

EFPIA Disclosure Code
2016 Disclosures
Shire Pharmaceuticals
(including Baxalta US Inc.)

Section 1: Reporting Approach for 2016 Data:

On June 3rd, 2016, Shire acquired Baxalta. Due to the complexity of integration between the two companies, Shire has made the decision to disclose as two separate entities for the disclosure period of 2016.

As such, Shire would like to highlight the key differences in methodology between the two companies.

Shire will disclose based on a consistent methodology where possible for data collected in 2017 and published in 2018.

Section 2: Scope of Disclosure:

The following EFPIA member countries are in scope for disclosure:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine and the United Kingdom.

Per EFPIA, the following countries have a **full or partial** exception to the Disclosure Code:

1. France
2. Netherlands
3. Portugal
4. Slovakia
5. Denmark

Turkey is also out of scope of the Disclosure Code based on local law until further guidance is provided.

Shire will publish data based on the local country Code template. If no template is provided by the local country, then Shire will default to the EFPIA Disclosure Code template.

Section 3: Key Decisions & Differences in Methodology:

Below captures the decisions that drive our collection, aggregation and reporting process and identifies where there are differences between Shire and Baxalta for 2016 data:

| Decision Point | Shire's Approach | Baxalta's Approach |
|----------------|--|--|
| Tax & VAT | Austria: VAT is excluded for direct payments and included for in kind | Austria: VAT is excluded Belgium: VAT is excluded for |

| | |
|--|---|
| <p>transfers of value</p> <p>Belgium: VAT is excluded for direct payments including sponsorships and included for in kind transfers of value</p> <p>Bulgaria: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Croatia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Cyprus: Follows local guidance</p> <p>Czech Republic: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Estonia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Finland: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Germany: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Greece: VAT is excluded for direct payments and included for in kind transfers of value.</p> <p>Hungary: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Iceland: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Ireland: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Italy: VAT is excluded for direct payments and included for in kind</p> | <p>honorarium associated with consultancy payments and sponsorships and included for in kind transfers of value</p> <p>Bulgaria: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Croatia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Czech Republic: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Estonia: VAT is included</p> <p>Finland: VAT is excluded</p> <p>Germany: VAT is excluded</p> <p>Greece: VAT is excluded for direct payments and included for in kind transfers of value.</p> <p>Hungary: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Ireland: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Italy: VAT is excluded for direct payments and included for in kind transfers of value. VAT is included for Transfers of value not approved by Italian Medicines Agency (AIFA)</p> <p>Lithuania: VAT is included</p> <p>The Netherlands: VAT is excluded for direct payments including sponsorships and included for in kind transfers of value</p> <p>Norway: VAT is excluded</p> <p>Poland: VAT is excluded for direct</p> |
|--|---|

| | |
|---|---|
| <p>transfers of value</p> <p>Latvia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Lithuania: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Luxembourg: VAT is excluded for direct payments including sponsorships and included for in kind transfers of value</p> <p>Malta: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>The Netherlands: VAT is excluded for direct payments including sponsorships and included for in kind transfers of value</p> <p>Norway: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Poland: For honorarium associated with services and consultancy, Shire will report the full invoice amount including withholding (personal income) tax. VAT is excluded for other direct payments and included for the majority of in kind transfers of value</p> <p>Romania: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Russia: For honorarium associated with services and consultancy, Shire will report the full invoice amount including withholding (personal income) tax. For costs related to Events (such as registration fees, travel and accommodation), Shire will report the full invoice amount including VAT</p> <p>Serbia: VAT is excluded for direct</p> | <p>payments and included for in kind transfers of value excepting for Registration Fees</p> <p>Romania: VAT is excluded for direct payments and included for in kind transfers of value.</p> <p>Serbia: VAT is excluded for direct payments and included for in kind transfers of value.</p> <p>Slovakia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Slovenia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Spain: VAT is excluded for direct payments and included for in kind transfers of value.</p> <p>Sweden: VAT is excluded</p> <p>Switzerland: VAT is excluded</p> <p>Ukraine: For services and Consultancy, VAT is excluded unless local Code or Law explicitly requires otherwise. For costs related to Events (such as registration fees, travel and accommodation), VAT is included. Where there is a withholding tax, Shire will report the full invoice amount.</p> <p>United Kingdom: VAT is excluded for direct payments and included for in kind transfers of value</p> |
|---|---|

| | | |
|-----------------------------------|---|-----------------------|
| | <p>payments and included for in kind transfers of value</p> <p>Slovakia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Slovenia: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Spain: For honorarium associated with services and consultancy, Shire will report the full invoice amount including withholding (personal income) tax. VAT is excluded for all other payments</p> <p>Sweden: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Switzerland: VAT is excluded for direct payments and included for in kind transfers of value</p> <p>Ukraine: For honorarium associated with services and consultancy, Shire will report the full invoice amount including withholding (personal income) tax. For costs related to Events (such as registration fees, travel and accommodation), Shire will report the full invoice amount including VAT</p> <p>United Kingdom: VAT is excluded for direct payments and included for in kind transfers of value.</p> | |
| <p>Disclosure Currency</p> | <p>All payments and transfers of value will be disclosed in local currency per guidance from EFPIA. If a payment is captured in another currency, it will be converted into local country currency based on the date at which the transfer of value occurred and corresponding daily exchange rate.</p> | <p>No difference.</p> |

