

GENDER PAY GAP REPORT

2018



CLINIGEN

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WHAT IS THE GENDER PAY GAP?

All companies with 250 or more employees based in the UK are now required to publish details of their gender pay and bonus gaps by 5th April each year.

Gender Pay vs Equal Pay

It is important to highlight that there is a difference between the definitions of gender pay gap and equal pay. The gender pay gap is the difference between the average pay for men and women, across the organisation, expressed as a percentage of total earnings; it is not a measure of the difference in pay between men and women for doing the same job. Equal pay is the difference in pay between men and women who carry out the same or similar jobs; this report does not cover this.

According to the Office for National Statistics (ONS), the median gender pay gap for the UK is currently 17.9%*, meaning that on average, men earn 17.9% more than women across the UK economy.

Median vs Mean

The median pay gap is calculated by finding the exact middle point between the lowest and highest paid woman in an organisation and the lowest and highest paid man, then comparing the two figures.

The mean gender pay gap is the difference in average hourly rate of pay between men and women within the company. To calculate the median gender pay gap, all salaries are listed from high to low and the middle value for female employees is compared to the middle value for male employees.

A positive number indicates a higher mean or median pay for men compared to women; a negative number will mean the reverse.

Throughout all levels of the organisation, the pay for each job role is different, according to the job role itself. The proportion of male and female colleagues performing each job role varies.

Gender pay reporting is focused on ensuring we continue to create opportunities for female employees to progress their careers within the business through ensuring equality of opportunity for all, and active promotion of all recruitment, talent succession and development activities.

At Clinigen, we view equal pay as a moral issue; we consider it to be right and fair to pay our colleagues equally, regardless of gender.

*Annual Survey of Hours and Earnings (ASHE) – Office for National Statistics - 25 October 2018

SUMMARY

In this report we will be outlining two separate sets of numbers for Clinigen Group Plc (UK based employees) and for Quantum Pharmaceutical Ltd., part of Quantum Pharma Holdings Ltd. which Clinigen Group Plc acquired in November 2017.

The reason we have two separate reports is because we are required to report separately for each legal entity that employs over 250 people. For Clinigen Group Plc, as all of our employees sit under one entity, this report includes everyone, including our Executive and Non-Exec Directors. In Quantum, employees sit under different entities. Only one of those entities, Quantum Pharmaceutical Ltd, has over 250 employees therefore the Quantum report only includes that group of employees.

The report includes the following:

- Overall mean and median pay gap based on equivalent hourly rates of pay as at 5th April 2018
- Overall mean and median difference between bonuses paid to men and women at Clinigen Group Plc and Quantum Pharmaceutical Ltd. for the 12 months up to 5th April 2018
- Proportion of Employees receiving a bonus payment in the year to 5th April 2018
- Pay quartiles for 12 months pay up to 5th April 2018

We recognise the importance of diversity and inclusion, including gender, at all levels of the Company. The Group already has a strong female representation at a senior level. We continue to actively recruit and develop women into our leadership positions to enable us to better reflect and serve the diverse communities and cultures in which we operate around the world.

The Clinigen "Valuing Diversity" Commitment

Clinigen is committed to creating a workplace that maximises the potential of all of our people, where everyone is valued and feels empowered to contribute to our continued success. Every employee has the right to be treated with respect and dignity and Clinigen has a zero tolerance attitude to bullying, harassment or victimisation of any kind. We all have a ensure that we treat others as we would like to be treated, and that our actions and interactions personal responsibility to reflect our commitment to diversity and inclusion.

Clinigen are an equal opportunity employer and strive to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, sex, marital status and civil partnership, sexual orientation, gender reassignment, disability, membership or non-membership of trade union, rehabilitation of offenders, age, political or religious belief, equal pay, fixed-term or part time working, pregnancy and maternity. (This list is not exhaustive). Our recruitment selection criteria and associated procedures will be reviewed and updated where necessary to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

OUR CURRENT GENDER PAY GAP

Clinigen Group Plc

Gender pay gap information for the reporting period ending 5th April 2018

Our results include the Executive Management Team and Plc Board, along with all UK based employees, in all job roles, at all levels throughout the organisation. We have a good gender balance across the business, over half of our employees are female.

Thirteen out of twenty of the highest paid positions were held by male employees in the reporting period. Whilst this does impact our mean hourly pay and bonus gender pay gap, it shows a meaningful improvement from sixteen out of twenty in the previous reporting period. This reflects the general picture in the life sciences sector in the UK.

The median gender pay gap for the UK is currently 17.9% (ONS, 25/10/18). At 0.6%, we are proud that our median gender pay gap is 17.3% below the national average. All metrics show an improvement from the previous reporting period.

Our mean gap in pay and bonus was impacted by a higher proportion of male colleagues occupying the most senior positions during the reporting period. As the data incorporates all levels of the business including Executive and Non-Executive Directors, the mean was impacted by a very small number of senior roles. We therefore believe our median provides a more accurate and representative reflection of our gender pay gap position.

