014

Registered Office:
13 Hanover Square
London
W1S 1HW
United Kingdom

NOTES:

Proxies

1. A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of Hikma 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 Hikma's registrars, Capita Asset Services, Proxy Department, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or by hand (during normal business hours only) or at the electronic address provided below, in each case no later than 48 hours before the meeting. Therefore, please deposit your form before 11.00 a.m. on 13 May 2014. 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 Hikma.

Electronic proxies

2. Alternatively, you may register your proxy appointment and instructions on-line by visiting the website of Capita Asset Services, by logging onto www.capitashareportal.com, where full instructions are given. In order to register your vote on-line you will need to enter your Investor Code which appears on the bottom right-hand side of your share certificate.

CREST electronic proxies

3. 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 www.euroclear.com/CREST). 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 11.00 a.m. on 13 May 2014. 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.

Hikma 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.

Documents on display

4. Copies of service agreements under which the Executive Directors of Hikma are employed together with copies of the terms and conditions of appointment of Non-Executive Directors 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 during the meeting.

Right to attend and vote

5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), Hikma specifies that in order to have the right to attend and vote at the 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 holders of the Ordinary Shares of Hikma by no later than 6.00 p.m. on 13 May 2014 or, if the meeting is adjourned, a person must be entered on the register of holders of the Ordinary Shares of Hikma by not later than 6.00 p.m. on the day 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.
6. Shareholders should note that it is possible that, pursuant to requests made by members of Hikma under section 527 of the Companies Act 2006, Hikma may be required to publish on a website a statement setting out any matter relating to:
 - (i) the audit of Hikma'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 Hikma 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.

Hikma may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where Hikma is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to Hikma'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 Hikma has been required under section 527 of the Companies Act 2006 to publish on a website.

Nominated Persons

7. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 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 appointment of proxies set out in paragraphs 1 to 6 above, does not apply to Nominated Persons. Those rights can only be exercised by shareholders of Hikma.

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Ordinary Shares.
9. Any member attending the Annual General Meeting has the right to ask questions. Hikma 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 Hikma or the good order of the meeting that the question be answered.

Communication

10. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice (or in any related documents including the annual report and accounts and the Form of Proxy) to communicate with Hikma for any purposes other than those expressly stated.

Voting Rights

11. As at 7 April 2014 (being the last business day prior to publication of this Notice) Hikma's issued share capital consists of 198,156,997 Ordinary Shares (no shares held in treasury), carrying one vote each. Therefore, the total voting rights in Hikma as at 7 April 2014 are 198,156,997.
12. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at <http://www.hikma.com/en/investors/shareholder-services/annual-general-meeting.aspx>

Exhibit 1 – 2014 Executive Incentive Plan

Letter from the Chairman of the Remuneration Committee of Hikma Pharmaceuticals plc

Shareholders and, for their information only, the participants in the Share Plans.

8 April 2014

Dear Shareholder,

PROPOSED INTRODUCTION OF THE HIKMA PHARMACEUTICALS PLC 2014 EXECUTIVE INCENTIVE PLAN

In this letter and Appendices 1 and 2, we provide you with an explanation of the ordinary resolution set out in the Notice of Annual General Meeting (the 'AGM'), which is being submitted to Shareholders to approve the introduction of the Hikma Pharmaceuticals PLC 2014 Executive Incentive Plan (the 'EIP' or 'Plan').

Resolution 15 - Ordinary Resolution

THAT the Hikma Pharmaceuticals plc 2014 Executive Incentive Plan (the 'EIP'), the principal terms of which are summarised in the circular to this Notice of Meeting dated 8 April 2014, and the rules of the EIP which are produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification, be and are hereby approved and adopted for a period of 5 years from the date of this meeting, subject to and in accordance with the Rules of the Plan.

Background

On the IPO of the Company it introduced the following Executive incentive plans:-

- Hikma Pharmaceuticals plc Annual Bonus Plan (the 'Bonus Plan'); and
- Hikma Pharmaceuticals plc Long-Term Incentive Plan (the 'LTIP').

The last year of operation of LTIP is 2014 and the Remuneration Committee is proposing to replace both the Bonus Plan and LTIP with a single arrangement, the EIP.

The following table shows a comparison between the maximum incentive opportunity under the Company's existing incentive plans and the proposed EIP:-

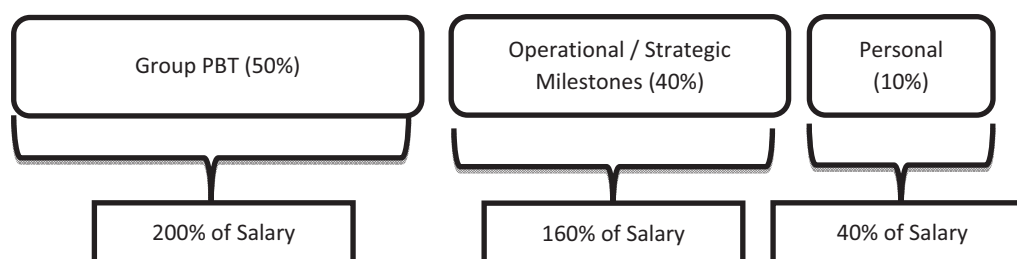
	Current Plans (Maximum %age of Salary)		EIP (Maximum %age of Salary)		
	Cash Bonus	LTIP	Annual Cash (Element A)	Deferred Shares (Element B)	Deferred Shares (Element C)
Timing of Payment	Annual	3 years	Annual	2 years	3 years
Maximum	200%	300%*	150% ↓	150% ↑	100% ↑
TOTAL	500% (400%)		400%		

* This is the Plan maximum (in practice the operational maximum has been 200%).

Overview of the EIP

The following paragraphs set out an overview of the operation of the EIP:-

- The Remuneration Committee will set annual performance targets for awards under the EIP. At the end of each year the Committee will determine the level of incentive earned for that year. The performance conditions and the level of the maximum award capable of being earned for their satisfaction are as follows:-



- There will be full retrospective disclosure of the granular detail of the performance targets for each of these performance conditions, the actual level of performance and the corresponding level of award

earned in the relevant Remuneration Committee Report.

