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**ALVOGEN'S METHODOLOGY FOR  
TRANSFERS OF VALUE DISCLOSURE  
IN EUROPE**

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## Alvogen's Methodology for Transfers of Value Disclosure in Europe

This memorandum documents Alvogen's methodology for complying with the EFPIA Disclosure Code for Transfers of Value (ToV) to healthcare professionals (HCPs) and healthcare organizations (HCOs) pertaining to activities completed on behalf of Member Companies (i.e., in the context of the Promotion Agreement with Pfizer for prescription only medicine).

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### A. Introduction

The EFPIA Disclosure Code does not define the required approach to timing, taxes, or other currency aspects for ToV disclosure. As such, companies are obliged to publish their methodology (per the EFPIA Code, Article 3, Section 305). Although Alvogen is not a member of EFPIA, the Company is expected to fulfill this requirement for Pfizer Inc., which is a Member Company, as Alvogen promotes prescription only medicine on behalf of them in select countries. In this context, Alvogen regularly works with HCPs and HCOs who provide advice on a range of topics (e.g., providing medical education, clinical research, sharing best medical practices, exchanging information on how new medicines fit into the patient pathway). These working relationships are essential to gaining real-world information in order to deliver treatment choices that improve the health of patients and to share information that may be relevant to clinical decision making. The EFPIA Disclosure Code provides a common basis for reporting ToV across Europe. For more information on this Code visit: <http://transparency.efpia.eu>

This Country Specific Disclosure Data Reports disclose all 2018 Alvogen ToV made to HCPs and HCOs in applicable countries. The ToV disclosed in Country Specific Data Reports cover ToV in the context of activities pertaining to (1) the promotion agreement with Pfizer for prescription only medicine products and (2) the promotion of Alvogen products if required by local regulations and codes. This methodology memorandum presents some key aspects on how ToV are categorized and in what format they are disclosed.

### B. Alvogen Activities per Category

#### 1. Transfer of Value to HCOs, including:

- a. Donations (in cash and in kind) and grants that support healthcare, including to institutions, organizations, and associations comprised of HCPs and/or that provide healthcare. Activities include charitable contributions, donations, educational grants, and scholarships;
- b. Contribution to cost related events:
  - i. Sponsorships of HCOs (i.e., funding of an event in exchange for display booth, advertising space, satellite symposia);
  - ii. Registration fees (i.e., fees paid for an HCO to attend educational events not organized by Alvogen); and,
  - iii. Travel and Accommodation.

<sup>1</sup>In-scope countries are Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, and Ukraine

<sup>2</sup>Only applicable for Croatia, Hungary and Poland

- c.** Fees for services and consultancy related to contracts between Alvogen and an institution, organization, and association of HCPs not described in the previous categories. Fees and other expenses highlighted in the written agreement are reported as two separate amounts. Activities include speaker engagements, advisory boards, preceptorships, post-marketing studies, medical writing, data analysis, development of educational materials, consulting and advising, speaker training, room hire, and catering when provided by an HCO; and,
- d.** Fees for travel visas are not reported.

## **2. Transfer of Value to HCPs, including:**

- a.** Contribution to cost related events:
  - i. Registration fees (i.e., fees paid for an HCP to attend educational events not organized by Alvogen); and,
  - ii. Travel and Accommodation.
- b.** Fee for services and consultancy related to contracts between Alvogen and an HCP. Fees and other expenses highlighted in the written agreement are reported as two separate amounts. Activities include speaker engagements, advisory boards, preceptorships, post-marketing studies, medical writing, data analysis, development of educational materials, consulting and advising, speaker training, room hire and catering when provided by an HCO;
- c.** Fee for travel visas are not reported.

## **3. Transfer of Value for R&D:**

- a.** This relates to pre-clinical and clinical activities, investigator research, and non-interventional studies.

## **C. Sources of Information**

The ToV data disclosed in Country Specific Data Reports is taken from a variety of source systems within Alvogen. Data is collected from internal and external sources and systems, and is then fed into a central database for disclosure reporting.

