

Prepared by

Recordati Pharmaceuticals Limited, The Origin, Western Road, Bracknell. RG12 1US

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Recordati Pharmaceuticals Limited

Methodological Statement

Recordati Pharmaceuticals Ltd. (Recordati or the "Company") has prepared this document to outline the Company's interpretations and assumptions made and methodologies used in complying with the requirements to disclose payments to Healthcare Professionals (HCPs), Healthcare Organisations (HCOs) and Other Relevant Decision Makers (ORDMs) under the Code of Practice 2021 administered by the Prescription Medicines Code of Practice Authority (PMCPA), further in the document referred to as the Code.

In line with the Clause 1.25 of the Code, Recordati defined as "transfer of value" all transfers of value, be it in cash or in kind, direct and indirect done to the health professionals, other relevant decision makers and healthcare organisations based in the United Kingdom.

Information supplied by IQVIA Health was verified through publicly available information and information from third party vendors, in order to narrow down the list of payees to those that fell within the definitions of health professionals, other relevant decision makers and healthcare organisation as set out in the Clauses 1.8, 1.9 and 1.13 of the Code.

In compliance with Clauses 4, 10, 20, 23, 24, 28 of the Code, Recordati first identified all the possible sources of information within the Company's finance system and held by third party vendors that contained all transfers of value made by Recordati to health professionals, other relevant decision makers and HCOs. In order to prevent any loss of information, the list from finance was compared to the record compiled throughout the year by the Medical Affairs team from all the contracts/agreements and payment requests related to interactions with health practitioners, other relevant decision makers and HCO's based on approval and certification documentation held for compliance purposes. Any inconsistencies between the two lists were resolved through internal consultation or by contacting the relevant payee to resolve any doubts.

For any direct or indirect TOV to the UK HCP's by the Recordati HQ based in Italy, all the engagements were done with the involvement of Recordati UK team and reconciliation was performed by UK team in January 2022 to confirm all the TOV effected by the Recordati HQ or third parties engaged by the Recordati HQ. If the payments were made in another currency, the amounts were then converted to the UK currency (see *Currency* section in *Definitions* below) and added to the TOV effected in the UK.

Based on complete dataset Recordati has endeavoured to disclose to the ABPI for publication on its central platform all direct and indirect transfers of value (ToVs) made between 1 January 2021 and 31 December 2021 inclusive that fall within its disclosure obligations as set out in Clauses 4, 10, 20, 23, 24, 28 of the Code, applying the relevant definitions contained therein.

Payments made after December 31, 2021 for events that took place in 2021 will be included in the 2022 report as the Transfer of Value will be recognized based on the payment date and not on the date of the event.

The Company has taken reasonable efforts to validate all data included in the submission to ensure all data elements are collected, and that the data elements are current, accurate and complete (including that they accurately reflect the interaction that took place, e.g. that the value reported is consistent with the value on a related receipt).

The ToVs data is based on any direct or indirect ToV, whether monetary, benefit in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and/or sale of prescription only medicinal products for human use. This includes, but is not limited to, payments of fees for services, consultancy and associated expenses, registration fees, sponsorships, grants, donations, travel, accommodation.

Definitions

Consent

Recordati commits to seek consent from all health professionals to disclose on an individual basis, naming the recipient and identifying the ToV. To this end, the Company has incorporated a clause to this effect in the contractual templates on the basis of which, pursuant to Recordati's relevant policies, all such engagements should proceed.

In circumstances where a healthcare professional declines to give, or subsequently withdraws consent to disclose on an individual basis of ToV during the reporting calendar year, the Company has disclosed all ToVs made to that health professional in aggregate.

Donations and Grants to HCOs and Benefits in Kind to HCOs

Donation

Financial support for an institution, non-profit or organisation, typically for general support rather than a specific purpose, with no influence or control exerted by the Company.

Grant

Financial support for an institution or organisation, typically for a specific purpose, with no influence control exerted by the Company.

Benefit in Kind

Transfers of value in kind or pecuniary form to an institution or organisation with no influence or control exerted by the Company.

Sponsorship agreements with HCOs/third parties appointed by HCPs to manage an Event

Support for a specific event, activity or item which is organised and or produced by, or for, a third party. This may include financial support, goods or services.

Registration Fees for Events

Support in the form of payment of registration fees for the events organised and or produced for by the Company or by third party, both inside and outside the UK.

Travel and Accommodation for Events

Support in the form of payment of travel and accommodation for the events organised and or produced by the Company or by the third party, both inside and outside the UK.

Fees for service and consultancy

Fees paid to HCPs and ORDMs, or to their employees on their behalf for certain services rendered, such as chairing and speaking at meetings, assistance with training and participation in advisory boards etc.

Related Expenses agreed in the fees for service or consultancy contract

Expenses paid to HCPs and ORDMs, or to their employees on their behalf in relation to the certain services rendered, such as chairing and speaking at meetings, assistance with training and participation in advisory boards etc.

Dispute Resolution

The Company will attempt to resolve disputes with Recipients. Upon notification that a dispute has been initiated, the Company will review and attempt to resolve each dispute on an individual basis. If a resolution cannot be reached, the reported Transfer of Value will be moved into the aggregate section of the database.

Currency

The Company has made its disclosures in sterling, using a published yearly average exchange rate with sterling for those payments made in any other currency (information from the following website: <https://www.exchangerates.org.uk/>).

Tax

The Company has made its disclosures relating to direct ToVs exclusive of all applicable taxes i.e VAT. It is possible, however, that some indirect ToVs made by third party vendors have been reported to us inclusive of taxes.

Date methodology

The Company has made its disclosures relating to cash payments by reference to the payment date. In circumstances where ToVs represent benefits in kind, the Company has made its disclosures by reference to the date of the event/activity where the ToV occurred.

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