- The maximum annual incentive opportunity is 400% of salary. The award earned is provided in the following manner:-
 - **Element A** – this the annual cash bonus element of the EIP. The maximum cash bonus payable is 150% of salary;
 - **Element B** – this is provided in the form of deferred shares with a maximum value payable of 150% of salary. Element B Awards are subject to the following conditions:-
 - a deferral period of two years;
 - a risk of performance based forfeiture each year of the deferral period of up to 50% of the cumulative deferred Element B shares which have not vested:-

Example

The effect of maximum forfeiture in each year of deferral for a single Element B Award

Year 1	Operation of Maximum Forfeiture in Plan Year 2	Operation of Maximum Forfeiture in Plan Year 3	Final Value of Element B on Vesting
Element B earned 150% of salary	Element B reduced from 150% of salary to 75%	Element B reduced from 75% of salary to 37.5%	37.5% (= 150% - 75% - 37.5%)

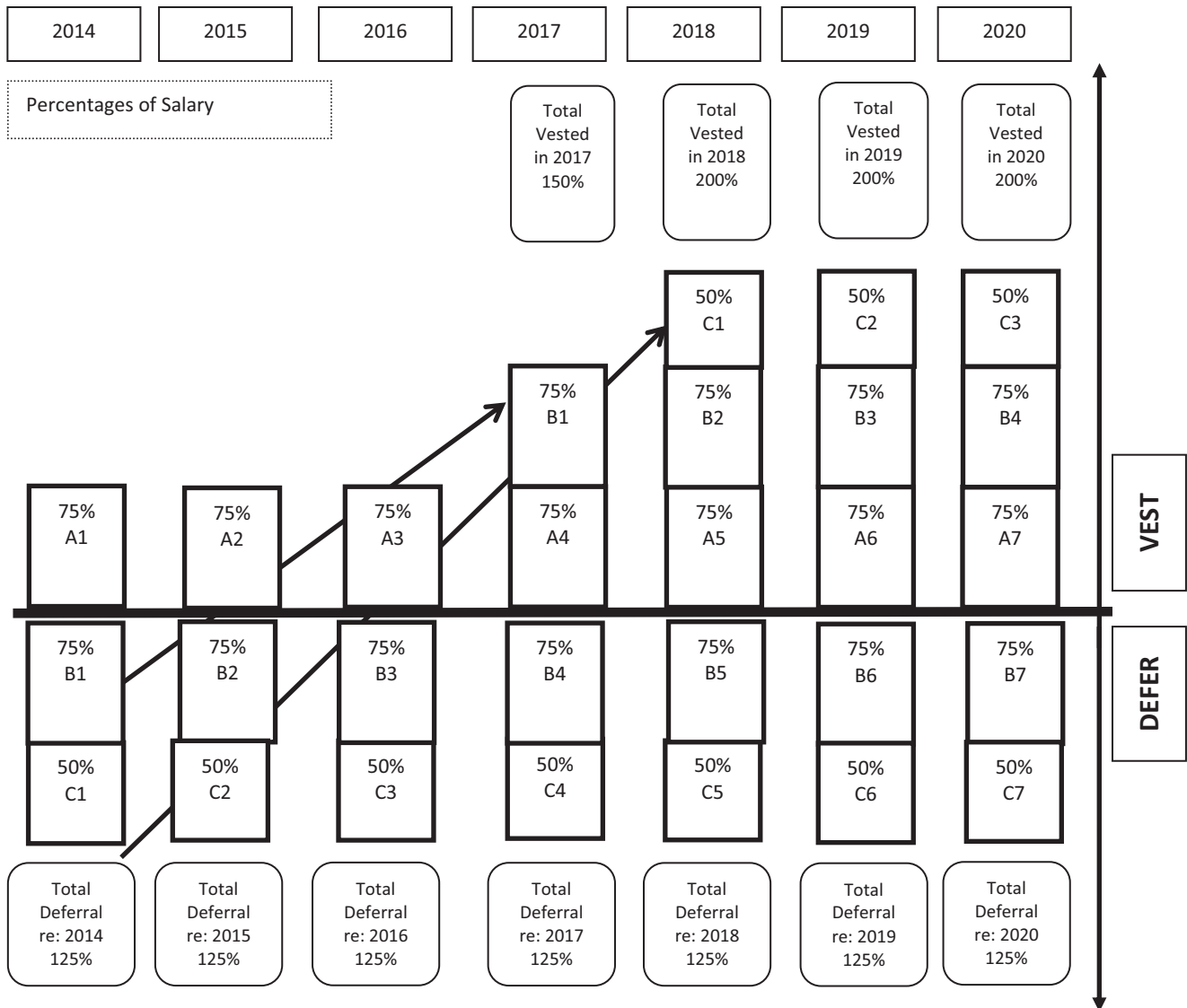
- **Element C** – this is provided in the form of deferred shares with a maximum value payable of 100% of salary. Element C Awards are subject to the following conditions:-
 - a deferral period of three years;
 - continued employment on the 3rd anniversary of the date of grant. There are no performance conditions which have to be satisfied on vesting (clearly no Element C would have been earned if the annual performance targets had not been met for the relevant year).
- **Holding Period** – 50% of the shares awarded under Element B and Element C are subject to a five year holding period (which may be extended at the Committee’s discretion) during which vested shares cannot be sold.
- **Shareholding Requirement** -
 - An integral part of the EIP is the associated shareholding requirement. The shareholding requirement will operate in the following manner:-
 - Only shares unconditionally owned by the Key Executive will count against the requirement;
 - No shares may be sold by the Key Executive (with the exception of shares sold to the pay tax due on vesting / exercise) until his or her shareholding requirement is met and no shares may be sold if the result of the sale is to reduce the Key Executive’s shareholding below his or her shareholding requirement. The objective is for Key Executives to build up and maintain a minimum level of shareholding throughout their employment with the Company. The Committee believes that this is a more effective way of achieving this objective rather than attaching additional holding periods to specific grants under the Company’s share incentive arrangements which may or may not vest.
 - The following table sets out the proposed shareholding requirement for participants in the EIP:-

