

Hikma Pharmaceuticals PLC

Non-audit services policy

Approved by the Audit Committee of Hikma Pharmaceuticals PLC on 13 December 2023.

Purpose

The Non-Audit Services Policy (the "Policy") sets out guidelines and restrictions for the provision of non-audit services by Hikma's external auditor.

This Policy is in place to mitigate any risks threatening, or appearing to threaten, the independence and objectivity of the external auditor arising through the provision of non-audit services, namely services which:

- create conflicts of interest between the external auditor and Hikma;
- result in the external auditor functioning in the role of management;
- place the external auditor in the position of auditing its own work; or
- place the external auditor in the position of being an advocate for Hikma.

Scope

This Policy applies to all companies, businesses and functional areas within the Group; and to all situations where we propose to engage with the external auditor for the provision of non-audit services.

Definitions

<u>Term</u>	<u>Definition</u>
External Auditor	The Group external auditor appointed by Hikma .
Hikma / Group	All entities within the group of companies controlled or owned, whether directly, indirectly, by Hikma Pharmaceuticals PLC, including Hikma Pharmaceuticals PLC and its Subsidiaries.
The Committee	The Audit Committee of Hikma Pharmaceuticals PLC.
Chief Financial Officer	The Chief Financial Officer of Hikma Pharmaceuticals PLC.

Context

The Policy is in line with the recommendations set out in the Financial Reporting Council's (FRC) Guidance on Audit Committee (2016), the FRC Revised Ethical Standard (2019) and the FRC Minimum Standard for Audit Committees and External Audit (2023). It specifies the types of non-audit services that are prohibited and those that may be acceptable. For those non-audit services that may be permitted, the effect of such non-audit services on the financial statements as well as the independence and objectivity of the external auditor will be assessed by the Committee prior to being approved.

Approval

The approval of the Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services.

For permitted non-audit services, the Committee has pre-approved the use of the external auditor, subject to the following thresholds.

Value of non-audit services	Approval required
Up to \$25,000	Chief Financial Officer
\$25,001 to \$100,000	Chair of the Committee
\$100,001 and above	The Committee

A cumulative, annual cap of \$500,000 is established in respect of non-audit services provided by the external auditor (with the exclusion the interim results review) above which all individual engagements will be subject to pre-approval by the Committee.

Non-audit services cannot be provided on a contingent fee basis.

Fees related to permitted non-audit services, as per the permitted list set out in the FRC Revised Ethical Standard 2019 will be subject to a cap of 70% of the average of the annual audit fees in the last three consecutive financial years. These permitted services are set out below in the section headed 'Non-audit services which are permitted'.

Oversight

The Committee will monitor the application of this Policy. The Chief Financial Officer will provide the Committee with an annual summary of individual engagements approved and the total of all non-audit services provided by the external auditor in that year.

Non-audit services which are permitted

Subject to obtaining approval as described above, the external auditor can provide the following non-audit services as permitted by the FRC's Revised Ethical Standard (2019).

1. Permitted non-audit services exempt from the non-audit services fee cap:

- a) Reporting required by a competent authority or regulator under law or regulation for example;
 - Reporting to a regulator on client assets;
 - Reporting in relation to entities regulated under the Financial Services and Markets Act 2000 (FSMA), reports under s166 and s340 of FSMA;
 - Reporting to a regulator on regulatory financial statements;
 - Reporting on a Solvency and Financial Condition Report under Solvency II.
- b) In the case of a controlled undertaking incorporated and based in a third country, reporting required by law or regulation in that jurisdiction where the auditor is permitted to undertake that engagement.
- c) Reporting on internal financial controls when required by law or regulation.
- d) Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports.
- e) Reports, required by or supplied to competent authorities / regulators supervising the audited entity, where the authority / regulator has either specified the auditor to provide the service or identified to

the entity that the auditor would be an appropriate choice for service provider.

- f) Services which support the entity in fulfilling an obligation required by UK law or regulation, including listing requirements where: the provision of such services is time critical; the subject matter of the engagement is price sensitive; and it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor for the audit of the financial statements is relevant to the service, and where the nature of the service would not compromise independence.

2. Permitted non-audit services subject to the non-audit services fee cap:

- a) Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation.
- b) Where not otherwise required by law or regulation, non-audit and additional services provided by the Group's external auditor, in relation to information of the Group for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the Group obtained by the Group's external auditor is relevant to the service, and where the nature of the service would not compromise independence.
- c) Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an entity relevant to an engagement or a third-party service provider, where this work is closely linked with the audit work.
- d) Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an entity relevant to an engagement.
- e) Reporting on government grants.
- f) Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom any member of the Group has a business relationship in accordance with Appendix C of the Revised Ethical Standard (being a participant in a bank lending or bond funded syndicate).
- g) Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177).
- h) Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

Non-audit services which are prohibited

The external auditor is **prohibited** from providing the following non-audit services:

- a) Accounting and book-keeping services.
- b) Valuation services, including valuations performed in connection with actuarial services or litigation support services.
- c) Tax services relating to:
 - i. preparation of tax forms;
 - ii. payroll tax;
 - iii. customs duties;
 - iv. identification of public subsidies and tax incentives unless support from the audit firm in respect of such services is required by law;

- v. support regarding tax inspections by tax authorities unless support from the statutory auditor or audit firm in respect of such inspections is required by law;
 - vi. calculation of direct and indirect tax and deferred tax; and
 - vii. provision of tax advice.
- d) Legal services, with respect to:
- i. provision of general counsel;
 - ii. negotiating on behalf of Hikma; and
 - iii. acting in an advocacy role in the resolution of litigation.
- e) Services related to the internal audit function.
- f) Services linked to the financing, capital structure and allocation, and investment strategy, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with the issue of prospectuses.
- g) Design and implementation of internal controls or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems.
- h) Services that involve playing any part in management or decision-making.
- i) Human resources services with respect to:
- i. management in a position to exert influence over the preparation of the accounting records or financial statements, which are the subject of the statutory audit, where such services involve:
 - searching for or seeking out candidates for such positions;
 - undertaking reference checks of candidates for such positions;
 - ii. structuring the organisation design; and
 - iii. cost control.
- j) Promoting, dealing in, or underwriting shares.
- k) Payroll services.