

Methodological note for Teva UK Limited

The Covid-19 pandemic continued to have a considerable impact on Teva's 2021 transfers of value, as a consequence of how it affected working practices. Major international congresses were either cancelled, or adapted to a virtual model with no travel or accommodation being required. A number of educational meetings, medical symposia and advisory boards were able to proceed with Teva employees, speakers and other participants attending virtually. In all cases, any transfers of value to individuals or organisations within scope of the ABPI Code has been treated the same as it would if associated with an in-person meeting.

The pandemic situation has not affected Teva's processes and controls for collation, submission and checking of disclosure data.

1. **A general summary of the methodologies used in preparing the disclosures and identifying each category of transfer of value (TOV)**

- a) It is noted that disclosure of subsistence provided to individuals is not required, however some meal provision may be included in the data (particularly where TOVs have been provided by other affiliates) in preference to understating the relevant amounts. Many accommodation-related TOVs are inclusive of breakfasts and no attempt has been made to deduct the value of breakfast provision from the sums disclosed.
- b) Over-the-counter and medical device TOVs to recipients outside the scope of the ABPI Code are not included. Any such TOVs to recipients otherwise in scope of the Code would be included in disclosure without distinguishing them from other TOVs.
- c) The terminology for various types of TOV is consistent with the meaning of those transactions as defined in the ABPI Code.
- d) Any non-monetary TOVs, and any arrangements under which a TOV has been divided between parties, have been quantified on the basis of the actual monetary cost to Teva.
- e) The aggregated figure for R&D relates to TOVs made by Teva's non-UK affiliates and entities. The figure for R&D conducted by Teva's UK entities is zero. Studies conducted by Teva's UK entities do not fall within the R&D exemption defined by the Code and therefore any such TOVs are disclosed on a named basis against the individual HCOs or as part of the HCP aggregate figure.

2. **Treatment of multi-year contracts**

- a) Where a TOV relates to activities or expenses wholly or partly occurring in a different reporting year from the deemed date of the TOV as defined in clause 5 below, no accruals will be made for disclosure purposes.
- b) Where a Joint Working initiative, MEGS project or fee for service arrangement involves staged payments or other multiple TOVs, all transfers occurring in the same reporting period will be disclosed as a single total. Separate TOVs of value for the same activity that are deemed to occur in different reporting periods will be disclosed in respect of the applicable years. No accruals will be made for disclosure purposes.

3. Treatment of VAT and other tax aspects

- a) Individual and corporate recipients are liable for declaring the revenue and benefits provided to them directly or indirectly, including any payments made to employers on behalf of individuals, and for paying any income tax, corporation tax and the like arising in respect of TOVs.
- b) TOVs relating to Joint Working initiatives are where applicable disclosed exclusive of any VAT.
- c) TOVs relating to MEGS fees are where applicable disclosed exclusive of any VAT. Expenses associated with MEGS are disclosed as set out in (e) below.
- d) TOVs relating to service-related honoraria (whether for individual consultancy or corporate service providers) are where applicable disclosed exclusive of any VAT. Expenses associated with fee for service activities are disclosed as set out in (e) below.
- e) TOVs relating to hospitality and expenses (including meeting registration fees, accommodation and travel) are declared gross (e.g. ticket face value) and therefore include VAT where applicable.

4. Currency aspects

- a) All disclosed TOVs are expressed in GBP.
- b) Any payments remitted or costs incurred in another currency have been converted into GBP, either at the spot rate for the relevant date or by applying the average exchange rate for 2021 in accordance with the rate tables published online by HMRC. Specifically £1=US\$1.377525 and £1=€1.159233.

5. Other issues relating to the timing and amount of transfers of value

When determining whether a TOV falls into the 2021 reporting year, the deemed date of transfer of value to the recipient for each category of TOV has as far as possible been defined by Teva UK as follows, irrespective of the actual date of remittance:

The date on which funds were due under the contract
<ul style="list-style-type: none">• Joint working initiatives• MEGS
The date on which services were provided to Teva*
<ul style="list-style-type: none">• Fee for service honoraria/fees (individuals or organisations) <p>*Where billable preparation time is incurred and/or a follow up report or meeting is part of the service, the service date for the purposes of TOV is defined as the start date of the principal meeting.</p>
The start date of the relevant trip/event
<ul style="list-style-type: none">• Sponsorship of individuals' registration fees, accommodation and travel• Accommodation and travel related to service provision

6. Patient organisations

The methodology set out above applies also to transfers of value to Patient Organisations, which are published separately and available via a link on the Teva UK website.