| | | |
|---|---|---|
| <p>Transfer of Value Dates</p> | <p>Shire used the payment date for direct Fee For Service and other payments for activities within the reporting period and applied the event date for all other Transfers of Value like Travel & Lodging.</p> <p>For contracts or agreements with services that span multiple periods, Shire used the date of payment as the Transfer of Value date.</p> | <p>Baxalta used the payment date for direct Fee For Service and other payments for activities within the reporting period and applied the event date for all other Transfers of Value like Travel & Lodging.</p> <p>For a minority of reportable transactions, where event dates were not available, the payment date has been applied for Transfers of Value like Travel & Lodging.</p> <p>For contracts with services that span multiple periods, Baxalta used the date of payment as the Transfer of Value date.</p> <p>For Italy, based on guidance from the local association, Baxalta used payment date for all transfers of value.</p> |
| <p>Reconciliation of the Data</p> | <p>On an annual basis, Shire will complete a full year reconciliation to identify any transactions that were submitted post data validation or post publication and update the reports accordingly to support the principles of full transparency.</p> | <p>No difference.</p> |
| <p>Cancellation of events or contracts including when a HCP does not participate</p> | <p>Shire will only attribute the transfers of value that are incurred and can be reasonably associated to the HCP based on supporting documentation. In the circumstances when a flight or accommodation is booked but the event is cancelled or HCP does not attend, no transfer of value will be attributed to that HCP.</p> | <p>No difference.</p> |
| <p>Disclosure of Cross-Border Transfers of Value</p> | <p>For HCPs and HCOs, Shire will disclose based on the <u>principal practice</u> address of the identified recipient.</p> <p>Shire relies on IMS as a recognized</p> | <p>No difference.</p> |

| | | |
|---|--|--|
| | <p>industry leader in data management to determine the principal practice address of the HCP and HCO to be consistent across the EFPIA countries.</p> <p><i>This may not match with the address collected on the contract, in our finance system of payment record or in any of our other supporting documentation.</i></p> | |
| Disclosure Language | All disclosures will be made available in English on our public website (Shire.com) but primarily made in the language(s) prescribed in the national codes. | No difference. |
| Disclosure of Local Identifiers | Shire will disclose the “Country Unique Identifier” for HCPs and/or HCOs where the local code had mandated the population of this data point only to support the principles of privacy. | No difference. |
| Charitable Contributions | <p>Shire followed the EFPIA guidance on the following:</p> <ul style="list-style-type: none"> • A donation or grant to a HCO will be disclosed as a Transfer of Value under the Donation/Grant section of the applicable Disclosure report. • Sponsorships of a HCO will be disclosed as a Transfer of Value, under the Costs related to Events section of the applicable Disclosure report. | No difference. |
| Reporting of Payments made to HCO for HCPs to attend a Congress or other event (Registration | <p>Shire decided:</p> <ol style="list-style-type: none"> 1. If a payment was made to a HCO for the benefit of HCPs and the identity of the HCP was attainable, Shire disclosed only once, and on an individual basis against the relevant HCPs and obtained the appropriate | Baxalta reported the recipient of the transfer of value. |

| | | |
|---|---|----------------|
| Fees & Related Expenses) | consent. 2. If a payment was made to the HCP and the identity of the HCP was unknown; Shire disclosed the transfer of value against the HCO under Costs related to Events. | |
| Country in which to report Research Payments | Shire determined that the transfers of value would be disclosed based on the principal address of the recipient regardless of where the payment is made. | No difference. |

Section 4: Consent Management at Shire & Baxalta

| Shire | Baxalta |
|---|--|
| <p>Shire is collecting consent for each engagement with all HCPs (and HCOs where applicable) based on local requirements with the following exceptions:</p> <p>Spain has collected consent at the profile level for 2016 data.</p> <p>Decisions made to avoid the “cherry picking” of transactions for individual disclosure:</p> <ul style="list-style-type: none"> • If consent is given for all engagements, Shire will disclose transfers of value to the HCP under the individual section of the applicable Disclosure report • If Shire does not receive consent for all engagements, we will default all transfers of values to the aggregate section of the applicable Disclosure report. • If the consent form is not returned to Shire, we will default all transfers of value to the aggregate section of the applicable Disclosure report. | <p>Baxalta is collecting consent for each engagement with all HCPs and HCOs (where applicable) based on local requirements with the following exceptions:</p> <ol style="list-style-type: none"> 1. For Germany, consent is collected at the profile level once every 3 years. 2. For Estonia, Latvia and Lithuania, if no consent was given to disclose at an individual level, then Baxalta did not engage the HCP. 3. For Spain, consent was collected at the profile level for 2016 data. <p>Baxalta followed the Shire approach to avoiding the ‘cherry picking’ of transactions for individual disclosure and for revoking consent for 2016 data.</p> |

| | |
|---|--|
| <p>Decisions made for the revoking of individual consent:</p> <ul style="list-style-type: none"> • If a HCP or HCO revokes consent prior to publication of the data, Shire will update the data and include the transfers of value in the aggregate section of the applicable Disclosure report. • If a HCP or HCO revokes consent after publication of the data, Shire will update the information at the first reasonable time. | |
|---|--|

