

**METHODOLOGICAL NOTE WITH REGARD TO
TRANSFERS OF VALUE (ToV) TO HCPs (HEALTHCARE
PROFESSIONALS), HCOs (HEALTHCARE
ORGANISATIONS) AND ORDMS (OTHER RELEVANT
DECISION MAKERS), DURING THE 2017 CALENDAR
YEAR: BOEHRINGER INGELHEIM LTD.**

Boehringer Ingelheim Limited · Ellesfield Avenue, Bracknell, Berkshire RG12 8YS

Registered in England and Wales, No. 711858

ToVdisclosureUK.GB@boehringer-ingelheim.com

Table of contents

Contents

1. INTRODUCTION	3
2. SCOPE	3
3. DATA COLLECTION	3
4. DATE USED FOR DATA COLLECTION	4
5. TREATMENT OF VALUE ADDED TAX (“VAT”)	4
6. TREATMENT OF TAX.....	4
7. CURRENCY MANAGEMENT	4
8. CROSS-BORDER PAYMENTS	5
9. EDUCATION OF HCPs/ORDMs THROUGH HCOs	5
10. UNIVERSITIES AND TEACHING INSTITUTIONS.....	5
11. MULTI-YEAR CONTRACTS.....	5
12. OVER THE COUNTER BUSINESS TRANSFER OF VALUES	5
13. CATEGORIES OF DISCLOSURE.....	5
14. CONSENT	6
15. AGGREGATE DISCLOSURE	7
16. QUALITY CHECKS PRIOR TO REPORTING.....	7

1. INTRODUCTION

Boehringer Ingelheim Ltd is committed to disclosing the Transfers of Value (“ToV”) which it makes to Healthcare Professionals (“HCPs”), Other Relevant Decision Makers (“ORDMs”) and Healthcare Organisations (“HCOs”). These interactions and collaborations take place as the HCPs, ORDMs and HCOs offer expert knowledge on patients’ behaviours and management of diseases. This knowledge plays a large role in Boehringer Ingelheim’s commitment to improve patient care and treatment options, which is essential to improving patient outcomes.

We compensate the HCPs, ORDMs and HCOs that we work with for their valuable insights and time which they offer to us. We also provide funding for medical education; this can be directly to the HCPs, via HCOs or via third party specialist providers.

Boehringer Ingelheim hopes that by disclosing its ToVs, such as payments and other benefits in kind e.g travel and accommodation costs, that we make to HCPs and HCOs, it will enhance the public’s knowledge and understanding of why interactions are necessary to improve patient care.

In line with the Association of the British Pharmaceutical Industry Code (“ABPI Code”), Boehringer Ingelheim will publicly disclose the ToV it makes to HCPs, ORDMs and HCOs.

Boehringer Ingelheim is committed to transparency and proud of the relationship that we have with HCPs, ORDMs and HCOs, as we believe that it plays a vital role in developing life-enhancing and life-saving medicines through sharing knowledge to improve patient outcomes.

2. SCOPE

This disclosure includes all ToVs made to HCPs, ORDMs and HCOs, either directly or indirectly during 2017. This includes fees for services provided, expenses paid which are associated with the service provided and sponsorship of attendance by HCPs and ORDMs at meetings, sponsorship of meetings, grants, donations and benefits in kind provided to institutions, organisations and associations, contracts between the company and institutions, organisations and associations, and joint working projects.

The disclosure also includes the aggregate transfer of value to HCPs and HCOs in relation to research and development for clinical trials (as defined in Directive 2001/20/EC), non-clinical studies (as defined in the OECD Principles of Good Laboratory Practice) and non-interventional studies that are prospective in nature and involve the collection of data from, or on behalf of, individuals or groups of HCPs specifically for the study.

3. DATA COLLECTION

Payments made to HCPs, ORDMs and HCOs during the 2017 calendar year were identified from the company’s internal financial systems and the details verified against a number of secondary systems. Names and addresses were matched with the IMS OneKey data base.

ToVs to HCPs, ORDMs and HCOs can be provided from any Boehringer Ingelheim entity across the world. Global and local internal processes apply to these interactions to ensure they have a legitimate purpose and data is collected consistently.

- ToV can be provided directly by Boehringer Ingelheim to HCPs, ORDMs and HCOs e.g. payments for services a HCP/ORDM/HCO provides, or
- Indirectly by 3rd parties e.g. accommodation, travel or registration fees for HCPs to attend medical education events.

In principle, subsistence does not fall within the scope of the ABPI Disclosure Code obligations and should not be disclosed. However, when they are an integral or inseparable part of the ToV (e.g. included in the registration fee, hotel room rate) they have not been filtered out.

Boehringer Ingelheim will disclose ToV against the HCP, ORDM or HCO with whom we contract and pay.

For non-monetary transfers of value, the company's internal accounting and logging systems are screened to identify e.g. Medical and Educational Goods and Services that were provided and a representative ToV calculated and allocated. Similarly, where internal resources have been provided to a HCO, the financial benefit of the resource has been calculated and allocated as a ToV.

4. DATE USED FOR DATA COLLECTION

Direct payments to HCPs, ORDMs and HCOs made by Boehringer Ingelheim, generated through our reporting system will use the date the transactions was paid as the date of collection of the ToV. This is applicable to single and multi-year contracts which result in multiple ToV payments.

In the case of indirect payments (e.g. conferences where accommodation and or travel is provided or registration fees are paid on behalf of HCPs, ORDMs or HCOs), the conference or meeting date is captured as the date of collection of the ToV. Where this is not possible, the date of the ToV is used.

