

SERVIER LABORATORIES LIMITED

CALENDAR YEAR 2016 DISCLOSURE; METHODOLOGICAL NOTE

The following document outlines the processes and decisions taken in the preparation of the disclosure of certain transfers of value [TOV] from Servier Laboratories Limited [Servier] to Healthcare Professionals [HCPs] and Healthcare Organisations [HCOs] in the United Kingdom during the 2016 calendar year.

All transfers listed relate to prescription only medicines (POMs) as Servier Laboratories Limited does not have any activities in “over the counter” (OTC) medicines or devices.

Process:

Servier has gone through an extensive process of identification and recording of all potential TOV to ensure compliance with the ABPI Code of Practice.

For UK direct TOV, all HCPs / HCOs are individually identified in our financial system, with the classification of each payment also recorded at the time of entry in the financial system.

For UK indirect TOV, all TOV are identified and segregated at time of recording in the financial system. Data from other sources (internal databases) was then used to assign these TOV to the relevant HCPs / HCOs.

Servier’s global head-office has built an internal disclosure database allowing all countries to record their TOV against the relevant HCP / HCO. This system holds UK TOV but also allows all other subsidiaries to enter any TOV they might have against UK HCPs / HCOs. This system allows for entry in source currency and manages all currency conversion.

Any non-monetary transfers have been identified and valued at an appropriate market rate.

The code allows for different types of transfers and our interpretation / understanding of these is:

<u>Transfer</u>	<u>Our interpretation / understanding</u>
Donations	Financial or non-financial support for a specific pre-defined activity that is independent of Servier influence and where Servier does not receive any benefit in return.
Grants	Financial support for a specific pre-defined activity that is independent of Servier influence and where Servier does not receive any benefit in return.
Sponsorship	Financial support provided to a HCP unconditionally by Servier to attend third party meetings. In this context it would include registration fees, costs of accommodation and travel.

Donations, grants and sponsorship can only be provided to support HCPs and/or patients with the aim of benefitting patients and the NHS by improving health outcomes.

Disclosure Consent:

Servier has elected to seek disclosure consent at every TOV. In any cases where the same HCP is used more than once during the year, the latest consent will be supersede any previous consent(s) and be applied to all TOV in the year.

For the avoidance of doubt, individual disclosure is only made when there is an absolute positive consent from the HCP. An individual HCP cannot choose which TOV to disclose within the year and so will either be fully disclosed against the individual or within the aggregated figure.

With regard to the aggregated disclosure, the template requires the number of HCPs to be noted against each TOV type. In cases where a non-disclosing HCP has multiple TOV types (for example registration and travel associated with a meeting), they will be counted in both columns. This means that a simple addition of HCPs not disclosing across all categories will overstate the actual number of non-disclosing HCPs worked with. Servier have used the Total Optional column to give a percentage for the total number of HCP’s with aggregate disclosure compared with the total number of HCP’s with TOV

When Does a Transfer Happen?:

There are generally two types of transfer – direct and indirect. The below table outlines the point at which such transfers are recognised for the purpose of this disclosure:

Type of Transfer	Detail	Recognition Date
Direct transfers	Bank transfers made directly to the HCP / HCO	On bank transfer date
Indirect transfers	“Value” provided by 3 rd party e.g. registration to medical/scientific meeting where the registration was paid directly by Servier	On date of “benefit” to the HCP/HCO irrespective of when Servier paid for the item(s)

Other Points to Note:

The below outlines other items taken into consideration when preparing the disclosure:

Item	Application in these disclosures
Value Added Tax (VAT)	Any payments made, where VAT was charged, are shown inclusive of VAT
Other taxes (if applicable)	All transfers of value are stated at the gross amount paid to the relevant HCP or HCO.
Currency conversion	Any transfers made in a currency other than pound sterling, are converted at an exchange rate from that date.
Multi-year contracts	Should any multi-year contracts be in place, the transfer of value(s) listed will reflect transfers within the 2016 calendar year only.

Contact:

Any questions on the above can be emailed to datamanagementuk@servier.com