**Explanatory note to the Information disclosure report in accordance with EFPIA Code / AIPM Code for the year 2018**

1. Definitions

In its activities relating to information disclosure, the Company is committed to the definitions and concepts used in the AIPM Code of Practice.

According to clause 1.2. of the AIPM code, the definition of **healthcare professionals** (HCP) includes doctors and other medical professionals, heads of medical organizations, pharmaceutical professionals (including pharmacists), heads of pharmacy organizations, and other specialists the professional activity of which is concerned with pharmaceutical products and who in the process of their professional activity have the right to prescribe, recommend, purchase, supply, or administer pharmaceutical products;

According to clause 1.2. of the AIPM code, the definition of **healthcare organizations** (HCO) includes any legal entity (i) that is a healthcare, medical, pharmaceutical or scientific association or organization (irrespective of the legal or organizational form) such as a hospital, clinic, foundation, university or other teaching institution (except patient organizations) whose business address, place of incorporation or primary place of operation is in Russia or (ii) which provides services through one or more healthcare professionals.

The definition of **transfer of value to healthcare professionals and healthcare organizations (transfers of value, payments)** includes direct and indirect transfers of value, whether in cash, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of prescription-only pharmaceutical products exclusively for human use.

Direct transfers of value are those made directly by a pharmaceutical company for the benefit of a recipient.

Indirect transfers of value are those made on behalf of a pharmaceutical company for the benefit of a recipient, or transfers of value made through an intermediate (e.g., event planning agency) and where the pharmaceutical company knows or can identify the healthcare professional/healthcare organization that will benefit from the transfer of value;

2. Principles and methods of disclosure of information on transfer of values for the year 2018

In Russia, the initiative of disclosure does not have legal grounds, which means that any disclosure is subject to approval by the persons and entities in respect of whom payment data is to be disclosed.

Subject to availability of approval from a healthcare professional, the information on payments to be made thereto is to be disclosed on individual basis, if no such approval is available, or upon revocation thereof – in impersonal (aggregated) form.

Since current initiative does not provide for disclosure of the information on payments to healthcare organizations in impersonal form, then, subject to availability of approval, disclosure is made on individual basis, if no such approval is available, no disclosure will be made.

***2.1. Disclosure of payments to healthcare professionals***

All amounts of payments to healthcare professionals that made in monetary form (payments for rendering of services and consulting), as well as payments in kind (costs associated with holding of events; costs associated with contracts for rendering of services and consulting, including the travel and accommodation expenses included in the contract with the relevant specialist or organization) are to be specified in rubles of the Russian Federation, after taxation.

In addition to payments reflected in cash and in kind to the healthcare professionals, where applicable, personal income taxes and insurance premiums have been charged, withheld and paid by the Company for the healthcare professionals.

***2.2. Disclosure of payments to healthcare organizations***

Company must disclose the particulars of the healthcare organization with whom it maintained direct cooperation and from whom it received invitations and/or requests. In the case of several organizations, the Company must disclose the actual organizer with whom it maintained direct cooperation and from whom it received invitations and/or requests.

If payments were made in favour of a third party engaged by the healthcare organization for the event arrangement, the Company must also disclose, if possible, the information about the healthcare organization. However, taking into account that the Company has no information on the amount of payment made directly to the healthcare organization, the Company must presume, for the purpose of disclosure, that it transferred 100% payment to the healthcare organization.

If the Company was providing its support of a scientific and educational event held for healthcare professionals, which was arranged by the person not referred, in accordance with the AIPM code, to a healthcare organization, the Company must also disclose the information about such person as of a healthcare organization, to maximum the expenses transparency.

All amounts of payments made to the healthcare organizations are given in RF rubles and include VAT, if applicable. Location address of the organization is given as the "legal address for the primary place of business".

3. Limitation of data accuracy liability

The Company applies its best effort to ensure maximum transparency, accuracy and actuality of the information being published. The Company reserves the right to make amendments in the report at any time without giving any prior notice, in case if any inaccuracies are revealed therein.

However, due to the fact that indication of payments in the relevant sections of the report does not always mean transfer of funds within the amount specified directly to the healthcare organization (e.g., in the presence of a technical organizer or organizers involved, as well as when there are several actual organizers), the Company cannot guarantee that the information available on the site is accurate and 100% exhaustive.

4. Person in charge

Person in charge of publication:

Natalia Medvedeva, Head of Representative office in Russian Federation

Natalia.Medvedeva@mundipharma.ru