



Methodological note in relation to Transfers of Value (ToV) to Health Professionals (HCPs), Other Relevant Decision Makers (ORDMs) and Healthcare Organisations (HCOs)

Reporting Period

This data pertains to payments corresponding to activities and events for Napp Pharmaceutical Limited which took place **from January 1st 2016 to 31st December 2016**.

Consent to publish information

Napp sent out individual letters to all Healthcare Professionals (HCPs) and Other Relevant Decision Makers (ORDMs) that we have worked with, as an annual consent to cover all activities that will be disclosed. Napp did not send out letters on per activity basis; letters were sent once, to cover applicable activities/scenarios according to the requirements of the ABPI Code of Practice. Any new HCPs that Napp engages with was also sent a consent letter as above.

The letter details the importance of disclosure to ensure transparency of relationships with HCPs and HCOs which will improve the relationship between the pharmaceutical industry and HCPs/HCOs. It also includes information about *Data Protection Act* for HCPs should they wish not to disclose.

HCPs were told that they have a right to request the information Napp holds regarding their personal data and, if necessary, to rectify the information we hold about them. Furthermore, that they have the right at any time to withdraw or decline individual consent to the gathering, processing and using of their personal data by Napp in connection with the Obligations.

The details of the Transfers of Value (TOV), in accordance with the requirements of the ABPI Code of Practice are pulled together from our internal finance HCP/HCO/ORDM payment tracking systems. Data is then extracted to populate this template provided by the *Prescription Medicines Code of Practice Authority (PMCPA) which administers The Association of the British Pharmaceutical Industry's (ABPI) Code of Practice*.

All TOVs will be disclosed on an individual basis where possible. If recipients of TOVs have not consented to the disclosure of their identities, the amount attributable to such transfers are disclosed on an aggregate basis. The number of recipients involved are stated together with the percentage of all recipients that they represent and the aggregate amount attributable to TOVs to such recipients.

Napp has an email dedicated to disclosure of TOVs that HCPs are able to send queries should they have any questions or requires clarifications on the disclosure process.

All payments are reported in pounds sterling. Where payments were made in other currencies e.g. Euros, Napp has used the currency exchange rate to convert the amount to the reporting currency.

This information will remain in the public domain on the ABPI central platform website for 3 years after the date of disclosure.

Donations and Grants to HCOs and Benefits in Kind to HCOs

Napp provides support to healthcare organisations by providing medical, educational goods and services (MEGs), and in the form of monetary donations, grants and benefits in kind.

Medical Education Goods and Services (MEGS) is where Napp has provided funding support to HCOs through requests from HCPs and can either be reactive where requests come directly from HCOs via HCPs or Proactive where Napp has identified a need for a therapy area programme in order to improve patient care and benefit the NHS.

Some of these are benefits in kind provided to institutions in situations when the money had not been provided directly to institutions but they have receive the benefit of such funding through a third party who received the funding directly from Napp such as therapy review.

Donation is defined as funding to Health Care Organisations or organisations at arms-length with no involvement from Napp. This is either to a reputable charity with a healthcare objective. Support may take the form of money to support projects/initiatives, grants or charitable donations. Napp is also disclosing corporate donation in support of all good initiatives such as employee fund raising activities for identified charities.

Grant is where Napp has provided funding support to Health Care Organisations in response to unsolicited requests from UK healthcare organisations or institutions to support educational programmes or activities that will improve patient care. These are at arms-length arrangements with no involvement from Napp.

Funding also included grants to support improvements to medical infrastructure such as medical equipment or medical headcount resource which must provide a direct patient care benefit.

These are also to be disclosed by the organisation/institution from transparency purposes.

Contribution to costs of Events

Sponsorship of attendance by HCPs and ORDMs at educational meetings and independent congresses

This is when Napp has sponsored HCPs to attend educational events or meetings in the UK and abroad by the provision of travel grant or travel fund to an individual which can take the form of full or part funding towards registration fees, accommodation costs and travel expenses.

Sponsorship may be proactively offered by Napp or reactively provided by Napp upon receipt of a sponsorship request from a health professional.

These meetings are arranged by third party organisers such as learned societies with no involvement from Napp in the programme.

It can also include contributions towards the costs of meetings paid to healthcare organisations or to third parties managing events on their behalf, which may include sponsorship of health professionals by way of registration fees and accommodation and travel. In this case and if known, the attributable benefit to HCPs is captured under individual HCP if consent given and HCP aggregate if no consent.

Sponsorships of third Party events and meetings to healthcare organisations

Sponsorship agreements with HCOs / third parties appointed by HCOs to manage an Event.

Sponsorships of third party events are when Napp has sponsored HCOs or organisations by funding an educational meeting, an educational event or educational congresses/conferences. These events are mainly organised by third parties and the Recipient of the sponsorship has full responsibility for carrying out the activities with no involvement from Napp other than either attending through provision of delegate passes or exhibiting stands at these meetings. Napp's Sponsorship Agreements will describe the purpose of the sponsorship request and what the funds will be used for such as towards the cost of venue or towards the general meeting support.

TOVs are mainly paid directly to the HCO and in some cases to other third party on behalf of the HCO. However, the funding are disclosed against the HCO who made the request.

Indirect payment or benefit in kind to healthcare professionals

This can also include contributions towards the costs of meetings paid to healthcare organisations or to third parties managing or organising educational events on their behalf such as registration fees.

Contracts between Napp and institutions, organisations and associations are completed on per activity basis to capture each transaction separately.

Sponsorships for travel and accommodation for Napp organised event and meetings

Sponsorship of travel and accommodation for Napp organised meetings in the UK and outside the UK were included under contribution to costs of events.

Fee for service and consultancy and related expenses

Fee for service is the payment to HCPs or ORDMS for services provided to Napp for genuine and legitimate activities such as consultancy or speaker engagement.

These services can include the following:

- Speaking or chairing at meetings,
- Training services
- Development of educational materials
- Participation in advisory boards meetings
- General consulting

Compensation for such services takes the form of payment of fees and may also include payment or reimbursement for reasonable accommodation costs and related travel expenses. Contracts and speaker agreements for HCPs are completed on per activity basis to cover each activity separately.

Non-monetary transfers of value- this has been quantified by finding and estimating what the cost will be if HCPs or ORDMS were paying for this benefit directly.

Joint working with the NHS- Napp did not participate in any Joint Working initiatives in 2016.

Publication of transfer of value in a foreign currency

These transactions have been converted at the Exchange rate at the time of the transaction or value.

Tax and VAT considerations

All transactions have been correctly accounted for, for both VAT and corporation tax purposes. All company transactions (whether subject to the disclosure of transfer of value or not) are reviewed as part of our annual financial and tax audit procedures. VAT has not been included in any of 2016 transactions so all amounts disclosed are exclusive of VAT.

TOVs due to cancellation or non-attendance

If an HCP/HCO does not receive funding/benefit due to a cancellation of event or HCP has decided not to attend an event or a course, the associated costs are not reported against HCP/HCO. Only the actual attributed benefits to HCPs/HCO are reported.

Excluded ToVs disclosure

The following are not included as transfers of value for the purposes of the Code:

- Subsistence provided to health professionals- Hospitality costs (meals and drinks)
- Items for HCPs and patient educational material
- Logistical costs related to Napp's Organised meetings/events
- Donations to charitable organisations and Patient Organisations

Research and Development Transfers of Value

Support from Napp has been recorded in relation to the planning or the conduct of the clinical study.