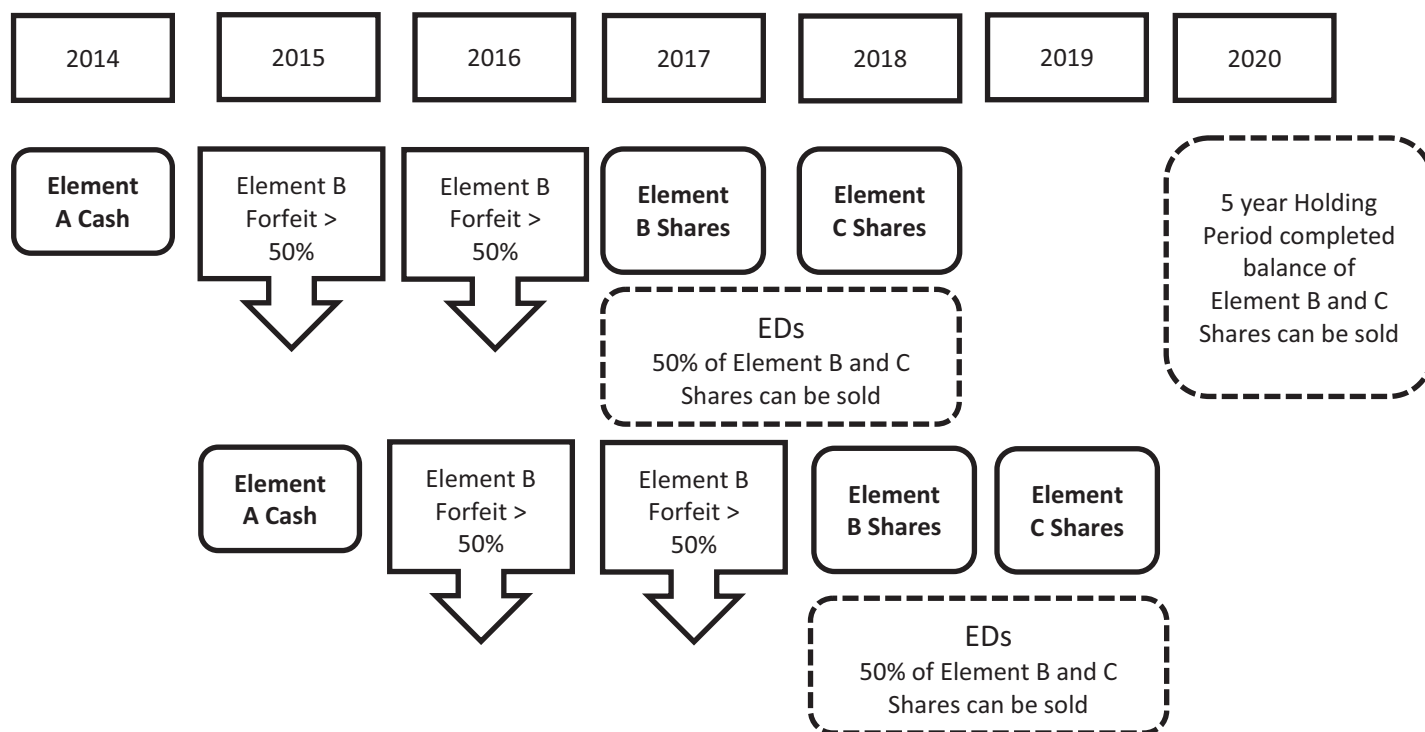
Level	Shareholding Requirement (%age of Salary)	Current Shareholding (%age of Salary)
CEO	300%	Substantially in excess
Deputy Chairman	300%	Substantially in excess
Member of Executive Committee	200%	All above 200%

Schematic for the EIP

The following schematics show the operation of the EIP for 7 years assuming a 50% of maximum is awarded each year based on the CEO’s participation. The following table sets out the terminology used:-

Abbreviation	Meaning
A1-A7	Annual payment of the cash bonus (Element A). A1 relates to the first year of operation 2014, A2 to 2015 etc.
B1-B7	Annual award of deferred shares at risk of performance based forfeiture. B1 relates to the award of Element B shares in respect of 2014 performance made in 2015 which will vest two years after the date of grant in 2017. B2 to the grant in respect of 2015 performance made in 2016 which will vest in 2018 etc.
C1-C7	Annual award of deferred shares with time based vesting. C1 relates to the award of Element C shares in respect of 2014 performance made in 2015 which will vest three years after the date of grant in 2018. C2 to the grant in respect of the 2015 performance made in 2016 which will vest in 2019 etc.





Factors Influencing Design of the EIP

There are a number of specific factors which have had a material impact on the Remuneration Committee's design for the EIP and which are unusual for a FTSE 250 company. They are:-

- **International Company** – The Company's Key Executives are predominately based in the Middle East or America. The Company therefore needs to be competitive in these markets to retain and attract appropriate talent. This raises the following remuneration challenges:-
 - the need to offer sufficient leveraging in the incentives to be reasonably competitive compared to US pharmaceutical companies within the parameters possible for a UK FTSE 250 company;
 - there is a strong short-term remuneration focus by Executives in the Middle East which imposes a number of challenges in the design of incentives for a UK Listed FTSE 250 company. The Company's experience of the existing LTIP is that it has not had the impact on the incentivisation and retention of Executives in the MENA region which would have been expected given the level of historic payout;
 - in both the US and Middle East equity is generally subject to time based vesting following grant. This provides a challenge to the UK approach of multi-year performance conditions.

In the opinion of the Remuneration Committee, the Board and participants, the current Management Incentive Plan ('MIP') has been a more successful incentive and retention arrangement for the Company compared to the Bonus Plan and the LTIP. The MIP operates for more junior levels of management who do not participate in the LTIP. The success of the Plan has largely been due to the annual assessment of the performance conditions allowing participants to know the payment they will receive and the value of the deferred element in shares, determined at the end of each year ensuring the maximum retention impact.

The Element A and Element B of the proposed EIP are based on the MIP but with the addition of performance based forfeiture for Element B under the EIP.

