

CELLTRION HEALTHCARE METHODOLOGY NOTE

1. PURPOSE

Celltrion Healthcare United Kingdom Limited legitimately engages Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs) to provide valuable, independent and expert knowledge derived from their clinical and management experience. This expertise makes an important contribution to our efforts to improve the quality of patient care. It is right that Celltrion Healthcare United Kingdom Limited compensates them for their services, and this is one of the legitimate reasons why Celltrion Healthcare United Kingdom Limited transfers value to HCPs and HCOs.

The ABPI (Association of the British Pharmaceutical Industry) code requires member companies to publish a note summarising the method used by the company in preparing its Disclosure Report and identifying transfers of value for each category of spend relating to HCPs and HCOs (“Methodology Note”). This document represents Celltrion Healthcare United Kingdom Limited Methodology Note for the reporting period 1st January 2019 to 31st December 2019.

2. DEFINITIONS

Definitions used within the Disclosure Report and Methodology Note are consistent with ABPI terminology:

Event

All promotional, scientific or professional meetings, congresses, conferences, symposia, and other similar events, including:

- Advisory board meetings
- Visits to research or manufacturing facilities
- Planning, training or investigator meetings for clinical trials and non-intervention

Healthcare Professional (HCP)

Anyone that is a member of the medical, dental, pharmacy or nursing professions and any other persons in the course of their professional activities may administer, prescribe, purchase, recommend or supply a medicine.

Healthcare Organisation (HCO)

A healthcare, medical or scientific association or organisation such as a hospital, clinic, foundation, university or other teaching institution or learned society, or an entity through which an HCP (as defined above) or other relevant decision makers provide a service.

3. REPORTABLE TRANSFER OF VALUE

Donations and grants to HCOs

Donations and Grants to HCOs that support healthcare, including donations and grants to institutions, organisations or associations that are comprised of HCPs and/or that provide healthcare. These transfers of value are altruistic in nature.

Research and Development (R&D) transfers of value

These are activities related to the planning or conduct of studies that fall under one of the following categories:

- Conducting non-clinical studies (as defined in the OECD Principles on Good Laboratory Practice)
- Phase I to IV clinical trials (as defined in applicable EU legislation)
- Non-interventional studies

Contribution to costs of Events

This category includes fees related to:

- Sponsorship agreements with HCOs/ third parties appointed by HCO to manage an Event
- Registration Fees
- Travel and Accommodation
- Internal costs for internal events

Fee for service and consultancy

This category will include the fees and any related expenses covered by a consultancy agreement with an HCP. The fee will be reported under the 'Fees' sub-category and any related expenses, such as travel, accommodation or registration fees, will be reported under the 'Related expenses agreed in the fee for service or consultancy contract...'. When it is not possible to separate the fee from the related expenses, in these instances, the total transfer of value will be reported in the 'Fees' sub-category.

4. ACCOUNTING CONSIDERATIONS

Currency and Tax

The Disclosure Report will show transfers of value made in the currency in which payment was made. Where amount is requested is not in GBP, this will be calculated on the day of approval using a currency converter tool at a commercial bank website.

The Disclosure Report will show transfers of value made with or without applicable taxes as those are the responsibility of the HCP or HCO as set out in the relevant agreement between parties, and Celltrion Healthcare United Kingdom Limited is not liable for any UK taxes.

Indirect Payments (Payments made to HCP/ HCO through Agency)

Celltrion Healthcare United Kingdom Limited may contract with agencies (such as an advertising, marketing or PR agency) that go on to make transfers of value to HCPs/HCOs. The end recipient (HCP/HCO) may not appear within Celltrion Healthcare United Kingdom Limited's accounting tool. Celltrion Healthcare United Kingdom Limited makes the best effort to ensure that these transfers of value made on our behalf are captured and reported as if they were made directly by requesting information from our agencies. Transfers of value to HCPs covered by the ABPI's code may be made by other Celltrion Healthcare entities (and not by Celltrion Healthcare United Kingdom Limited). Celltrion Healthcare United Kingdom Limited will only publish the transfer of value to an HCP/HCO in the Disclosure Report for the country where the HCP/HCO has their primary practice.

VAT

Where applicable, disclosure of payments does not include VAT. Cross border ToV may or may not include VAT depending on the submitting source.

Disaggregated disclosure

Celltrion Healthcare United Kingdom UK's 2019 transfer of value data in disaggregated values has been published on Celltrion Global website, please see the link below:

<https://www.celltrionhealthcare.com/en-us/aboutus/compliance>

Statement for the disclosure of 2019 data during the COVID-19 pandemic in 2020

As part of the pharmaceutical industry's annual disclosure of transfers of value to HCPs, ORDMs and HCOs via the Disclosure UK platform and in order to ensure accuracy of the published data, the ABPI writes to all of the HCPs, ORDMs and HCOs named in companies' disclosure data ahead of its publication on Disclosure UK at the end of June. (Over 20,000 in June 2019.)

Given the unprecedented pressure on the NHS and health care professionals in responding to the COVID-19 pandemic, in April 2020 the ABPI and PMCPA agreed that it would not be appropriate for industry to write to HCPs, ORDMs or HCOs to request that disclosure data be reviewed. Doing so would add additional work for NHS professionals at this time. To avoid this, and in-line with guidance provided by the ABPI, CELLTRION HEALTHCARE UNITED KINGDOM UK's 2019 transfer of value data has been published on Disclosure UK in aggregate.

Commitment to transparency

The pharmaceutical industry is committed to preserving the integrity of Disclosure UK and transparency in our interactions with HCPs, ORDMs and HCOs. The ABPI continues to explore how the full disaggregated 2019 data can be submitted to Disclosure UK in line with data from previous years