Since the reporting period, we have continued to work proactively to reduce the gender pay gap and ensure focus on gender equality at the senior levels. Senior appointments over the last year have continued to address this. We continue to build strong foundations to foster a more diverse and inclusive Clinigen:

- Between April 2017 and April 2018 – we recruited 72 people and 59% were female
- Between April 2017 and April 2018 - we had 31 internal promotions, 54% were filled by female employees
- As at 5th April 2018, 74% of employees with over 10 years' service were female. Long service awards have been introduced to recognise these achievements
- In the 2017/18 ILM recognised Management Academy training programme, 66% of participants were female
- Our employee forum has over 60% female representation
- Training is provided to line managers covering diversity, equality and discrimination
- Recruitment is monitored to ensure a minimum of 50% female applicants for all job roles and improve the talent pipeline when this is not achievable. A new recruitment system launching in 2019 will minimise potential unconscious bias in the recruitment process

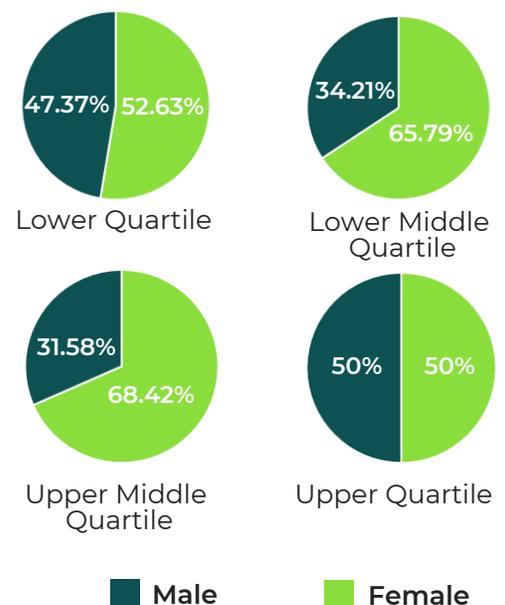
Headcount: 329

Female: 195 / 59%

Male: 134 / 41%



Pay Quartiles



Reporting our quartiles is legally required. Using hourly pay, quartiles divide the list of earners, ordered from lowest to highest, into four equal groups. This provides a good picture of where male and female employees are in the pay hierarchy.

OUR CURRENT GENDER PAY GAP

Quantum Pharmaceutical Ltd

Gender pay gap information for the reporting period ending 5th April 2018

We have a good gender balance across the business. Over half of our employees are women and 76% of new recruits within the reporting period were female.

Progression is also well balanced, 61% of employees who received a promotion in the reporting period were female.

As at 1st April 2018 65% of our employees with over 10 years' service were female, which demonstrates positive retention levels.

The median gender pay gap for the UK is currently 17.9% (ONS, 25/10/18), meaning our gender pay gap is 5.7% lower than the national average.

During the reporting period, male employees occupied our most senior leadership positions. This impacted our mean data and our bonus pay gap as these positions attract higher salaries and bonus potential. This reflects the general picture in the life sciences sector in the UK.

In addition, during the reporting period the organisation was acquired by Clinigen Group Plc. As a result of the acquisition, a number of LTIP associated payments were made to the senior leadership team which impacted the bonus pay gap for this reporting period. This was an exceptional event and not reflective of our general bonus position.

If the senior leadership team population were removed from the data the mean bonus gap would drop to 14.8% and the median would drop to 18.9%.

Since April 2018 the executive team population has changed and is now 50% male and 50% female.

At Clinigen we are committed to promoting gender equality. Within the reporting period 44% of our leaders who completed a CMI recognised leadership and development training programme were female. Since 5th April 2018, we have enrolled our leaders on our ILM recognised Clinigen Management Academy training programme and 58% of participants are female.

Headcount: 250

Female: 143 / 57%

Male: 107 / 43%



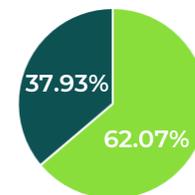
90%

Of all male employees received a bonus

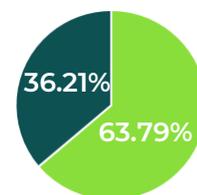
91%

Of all female employees received a bonus

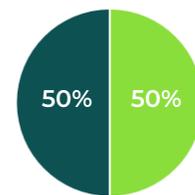
Pay Quartiles



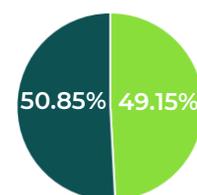
Lower Quartile



Lower Middle Quartile



Upper Middle Quartile



Upper Quartile

■ Male

■ Female

Reporting our quartiles is legally required. Using hourly pay, quartiles divide the list of earners, ordered from lowest to highest, into four equal groups. This provides a good picture of where male and female employees are in the pay hierarchy.

WHAT HAPPENS NEXT?

- 1 We will continue to report on this annually and will monitor gender pay internally throughout the year, incorporating the wider global business.
- 2 We will take action as necessary to proactively reduce the gap through actions such as development programmes, succession planning and salary benchmarking.
- 3 We will continue to attract and develop the widest possible talent pool, driving inclusion and equality throughout all of our processes.
- 4 We will continue to empower senior management to own and drive equality in the organisation.
- 5 We will ensure our working environments are open, welcoming, inclusive and engaging for all of our people to make the most out of their employment with Clinigen.

This statement was approved by Shaun Chilton, Group CEO, Clinigen Group Plc and Jessica Archer, Global HR Director, Clinigen Group Plc.



Shaun Chilton
Group CEO, Clinigen Group Plc



Jessica Archer
Global HR Director, Clinigen Group Plc

ABOUT CLINIGEN GROUP

Clinigen Group plc (AIM: CLIN) is a global pharmaceutical and services company with a unique combination of businesses focused on providing ethical access to medicines. Its mission is to deliver the right medicine to the right patient at the right time through three areas of global medicine supply: clinical services, unlicensed, and licensed medicines. The Group has sites in North America, Europe, Africa, and Asia Pacific. In October 2018, the Group acquired CSM, a specialist provider of packaging, labeling, warehousing, and distribution services with sites in US and Europe, and iQone, a specialist pharmaceutical company in Switzerland.

For more information on Clinigen, please visit www.clinigengroup.com.