- **Requirement to Adapt to a Changing Business Environment** – The following issues need to be handled on a flexible basis to reflect a rapidly changing business environment:-
 - the Company's strategy is to operate with the majority of its business in the MENA region. Political and economic change may cause a lack of visibility of revenues and profits. As a result, the application of conventional metrics used by more traditional incentive plans would likely fail to reward the successful execution of the Company's strategy, one that has been widely supported by investors. The Company has experienced this in practice when dealing with the

- impact of the Arab Spring on the current incentive arrangements and the constant change in key markets such as Egypt;
- Given such evolving and in some cases highly volatile market conditions, it is difficult to establish testing but realistic multi-year targets without also being able to amend such targets in response to significant changes to market dynamics as a result of such changes– a process that creates a higher degree of uncertainty for participants, shareholders and the Company; and
- comparative total shareholder return targets are inappropriate as even other industry comparators have a very different business mix in terms of product, geographic spread and business model, implying very different risk exposure.

Design Principles

The factors set out above have influenced the design of the EIP as follows:-

- Annual retrospective disclosure of the level of satisfaction of performance conditions for the EIP should give shareholders greater control due to visibility of the decisions made by the Remuneration Committee.
- The Company can provide a greater degree of transparency using an annual retrospective assessment of key performance indicators ('KPIs') compared to the disclosure of forward looking multiple year KPI targets.
- The Committee believes that the annual assessment of a range of predominately financial measures and including operational and strategic objectives with a substantial proportion of incentives earned paid in shares which have to be retained for significant periods should ensure:-
 - the ultimate value of the incentives earned will reflect the long-term sustainable performance of the Company;
 - the value to the recipient of any incentive earned (following the achievement of financial performance conditions and operational and strategic KPIs), will be dependent on the market's judgment that long-term sustainable shareholder value has been created since the majority of the incentive compensation will be made in the form of shares that cannot be sold due to:-
 - the restrictions under Element B and C of the EIP; and
 - the high minimum shareholding requirement.
- Relevance & Simplicity to Participants – it is the opinion of the Remuneration Committee that the best incentive plans are those that can easily be described and understood by participants. The EIP meets this important criterion as it is one umbrella Plan with the following features; an annual assessment of performance using financial measures and operational and strategic KPIs (Elements A & B of the EIP is already operated by the Company for Senior Management under the MIP and therefore is something the Company is familiar with); depending upon the level of performance achieved, a participant receives an annual contribution into their plan account paid part in cash, part in deferred shares which are at risk and part in deferred shares with a 3 year vesting period; with 50% of all shares earned subject to a holding period of five years from the date of award before they can be sold.

Shareholder Consultation

The Remuneration Committee has consulted with its 10 top shareholders as well as the main Shareholder representative bodies prior to finalising the design of the EIP. The Remuneration Committee is grateful for Shareholders' comments and engagement during the consultation process. At the end of this process the Remuneration Committee was pleased that the majority of Shareholders consulted were supportive of the Plan.

Board Recommendation

The Board considers the Plan to be in the best interests of the Company and Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the ordinary resolution set out in the AGM Notice, as all the Directors intend to do in relation to their own individual holdings which amount in aggregate to 4,240,338 Shares, representing 2.14% of Hikma Pharmaceuticals' issued share capital as at the date of this Letter.

Yours faithfully,

Michael Ashton

Chairman of the Remuneration Committee

Appendix 1

KEY TERMS AND CONDITIONS OF THE EIP

This Appendix 1 sets out the key terms of the EIP summarised in the Letter from the Chairman of the Remuneration Committee.

Term of the Plan	Element A	Elements B&C								
Eligible Participants	The EIP participation is limited to Executive Directors and the next levels of Key Executives. The following table sets out the current proposed number of Participants:-									
	<table border="1"> <thead> <tr> <th>Level in Company</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td>2</td> </tr> <tr> <td>Key Executives</td> <td>33</td> </tr> <tr> <td>TOTAL</td> <td>35</td> </tr> </tbody> </table>		Level in Company	Number	Executive Directors	2	Key Executives	33	TOTAL	35
Level in Company	Number									
Executive Directors	2									
Key Executives	33									
TOTAL	35									
Overview of operation	<p>Element A</p> <ul style="list-style-type: none"> • Maximum annual Company contribution into Participant's Plan Account of 150% of salary; • Contributions will be earned based on the PBT performance of the Company (50%), Operational Milestones achieved (40%) and personal objectives achieved (10%); measured annually; • Contributions will be paid in cash. 	<p>Element B</p> <ul style="list-style-type: none"> • Maximum annual Company contribution into Participant's Plan Account of 150% of salary; • Contributions will be earned based on the PBT performance of the Company (50%), Operational Milestones achieved (40%) and personal objectives achieved (10%); measured annually; • Contributions will be paid in the form of deferred shares. Element B Awards are subject to the following conditions:- <ul style="list-style-type: none"> • a deferral period of two years; • a risk of performance based forfeiture each year of the deferral period of up to 50% of the cumulative deferred Element B shares which have not vested. <p>Element C</p> <ul style="list-style-type: none"> • Maximum annual Company contribution into Participant's Plan Account of 100% of salary; • Contributions will be earned based on the PBT performance of the Company (50%), Operational Milestones achieved (40%) and personal objectives achieved (10%); measured annually; • Contributions will be paid in the form of deferred shares. Element C Awards are subject to the following conditions:- <ul style="list-style-type: none"> • a deferral period of three years; • continued employment on the 3rd anniversary of the date of grant. There are no performance conditions which have to be satisfied on vesting (clearly no Element C would have been earned if the annual performance targets had not been met for the relevant year). 								
Sale Restrictions	In respect of the Executive Directors 50% of the shares earned under Elements B and C cannot be sold for five years from their date of award.									

Cessation of Employment**All Elements (A, B & C) for Year of Cessation**

Good Leaver	Bad Leaver
The Participant who is a good leaver will receive an immediate award in cash for the year during which his cessation of employment occurs pro-rated to the amount of the year completed on his cessation and based on the level of satisfaction of the performance targets set.	No entitlement to a payment in respect of the year of cessation.

