

ROYALTY PHARMA

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Global Tax Policy

Tax Strategy and its Application

Royalty Pharma is committed to conducting its business in accordance with all applicable laws and with the highest ethical standards. This document outlines Royalty Pharma's global approach to taxation. The overall goal of Royalty Pharma's global tax policy is to support its business by maintaining a sustainable tax rate while complying with tax law and regulations, and mitigating tax risks in the jurisdictions in which we operate.

Royalty Pharma's global tax strategy applies to all of its entities. This tax strategy and its underlying principles guide the decisions Royalty Pharma makes relating to corporate tax matters. We aim to ensure Royalty Pharma's tax and financial reporting manages risk and promotes stakeholder value.

Tax Risk Management and Governance

Royalty Pharma's tax planning arrangements and transactions, including in relation to intellectual property, are based on its business and activities. In structuring its business activities, our tax team aims to ensure that our business and activities are consistent with relevant tax rules. Where different options are available, we weigh the impact on our stakeholders and the commercial rationale of the transaction in deciding on the right course of action.

Royalty Pharma employs experienced, qualified tax professionals who work closely with our Accounting, Finance, Legal and Human Resources teams at Royalty Pharma. Royalty Pharma seeks advice and guidance from various experienced external advisors, including accounting firms and law firms in various jurisdictions on complex matters. Royalty Pharma also monitors compliance with relevant tax laws, regulations and guidance, as well as this policy, including maintaining communication and holding periodic meetings with external advisors on developments in tax laws, regulations and guidance.

Royalty Pharma has defined clear lines of responsibility, ensuring that tax-related decisions are taken at an appropriate level. Material tax compliance, risk and related matters are approved by the Chief Financial Officer and the Audit Committee of Royalty Pharma's Board of Directors, as well as communicated to Royalty Pharma's independent auditors at least quarterly.

Royalty Pharma also abides by stringent internal controls. Financial internal controls, including tax-related controls, are also updated periodically to mitigate risk.

Tax Planning

Royalty Pharma undertakes tax planning that aligns with its business activities and reputation as a responsible corporate citizen. Royalty Pharma takes advantage of favorable tax deductions, where applicable, as well as relevant bilateral tax treaties aimed at avoiding double taxation. Royalty Pharma strives to ensure that any structure or transactions are done to support our strategy, and, as such, all decisions will have a sound commercial rationale, will be compliant with tax laws and regulations, and will be considered in light of any impact such planning could have on Royalty Pharma's reputation. Royalty Pharma seeks appropriate clarification from external advisors and/or governmental authorities, wherever appropriate.

Dealings with Tax Authorities

Royalty Pharma is committed to the principles of openness and transparency in our dealings with tax authorities. In furtherance of these principles, Royalty Pharma:

- Maintains open, collaborative and professional relationships with tax authorities, resulting in a fair and constructive exchange of information regarding our business and our tax affairs;
- Seeks to resolve issues with tax authorities in a timely manner and, where disagreements arise, works with tax authorities to resolve issues by agreement where possible; and
- Interprets the relevant laws in a reasonable way, and ensures our business structure results in a tax outcome that is consistent with economic reality and complies with relevant tax laws.