5. TREATMENT OF VALUE ADDED TAX (“VAT”)

Boehringer Ingelheim reports ToV in all categories as net, i.e. without VAT, unless a VAT invoice has been received from the HCP, ORDM or HCO if they are registered for VAT, or unless the collection of net values is not possible through the Boehringer Ingelheim financial systems.

All Research and Development ToV is reported excluding VAT.

6. TREATMENT OF TAX

Boehringer Ingelheim reports ToV in all categories without withholding tax, unless the collection of net values is not possible through the Boehringer Ingelheim financial systems.

7. CURRENCY MANAGEMENT

Boehringer Ingelheim collects ToV in the original currency in which they are made. In instances where UK HCPs, ORDMs or HCOs received ToV from non-UK affiliates or the Corporate Head Office in Germany in the local currency, the conversions have been made from the original currency to pound sterling using the approved currency exchange rates in Boehringer Ingelheim's validated financial systems.

8. CROSS-BORDER PAYMENTS

Boehringer Ingelheim operates globally, therefore our UK HCPs, ORDMs and HCOs are contracted for interactions with other Boehringer Ingelheim entities. Through our internal processes and systems, we are able to reconcile ToV made to these UK HCPs, ORDMs and HCOs. Boehringer Ingelheim's data collection and reporting tool receives ToVs from the various entities, which enables us to perform quality checks to report as per the ABPI Disclosure Code requirements.

9. EDUCATION OF HCPs/ORDMs THROUGH HCOs

When Boehringer Ingelheim provides ToV to HCPs for medical education through a HCO, we will disclose the ToV against the HCO. However if Boehringer Ingelheim selects the individual HCPs who benefit from the educational event conducted by the HCO we will disclose on an individual basis under the name of the HCP or ORDM, providing they have consented under the applicable data privacy laws.

10. UNIVERSITIES AND TEACHING INSTITUTIONS

Boehringer Ingelheim supports universities and teaching institutions where the recipients who benefit are HCPs, ORDMs or HCO; in these instances Boehringer Ingelheim will disclose the ToV against the university or teaching institution.

11. MULTI-YEAR CONTRACTS

When Boehringer Ingelheim has contracted with a HCP, ORDM or HCO that spans more than 1 calendar year, only ToV executed during the calendar year will be included in the disclosure. The remainder of the contract values will be disclosed in future relevant disclosure periods.

12. OVER THE COUNTER BUSINESS TRANSFER OF VALUES

No over-the-counter ToV have been included in the 2017 disclosure.

13. CATEGORIES OF DISCLOSURE

GRANTS AND DONATIONS TO HCOs:

Grants and Donations are provided to HCOs as ToV to not for profit HCOs to

- Educate the public on disease, medical conditions and science;
- Support science, technology, medicine, healthcare, research and education;
- Genuine philanthropic and charitable purposes that are consistent with Boehringer Ingelheim's scientific and disease-state interests.

These are formalised in contracts that describe the purpose of the donation and related ToV. If a donation in kind is provided to a HCO (e.g. Boehringer Ingelheim staff time), a monetary value will be attributed to the donation in kind for the purpose of disclosure.

Donations and grants will be disclosed under the “Donations and Grants” section in the disclosure reports.

CONTRIBUTION TO COST OF EVENTS:

Boehringer Ingelheim provides ToV to HCPs, ORDMs and HCOs for education support at medical/educational events or congress for:

- Travel and Accommodation; including the cost of flights, trains, parking fees, taxis, hotel accommodation etc.
- Registration Fees: i.e. the cost of registration fees for a HCP to attend a medical/educational event or congress.

SPONSORSHIP

Boehringer Ingelheim supports HCOs by way of sponsoring events and projects. Where a third party company is a conference or event organiser acting on behalf of a HCO, we will make every effort to disclose the ToV against the HCO, even when the payment is made to the third party company. If the sponsorship includes registration fees, travel and accommodation, these will be disclosed under the applicable categories in the name of the HCO, unless the beneficiary HCP is known, whereby we will disclose against the individual if we have the consent of the same.

FEE FOR SERVICE AND CONSULTANCY:

Boehringer Ingelheim provides ToV for services it receives from HCPs, ORDMs and HCOs under services agreements. Services relate to advice, speaker fees, speaker training, data analysis, development of educational materials and consultancy. These are disclosed under the “Fees” section on the disclosure report.

The cost of travel and hotel accommodation associated with the services received will be disclosed under the “related expenses agreed in the fee for service or consultancy contract” section in the disclosure reports.

RESEARCH AND DEVELOPMENT TRANSFERS OF VALUE

Research and Development ToV is disclosed on an aggregate basis as per the ABPI Disclosure Code. These are costs which relate to events that are considered essential to conduct a study.

14. CONSENT

Boehringer Ingelheim will obtain consent of a HCP to disclose their personal data in accordance with the applicable Data Protection laws on a yearly basis.

15. AGGREGATE DISCLOSURE

A HCP can withdraw or withhold consent for their individual data to be disclosed at any time. Where consent is not provided, Boehringer Ingelheim will disclose all ToV made to them on an aggregate basis so as not to be able to identify them.

16. QUALITY CHECKS PRIOR TO REPORTING

Before reporting, Boehringer Ingelheim internal processes ensure ToV made to HCPs, ORDMs and HCOs are collected and reconciled to the best of our ability. Data quality checks are performed to ensure ToV to any HCP who has not provided consent for individual disclosure are reported in aggregate. Additional data and process monitoring takes place for quality assurance prior to reporting.