Unvested Element B and C Awards at Date of Cessation

Good Leaver	Bad Leaver
All Element B and C Awards vest (the performance conditions were met on grant).	All Element B and C Awards Lapse.
Sale restrictions will continue to apply.	

Good Leaver Definition:-

- death;
- injury / disability;
- retirement;
- redundancy;
- sale of part of business;
- Committee discretion (which if exercised will be justified and explained in full to shareholders in the relevant Remuneration Committee Report).

Change of Control**All Elements (A, B & C) for Year of Change of Control**

The Participant will receive an award in cash immediately prior to the date of the change of control (and conditional on the change of control actually occurring) based on the level of satisfaction of the performance targets at this date pro-rated to the amount of the bonus year completed on the change of control subject to the Remuneration Committee's discretion to waive or partially waive pro-rating.

Unvested Element B and C Awards at Date of Change of Control

The shares subject to Element B and C Awards will vest in full on a change of control (the performance conditions were met at the date of grant).

Sales restrictions will be removed.

Dilution

Standard ABI Dilution Limits.

Clawback & Malus

The EIP will be subject to standard market practice FTSE 250 malus and clawback provisions allowing the Committee to reduce awards or claim repayment in circumstances where the Participant has benefited from wilful negligence, fraudulent misstatement of results or criminal behaviour.

Operation

The Remuneration Committee, (the members of which are independent non-executive directors), supervises the operation of the Plan in respect of the employees of the Company, including the Executive Directors. The Remuneration Committee has the discretion to make awards at any times where they consider the circumstances appropriate. No awards will be granted during a close period.

Eligible Employees

Any employee of the Group is eligible to participate in the Plan. Non-executive directors are not eligible to participate in the Plan.

Taxation

The payment of a cash bonus and the vesting and exercise of awards are conditional upon the Participant paying any taxes due.

Allotment and Transfer of Shares

Shares allotted by the Company or transferred by the Employee Trust will not rank for dividends payable if the record date for the dividend falls before the date on which the Shares are acquired by the Participant. An application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's main market for listed securities following the vesting and/or exercise of awards.

Variation of Share Capital

On a variation of the capital of the Company, the number of Shares subject to awards and their terms and conditions may be adjusted in such manner as the Remuneration Committee determines is appropriate.

Duration

The BIP will operate for a period of five years from the date of approval by shareholders. The Remuneration Committee may not grant awards under the Plan after the five year period.

Amendments

Amendments to the rules of the Plan may be made at the discretion of the Remuneration Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of Shares that may be issued, cannot be altered to the advantage of Participants without prior Shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group. An amendment may not adversely affect the rights of an existing Participant except where the Participant has approved the amendment.

In addition, the Remuneration Committee may add to, vary, or amend the rules of the Plan by way of a separate schedule in order that the Plan operates in compliance with all requisite local legislative and regulatory requirements as may apply to both Participants and/or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than under the rules of the Plan as summarised above.

General

Cash bonus, Shares acquired and awards and any other rights granted pursuant to the Plan are non-pensionable.

Non-Transferability of Awards

Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of descent and distribution.

Employee Trust

The Company may utilise an existing discretionary employee benefit trust, the Employee Trust in order to meet obligations due under the EIP. The trustee of the Employee Trust has full discretion with regard to the application of the trust fund (subject to recommendations from the Remuneration Committee). The Company will be able to fund the Employee Trust to acquire Shares in the market and/or to subscribe for shares at nominal value in order to satisfy awards granted under the Plan. Any Shares issued to the Employee Trust in order to satisfy awards under the Plan will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Shares acquired by the Employee Trust in the market will not count towards these limits. In addition, unless prior Shareholder approval is obtained, the Employee Trust will not hold more than 5% of the issued share capital of the Company at any one time (other than for the purposes of satisfying awards of Shares that it has granted).

Note: This Appendix 1 to the Letter from the Chairman of the Remuneration Committee summarises the main features of the Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. Copies of the rules will be available for inspection at the Company's head office at 13 Hanover Square, London W1S 1HL during usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of despatch of the AGM Notice up to and including the date of AGM, and at the meeting itself. The Directors reserve the right, up to the time of the AGM, to make such amendments and additions to the rules of the Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix 1.

Appendix 2

ILLUSTRATIVE ESTIMATED COST AND BENEFIT MODELING FOR THE EIP

This Appendix 2 provides illustrative modelling of participation in the EIP based on the assumptions set out below.

The following table sets out the breakdown of the maximum annual award levels under each Element of the EIP for each category of participant:-

Position	Maximum Element A Award	Maximum Element B Award	Maximum Element C Award	Total Incentive Opportunity under EIP
CEO	150%	150%	100%	400%
Deputy Chairman	150%	150%	100%	400%
Sample Key Executive (M0)	100%	100%	100%	300%
Sample Key Executive (M1)	87.5%	87.5%	-	150%

The following table sets out the assumptions made in respect of each of the Modeled Scenarios:-

Scenario	Level of EIP Award (%age of Total Incentive Opportunity under EIP)	Share Price Growth Assumption for Deferred Shares (Not a performance condition)	Assumptions re: Salary Increases	
			Executive Directors	Other Participants
On Target	50%	5% p.a.	0% p.a.	5% p.a.
Maximum	100%	10% p.a.	0% p.a.	5% p.a.

* Please note for Sample Key Executive (M0 and M1) an average salary has been used based on the salaries paid to all participants at that level.

In addition, to examples for the above individuals the aggregate P&L cost and Dilution is modelled for all the proposed participants in the EIP.