## **D. Disclosure Scope and Approach**

**Timing** – For 2018, Country Specific Data Reports disclose ToV based on the transaction date. Specifically, the following dates are captured:

- In cash (sponsorship, donation, fee for services): payment date
- In kind (travel, accommodation, registration fees):
  - o One-day interactions: actual interaction date
  - o Multiple-day interactions: last date actual interaction
- Multi-year contract: each individual ToV is captured and disclosed on payment date

**No Show/Cancellation** – Alvogen will only report ToV to an HCP for which payment has been made and a refund has not been received.

**Cross-Border Activities** – ToV will be reported within the Country Specific Disclosure Data Reports based on the recipient's principal practice address. This includes all ToV made by any Alvogen affiliates in the 33 European countries included in the EFPIA Disclosure Code. For non EFPIA countries, Alvogen will make its best effort to collect and disclose direct payments made by Alvogen affiliates.

Alvogen will continue its transparency journey by making continued process improvements for future disclosures

## **E. Definitions**

**Recipients** – Any HCP or HCO, as applicable, whose primary practice, principal professional address, or place of incorporation is in Europe.

**HCO** – Any legal person (i) that is a healthcare, medical or scientific association or organization such as a hospital, clinic, foundation, university or other teaching institution or learned society whose business address, place of incorporation or primary place of operation is in Europe or (ii) through which one or more HCPs provide services.

**HCP** – Any natural person that is a member of the medical, dental, pharmacy or nursing professions or any other person who, in the course of his or her professional activities, may prescribe, purchase, supply, recommend, or administer a medicinal product and whose primary practice, principal professional address or place of incorporation is in Europe. The definition of HCP includes: (i) any official or employee of a government agency or other organization (whether in the public or private sector) that may prescribe, purchase, supply or administer medicinal products and (ii) any employee of a Member Company whose primary occupation is that of a practicing HCP, but excludes (i) all other employees of a Member Company and (ii) a wholesaler or distributor of medicinal products.

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<sup>3</sup> Except for Croatia where VAT is included for fees or contract based ToV



**Transfer of Value** – Direct or indirect ToV, whether in cash, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of prescription-only Medicinal Products exclusively for human use. Direct ToV are those made directly by a Member Company for the benefit of a Recipient. Indirect ToV are those made on behalf of a Member Company for the benefit of a Recipient, or ToV made through an intermediary and where the Member Company knows or can identify the HCP/HCO that will benefit from the ToV.

**In-kind Donations, Grants, and Educational Goods and Services** – These are valued using the estimated cost of procuring the services/goods from an external source or provider.

**Currency Approach** – The disclosure report is submitted in applicable local currency. No currency conversion is needed if the translation currency is the same as the recipient's country of practice. Otherwise, conversion is done at the average monthly rate of the payment.

**VAT** – ToV is calculated based on the actual amount received by a recipient either in cash or in kind. The general approach is as follows:

- Including VAT for expenses such as travel, accommodation, and congress registration fees
- Excluding VAT for fees or contract based ToV

**Healthcare professionals employed by Alvogen** – Alvogen does not disclose salaries paid to HCPs employed by Alvogen. Alvogen does not disclose any support provided by Alvogen to an Alvogen employee, who is also an HCP, when attending a third-party meeting; it is deemed that the Alvogen employee attended the meeting for professional reasons related to their Alvogen employment.

**Joint Working** – Where Alvogen has worked with more than one organization for a joint working project, the total ToV given to these organizations by Alvogen will be split equally between the organizations involved, unless the project outline in the contractual agreement states otherwise.

**Consent Management** – Alvogen will only publish individual recipient details when consent has been positively given. If an HCP or HCO has not given consent or has not responded to the consent request, they will be considered to have not given consent and their data will be aggregated prior to publishing. If a consent is withdrawn for any activity, Alvogen's position is that all ToV made to this individual during the reporting period are reported in the "aggregate" section of the report.

**Self-Incorporated HCP** – Not applicable for Alvogen.

**Publication** – Alvogen follows local country trade association procedures and legislation for reporting publication. The Company's publication is aligned with all reporting dates.