Section 5: Submission Approach for 2016 Data

| | |
|--|--|
| <p>The Disclosure Method for 2016 Data</p> | <p>A. Shire will publish the disclosure file on our Shire.com website for the following countries:</p> <p>Bulgaria, Croatia, Estonia, Finland, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden and Ukraine</p> <p>B. Shire will publish on a link or the report on the local Shire website for the following countries:</p> <p>Austria, Bulgaria, Germany, Italy, Latvia, Lithuania, Norway, Romania, Russia, Serbia, Spain, Sweden, Switzerland and Ukraine</p> <p>C. Shire will publish on the central registry for the following countries:</p> <p>Czech Republic, Ireland, UK and Belgium</p> <p>D. The report for Cyprus will be published by the distributor and not by Shire.</p> <p>E. Shire will not publish a report for Turkey until further guidance is provided by EFPIA and the Turkish authorities</p> |
| <p>The Timing of Disclosures for 2016 Data</p> | <p>Shire will publish data for the prior period the last week in June unless the local Association sets a specific date.</p> <p>Other dates include:</p> |

| | |
|--|---|
| | <p>A. The UK will be submitted by the last Thursday of March B. Belgium will be submitted by April 30 C. Estonia will be published by June 1</p> <p><i>Shire also intends to publish data in the early part of June for the Nordic region though no formal guidance on this has been given.</i></p> |
|--|---|

Section 6: Categories for Disclosure as Defined within the Code:

| Description | Types of Transfer of Value Included Per EFPIA |
|--|--|
| Donations and Grants to Healthcare Organisations | Donations and Grants to HCO's that support healthcare including donations, grants and benefits in kind. |
| Research & Development (to be published in the aggregate section of the disclosure template) | <p>Research and Development transfer of values to HCPs/HCOs associated with:</p> <ul style="list-style-type: none"> • Non-clinical (Good Laboratory Practice (GLP)) • Clinical trials in Phase I to Phase IV • Investigator sponsored studies • Non-interventional studies |
| Contribution to costs of Events: Sponsorship agreements | <p>Events include all scientific professional meetings, congresses, conferences, symposia and other similar events.</p> <p>Sponsorships with HCOs/third party appointed by an HCO to manage an Event.</p> <p><u>Examples:</u></p> <ul style="list-style-type: none"> ○ Advertisement space ○ Rental of booth space at an event ○ Satellite symposia at a Congress ○ Sponsoring of speakers/faculty |
| Contribution to cost of Events: Registration Fees | Registrations fees related to attending a Congress or Symposia. |
| Contribution to costs of Events: Travel & Accommodation | <ol style="list-style-type: none"> 1. Travel expenses related to attending a Congress or Symposia. 2. Accommodation expenses related to attending a Congress or Symposia. <p><u>Example:</u></p> <ul style="list-style-type: none"> • Fees for airfare, train, boat or ferry (incl. booking fees) • Car rental, car services, taxi transfers |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Parking fees • Gas/Petrol costs • Road tolls or fees |
| Fee for service and consultancy: Fees | <p>Transfers of value resulting from or related to contracts between Member Companies and institutions, organisations, associations or HCPs under which such institutions, organisation, association or HCPs provide any type of services to a Member Company or any other type of funding not covered in the previous categories.</p> <p><u>Examples include:</u></p> <ul style="list-style-type: none"> • Speaker fees • Speaker training • Data analysis • Development of education materials • General Consulting/Advising |
| Fee for service and consultancy: Related expenses agreed in the fee for service or consultancy contract | <p>Related expenses agreed in the fee for service or consultancy contract:</p> <p><u>Examples include:</u></p> <ul style="list-style-type: none"> • Fees for airfare, train, boat or ferry (incl. booking fees) • Car rental, car services, taxi transfers • Parking fees • Petrol costs • Road tolls or fees |

Section 7: Disclosure in Aggregate as defined by the Code

If payments or transfers of value cannot be disclosed on an individual basis due to legal reasons, such as lack of consent from the HCP, then the transfers of value and payment must be disclosed in aggregate.

| Description | Interpretation |
|---|---|
| Aggregate amount attributable to transfers of value to such Recipients | The aggregate amount attributable to transfers of value to recipients for each disclosure category to be disclosed in local currency. |
| Number of Recipients in aggregate disclosure | Number of recipients covered by aggregate disclosure on an absolute basis for each disclosure category. |
| Number of Recipients disclosed in aggregate as a % | Percentage of recipients disclosed in the aggregate for the disclosure category as a percentage of all HCPs and ORDMs |

| | |
|--|--|
| of all Recipients (individual & aggregate disclosures) | receiving transfer of value under all disclosure categories. |
|--|--|