



## Methodology note for accounting principles (Disclosure of transfer of value)

*Company: Mundipharma AS*

*Year: 2015*

As a pharmaceutical company, Mundipharma works in close collaboration with healthcare professionals in order to improve patient care and treatment. We must ensure that this co-operation enjoys public trust and that the collaboration is performed under full transparency. As part of Mundipharma's compliance with LMI Code of Conduct, we hereby disclose our process of collecting data for full disclosure of transfer of value to healthcare professionals. This methodology-note is published on Mundipharma's web-page; [www.mundipharma.no](http://www.mundipharma.no)

### **Information about Mundipharma's transfer of value**

What is included in the reporting?

*Transfers of value to healthcare professionals (HCP) and health care organization (HCO) derived from pharmaceutical corporate activities related to the prescription and non-prescription of medicines for human use.*

What is a transfer of value?

*Transfers of value are salary, fees or other remuneration for work and compensation of expenses associated with carrying out the assignment (such as travel, meals, accommodation etc.). Including participants at our events which get travel and accommodation covered. Donations and sponsorship of healthcare (HCO) are also transfers of value that shall be reported.*

When is data reported?

*Publication of data from the previous year shall take place within 6 months after the end of the year. The first publication takes place in 2016 based on transfers of value in 2015. The data is reported on a cash basis, meaning that it is reported in the year where the transfers of value have physically occurred. Fees (and other transfers of value) earned in 2014 and paid in 2015 will be reported in the first publication in 2016. As consent was not carried out in 2014, the data will be shown as an aggregated amount.*

Which currency is used in the reporting?

*All currency is shown in Norwegian kroner (NOK).*



How are Salary, fees and expenses reported?

*Fees paid as salary are reported as gross salary with no social charges.*

*The invoiced amount excl. VAT is reported for invoiced fees.*

*Expenses associated with carrying out the assignment are reported separately, excl VAT.*

*If the expenses are of limited value and cannot be separated from the fee, it is reported as fees.*

*According to EFPIA examples of transfers of value are linked to assignment/consultation:*

*-Speakers' fees;*

*-Speaker training;*

*-Medical writing;*

*-Data analysis;*

*-Development of education materials;*

*-General consulting / advising.*

*The payment received by the contracting entity – which may be a HCP, a legal entity owned by a HCP (which is then a HCO) or a HCO – will be disclosed as a Transfer of Value made to that entity.*

What is reported under HCP?

*AS in accordance with LMI's Code of Conduct, Mundipharma considers these professions as HCP: doctors, dentists, nurses and pharmacists as well as students within these professions..*

*As a rule the disclosure obligation does not cover the interaction between companies and teaching institutions unless the institution in question is deemed to be a HCO. If, however, such a transfer of value benefits a HCP, it will be disclosed and allocated to the teaching institution in question. Transfers of value to faculties of medicine or university hospitals are covered by the disclosure obligation.*

What is reported under HCO?

*An HCO is a healthcare organization. Fees and expenses billed by sole proprietorships, partnerships, limited liability companies and limited partnerships are accounted for under HCO. For assignments performed in the service of the company the amount paid to the organization/clinic or health care unit under the HCO is reported. Donations and sponsorship of healthcare are also recognized in the HCO. (Sole proprietorships are most often reported under HCP and are not a part of the definition of HCO).*

What is reported under "OTHER"?

*Payroll and payments to sole proprietorship requires consent for publication by the Personal Data Act. In cases where consent is not granted, the transfer of value is recognized in aggregated amount under "Other". The number of receivers in which consent is not given and the percentage of the total number of recipients is also reported under "Other".*



What is reported under R&D (aggregated)?

*Under the transfer of value to research and development (R&D) are the transfer of value to the recipient associated with the planning or execution of (i) non-clinical study (defined in the OECD Principles of Good Laboratory Practice), (ii) clinical trial, or (iii) non-interventional study involving the collection of patient data from health personnel or on their behalf.*

What is reported under sponsoring?

*Financial or other support. It involves the sponsored doing/delivering something in return for the sponsorship (see examples below). Pharmaceutical companies may only offer sponsorship to healthcare or associations to cover the actual, documented, reasonable and direct costs necessary for the professional elements. For instance this could be:*

- *Lecture fee*
- *Venue*
- *Technical equipment*
- *Moderate meals in connection to the event*
- *Cost for training material*
- *Announcement of gathering*

*Main rule:*

*Reporting of international congresses is done in the country where the organizer is located.*

*The following are examples of activities that can be found under sponsorship:*

- *Rental of booths at an "Event";*
- *Advertisement space (in paper, electronic or other format);*
- *Satellite symposia at a congress;*
- *Sponsoring of speakers/faculty;*
- *If part of a package, drinks or meals provided by the organizers (included in the "Sponsorship Agreement");*
- *Courses provided by a HCO (where the Member Company does not select the individual HCPs participating).*

What is reported under "Associated costs"?

*Associated costs could be costs such as for instance travelling- or accommodation costs in relation to the assignment. These expenses will not be a part of the fee paid to the consultant.*

Where should it be published?

*Mundipharma will not disclose Transfers of value to an HCP who has his/her significant practice outside of Europe. As Mundipharma has no legal representation in any other country, all disclosure of transfer of value will be made in this country.*

What about in the presence of co-marketing?

*Each company participating in the co-marketing, shall publish the company's individual transfers of value.*



What about transfers of value through third-party?. *If the third-party is representing or acting on behalf of Mundipharma, we ensure that its respective obligations are met by the third party. Publication is done by Mundipharma in such cases.*

How do you ensure that the HCP is asked about consent to disclose data?

*All HCP contracts contain a form where the HCP can give his/her consent to disclosure or a separate consent form is used. Consent is the logged in our internal systems to ensure that only those instances where the HCP gives his/her consent are disclosed under individual reporting.*

Which obligations does the company have if consent is withdrawn?

*Mundipharma is not allowed to publish any sort of information from the individual if the consent is not given or the consent is withdrawn before the information is published. If a consent is not given or withdrawn, the data will be published in an aggregate way instead.*

How do you publish a payment to a clinic where a doctor is employed?

*Payments for a clinic where a doctor is employed are published under the name of the clinic and under HCO. If payments are to a sole-proprietorship, the disclosure is done under the individual disclosure.*