ILLUSTRATIVE MODELLING IN US DOLLARS

On Target

Role	CEO
Scenario selected	On Target

On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element B award (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	802,500	802,500	802,500	802,500	802,500	802,500	802,500
Element A							
Payment \$	601,875	601,875	601,875	601,875	601,875	601,875	601,875
Element B							
Payment \$	0	0	0	663,567	663,567	663,567	663,567
Element C							
Payment \$	0	0	0	0	464,497	464,497	464,497
Total							
Payment in Year \$	1,404,375	1,404,375	1,404,375	2,067,942	2,532,439	2,532,439	2,532,439
Cumulative Payments \$	1,404,375	2,808,750	4,213,125	6,281,067	8,813,506	11,345,946	13,878,385

Role	Deputy Chairman
Scenario selected	On Target

On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element B award (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	539,280	539,280	539,280	539,280	539,280	539,280	539,280
Element A							
Payment \$	404,460	404,460	404,460	404,460	404,460	404,460	404,460
Element B							
Payment \$	0	0	0	445,917	445,917	445,917	445,917
Element C							
Payment \$	0	0	0	0	312,142	312,142	312,142
Total							
Payment in Year \$	943,740	943,740	943,740	1,389,657	1,701,799	1,701,799	1,701,799
Cumulative Payments \$	943,740	1,887,480	2,831,220	4,220,877	5,922,676	7,624,475	9,326,275

Role	M0						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	50%	50%	50%	50%	50%	50%	50%
Element B award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	325,000	341,250	358,313	376,228	395,040	414,792	435,531
Element A							
Payment \$	162,500	170,625	179,156	188,114	197,520	207,396	217,766
Element B							
Payment \$	0	0	0	188,114	197,520	207,396	217,766
Element C							
Payment \$	0	0	0	0	197,520	207,396	217,766
Total							
Payment in Year \$	487,500	511,875	537,469	752,456	987,599	1,036,979	1,088,828
Cumulative Payments \$	487,500	999,375	1,536,844	2,289,300	3,276,899	4,313,878	5,402,705

Role	M1						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	44%	44%	44%	44%	44%	44%	44%
Element B award (% of salary)	44%	44%	44%	44%	44%	44%	44%
Element C award (% of salary)	0%	0%	0%	0%	0%	0%	0%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	250,000	262,500	275,625	289,406	303,877	319,070	335,024
Element A							
Payment \$	109,375	114,844	120,586	126,615	132,946	139,593	146,573
Element B							
Payment \$	0	0	0	126,615	132,946	139,593	146,573
Element C							
Payment \$	0	0	0	0	0	0	0
Total							
Payment in Year \$	359,375	377,344	396,211	542,637	569,769	598,257	628,170
Cumulative Payments \$	359,375	736,719	1,132,930	1,675,566	2,245,335	2,843,592	3,471,762

Total							
P&L cost of equity \$	6,245,567	6,473,984	6,713,822	6,965,652	7,230,073	7,507,716	7,799,240
Dilution impact	0.20%	0.40%	0.59%	0.78%	0.97%	1.16%	1.34%

Maximum

Role	CEO						
Scenario selected	Maximum						
Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element B award (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	802,500	802,500	802,500	802,500	802,500	802,500	802,500
Element A							
Payment \$	1,203,750	1,203,750	1,203,750	1,203,750	1,203,750	1,203,750	1,203,750
Element B							
Payment \$	0	0	0	1,456,538	1,456,538	1,456,538	1,456,538
Element C							
Payment \$	0	0	0	0	1,068,128	1,068,128	1,068,128
Total							
Payment in Year \$	2,006,250	2,006,250	2,006,250	3,462,788	4,530,915	4,530,915	4,530,915
Cumulative Payments \$	2,006,250	4,012,500	6,018,750	9,481,538	14,012,453	18,543,368	23,074,283

Role	Deputy Chairman						
Scenario selected	Maximum						
Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element B award (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	539,280	539,280	539,280	539,280	539,280	539,280	539,280
Element A							
Payment \$	808,920	808,920	808,920	808,920	808,920	808,920	808,920
Element B							
Payment \$	0	0	0	978,793	978,793	978,793	978,793
Element C							
Payment \$	0	0	0	0	717,782	717,782	717,782
Total							
Payment in Year \$	1,348,200	1,348,200	1,348,200	2,326,993	3,044,775	3,044,775	3,044,775
Cumulative Payments \$	1,348,200	2,696,400	4,044,600	6,371,593	9,416,368	12,461,143	15,505,918

Role	M0						
Scenario selected	Maximum						
Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	100%	100%	100%	100%	100%	100%	100%
Element B award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	325,000	341,250	358,313	376,228	395,040	414,792	435,531
Element A							
Payment \$	325,000	341,250	358,313	376,228	395,040	414,792	435,531
Element B							
Payment \$	0	0	0	412,913	433,558	455,236	477,998
Element C							
Payment \$	0	0	0	0	454,204	476,914	500,760
Total							
Payment in Year \$	650,000	682,500	716,625	1,165,369	1,677,841	1,761,733	1,849,820
Cumulative Payments \$	650,000	1,332,500	2,049,125	3,214,494	4,892,335	6,654,068	8,503,887

Role	M1						
Scenario selected	Maximum						
Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	88%	88%	88%	88%	88%	88%	88%
Element B award (% of salary)	88%	88%	88%	88%	88%	88%	88%
Element C award (% of salary)	0%	0%	0%	0%	0%	0%	0%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary \$	250,000	262,500	275,625	289,406	303,877	319,070	335,024
Element A							
Payment \$	218,750	229,688	241,172	253,230	265,892	279,187	293,146
Element B							
Payment \$	0	0	0	277,922	291,818	306,409	321,729
Element C							
Payment \$	0	0	0	0	0	0	0
Total							
Payment in Year \$	468,750	492,188	516,797	820,559	861,587	904,666	949,899
Cumulative Payments \$	468,750	960,938	1,477,734	2,298,293	3,159,879	4,064,545	5,014,444
Total							
P&L cost of equity \$	12,491,134	12,947,969	13,427,645	13,931,304	14,460,147	15,015,432	15,598,481
Dilution impact	0.38%	0.74%	1.08%	1.39%	1.69%	1.96%	2.22%

ILLUSTRATIVE MODELLING IN £ STERLING

On Target

Role	CEO						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element B award (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	504,631	504,631	504,631	504,631	504,631	504,631	504,631
Element A							
Payment £	378,473	378,473	378,473	378,473	378,473	378,473	378,473
Element B							
Payment £	0	0	0	417,267	417,267	417,267	417,267
Element C							
Payment £	0	0	0	0	292,087	292,087	292,087
Total							
Payment in Year £	883,105	883,105	883,105	1,300,372	1,592,459	1,592,459	1,592,459
Cumulative Payments £	883,105	1,766,210	2,649,314	3,949,686	5,542,145	7,134,603	8,727,062

Role	Deputy Chairman						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element B award (% of salary)	75%	75%	75%	75%	75%	75%	75%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	339,112	339,112	339,112	339,112	339,112	339,112	339,112
Element A							
Payment £	254,334	254,334	254,334	254,334	254,334	254,334	254,334
Element B							
Payment £	0	0	0	280,403	280,403	280,403	280,403
Element C							
Payment £	0	0	0	0	196,282	196,282	196,282
Total							
Payment in Year £	593,446	593,446	593,446	873,850	1,070,132	1,070,132	1,070,132
Cumulative Payments £	593,446	1,186,893	1,780,339	2,654,189	3,724,321	4,794,453	5,864,586

Role	M0						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	50%	50%	50%	50%	50%	50%	50%
Element B award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Element C award (% of salary)	50%	50%	50%	50%	50%	50%	50%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	204,368	214,586	225,316	236,581	248,410	260,831	273,872
Element A							
Payment £	102,184	107,293	112,658	118,291	124,205	130,415	136,936
Element B							
Payment £	0	0	0	118,291	124,205	130,415	136,936
Element C							
Payment £	0	0	0	0	124,205	130,415	136,936
Total							
Payment in Year £	306,552	321,879	337,973	473,163	621,026	652,077	684,681
Cumulative Payments £	306,552	628,431	966,404	1,439,567	2,060,593	2,712,670	3,397,351

Role	M1						
Scenario selected	On Target						
On Target	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	44%	44%	44%	44%	44%	44%	44%
Element B award (% of salary)	44%	44%	44%	44%	44%	44%	44%
Element C award (% of salary)	0%	0%	0%	0%	0%	0%	0%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	157,206	165,066	173,320	181,986	191,085	200,639	210,671
Element A							
Payment £	68,778	72,217	75,827	79,619	83,600	87,780	92,169
Element B							
Payment £	0	0	0	79,619	83,600	87,780	92,169
Element C							
Payment £	0	0	0	0	0	0	0
Total							
Payment in Year £	225,984	237,283	249,147	341,223	358,284	376,198	395,008
Cumulative Payments £	225,984	463,266	712,413	1,053,636	1,411,921	1,788,119	2,183,127

Total							
P&L cost of equity £	3,927,363	4,070,997	4,221,813	4,380,169	4,546,444	4,721,032	4,904,350
Dilution impact	0.20%	0.40%	0.59%	0.78%	0.97%	1.16%	1.34%

Maximum

Role	CEO
Scenario selected	Maximum

Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element B award (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	504,631	504,631	504,631	504,631	504,631	504,631	504,631
Element A							
Payment £	756,947	756,947	756,947	756,947	756,947	756,947	756,947
Element B							
Payment £	0	0	0	915,906	915,906	915,906	915,906
Element C							
Payment £	0	0	0	0	671,664	671,664	671,664
Total							
Payment in Year £	1,261,578	1,261,578	1,261,578	2,177,484	2,849,148	2,849,148	2,849,148
Cumulative Payments £	1,261,578	2,523,156	3,784,735	5,962,219	8,811,367	11,660,515	14,509,663

Role	Deputy Chairman
Scenario selected	Maximum

Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element B award (% of salary)	150%	150%	150%	150%	150%	150%	150%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	339,112	339,112	339,112	339,112	339,112	339,112	339,112
Element A							
Payment £	508,668	508,668	508,668	508,668	508,668	508,668	508,668
Element B							
Payment £	0	0	0	615,489	615,489	615,489	615,489
Element C							
Payment £	0	0	0	0	451,358	451,358	451,358
Total							
Payment in Year £	847,781	847,781	847,781	1,463,269	1,914,628	1,914,628	1,914,628
Cumulative Payments £	847,781	1,695,561	2,543,342	4,006,611	5,921,239	7,835,866	9,750,494

Role	MD
Scenario selected	Maximum

Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	100%	100%	100%	100%	100%	100%	100%
Element B award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Element C award (% of salary)	100%	100%	100%	100%	100%	100%	100%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	204,368	214,586	225,316	236,581	248,410	260,831	273,872
Element A							
Payment £	204,368	214,586	225,316	236,581	248,410	260,831	273,872
Element B							
Payment £	0	0	0	259,649	272,632	286,263	300,577
Element C							
Payment £	0	0	0	0	285,614	299,895	314,890
Total							
Payment in Year £	408,736	429,172	450,631	732,812	1,055,067	1,107,820	1,163,211
Cumulative Payments £	408,736	837,908	1,288,539	2,021,351	3,076,418	4,184,238	5,347,449

Role	M1
Scenario selected	Maximum

Maximum	2014	2015	2016	2017	2018	2019	2020
Element A payout (% of salary)	88%	88%	88%	88%	88%	88%	88%
Element B award (% of salary)	88%	88%	88%	88%	88%	88%	88%
Element C award (% of salary)	0%	0%	0%	0%	0%	0%	0%
Forfeiture level on Element B (max 50% pa)	0%	0%	0%	0%	0%	0%	0%
Salary £	157,206	165,066	173,320	181,986	191,085	200,639	210,671
Element A							
Payment £	137,555	144,433	151,655	159,237	167,199	175,559	184,337
Element B							
Payment £	0	0	0	174,764	183,502	192,677	202,311
Element C							
Payment £	0	0	0	0	0	0	0
Total							
Payment in Year £	294,761	309,499	324,974	515,987	541,786	568,876	597,319
Cumulative Payments £	294,761	604,261	929,235	1,445,222	1,987,008	2,555,884	3,153,203

Total	2014	2015	2016	2017	2018	2019	2020
P&L cost of equity £	7,854,726	8,141,994	8,443,626	8,760,339	9,092,888	9,442,064	9,808,700
Dilution impact	0.38%	0.74%	1.08%	1.39%	1.69%	1.96%	2.22%

DEFINITIONS

"2013 LTIP Awards"	LTIP Awards over an aggregate of 155,000 Ordinary Shares;
"2013 MIP Awards"	MIP Awards made to May Samih T. Darwazah, Zeena Murad, Walid Mazen Samih Taleb Darwazah and Tareq Mazen Samih Darwazah in 2013;
"Annual General Meeting" or "AGM"	the annual general meeting of Hikma called by this Notice, including any adjourned meeting;
"Buyback"	the possible buy back of Ordinary Shares by Hikma as proposed in the resolution numbered 19 to be proposed at the AGM and set out in the Notice of AGM included in this document;
"CA 2006" or the "Act"	the Companies Act 2006, as amended;
"Centerview Partners"	Centerview Partners UK LLP whose registered office is at 10 Norwich Street, London EC4A 1BD;
"Concert Party"	the concert party comprising the persons named in the table which appear under the paragraph headed "The Concert Party" in the explanatory notes following Resolution 22 in the Notice;
"CREST"	the trade settlement system of the Central Securities Depository;
"CREST Reference Manual"	a reference manual for the users of CREST as provided by Euroclear UK & Ireland Limited;
"Daily Official List"	the daily record setting out the prices of all trades in securities conducted on the London Stock Exchange;
"Darhold"	Darhold Limited (a privately held company incorporated in Jersey);
"Directors" or "Board"	the directors of Hikma;
Executive Incentive Plan	the 2014 Hikma Pharmaceuticals PLC Executive Incentive Plan which is proposed to shareholders for approval;
"Executive Directors"	Said Darwazah and Mazen Darwazah;
"Existing LTIP Awards"	LTIP Awards over an aggregate of 500,298 Ordinary Shares made by Hikma to members of the Concert Party
"Existing MIP Awards"	MIP Awards over an aggregate of 12,908 ordinary shares made by Hikma to member of the Concert Party
"Form of Proxy"	the form of proxy accompanying this document for use by Shareholders in connection with the AGM;
"FCA"	the United Kingdom Financial Conduct Authority;
"Group"	Hikma and its subsidiary and associated undertakings;
"Hikma"	Hikma Pharmaceuticals PLC;
"Independent Directors"	the Directors other than Samih Darwazah, Said Darwazah, Mazen Darwazah and Ali Al-Husry;

"Independent Shareholders"	the Shareholders other than members of the Concert Party;
"KPIs"	key performance indicators;
"Listing Rules"	the listing rules made by the FSA pursuant to part VI of the Financial Services and Markets Act 2000, as amended;
"LTIP"	the Hikma Pharmaceuticals PLC 2005 Long Term Incentive Plan;
"LTIP Awards"	Share awards made pursuant to the rules of the LTIP;
"MIP"	the Hikma Pharmaceuticals PLC 2009 Management Incentive Plan;
"MIP Awards"	Share awards made pursuant to the rules of the MIP;
"Model Code"	the model code on directors' dealings in securities contained in the appendix to chapter 9 of the Listing Rules, as revised from time to time;
"Non-Executive Directors"	Samih Darwazah, Sir David Rowe-Ham, Michael Ashton, Ronald Goode, Ali Al-Husry, Breffni Byrne Robert Pickering and Patrick Butler;
"Notice"	the notice to Shareholders of Hikma's Annual General Meeting as detailed on pages 21 to 24 of this document;
"Optionholders"	the holders of the Options;
"Option Exercises"	the exercise of Options, relating to the Concert Party, to subscribe for 5,000 Ordinary Shares;
"Options"	Options to subscribe for Ordinary Shares pursuant to the Hikma 2004 Stock Option Plan;
"Ordinary Shares"	ordinary shares of 10p each in the capital of Hikma;
"Panel"	the Panel on Takeovers and Mergers;
"Registrar"	Capita Asset Services whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
"Regulations"	the Companies (Shareholders' Rights) Regulations 2009;
"Remuneration Committee Report"	the report as prepared by the remuneration committee of Hikma in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013;
"Share Awards"	share awards made pursuant to the rules of the MIP and/or the rules of the LTIP;
"Shareholders"	holders of Ordinary Shares;
"Takeover Code"	the City Code on Takeovers and Mergers;
"Treasury Share Regulations"	the Companies (Acquisitions of Own Shares) (Treasury Shares) Regulations 2003;

"US\$"

the United States Dollar and any reference to "Cents" shall be to cents of the United States Dollar;

"Waiver"

the waiver of any requirement under Rule 9 of the Takeover Code for the Concert Party and persons acting in concert with it to make a general offer to Shareholders by reason of:

(1) the issue of up to 165,600 Ordinary Shares to members of the Concert Party pursuant to Share Awards, as a result of which the aggregate interest of the Concert Party would increase to 31.90 per cent. (assuming that: (a) all Existing LTIP Awards vest in full (and the resulting Ordinary Shares are retained by members of the Concert Party); (b) all Existing MIP Awards vest in full (and the resulting Ordinary Shares are retained by members of the Concert Party); (c) all remaining Options held by members of the Concert Party are fully exercised (and the resulting Ordinary Shares are retained by members of the Concert Party); (d) the Company does not repurchase any of its Ordinary Shares; and (e) no other Ordinary Shares are issued); and/or

(2) the purchase by Hikma of up to 19,815,700 Ordinary Shares, as a result of which the aggregate interest of the Concert Party would increase to 35.37 per cent. (assuming that: (a) all Existing LTIP Awards vest in full (and the resulting Ordinary Shares are retained by members of the Concert Party); (b) all Existing MIP Awards vest in full (and the resulting Ordinary Shares are retained by members of the Concert Party); (c) all remaining Options held by members of the Concert Party are fully exercised (and the resulting Ordinary Shares are retained by members of the Concert Party); (d) none of the Share Awards proposed to be granted vest; (e) the Company repurchases 19,815,700 Ordinary Shares and that no Ordinary Shares are repurchased from any members of the Concert Party; and (f) no other Ordinary Shares are issued); and

"Whitewash Resolutions"

the resolutions numbered 21 and 22 to be proposed at the AGM and set out in the Notice of AGM included in this document.

