

Novartis Methodological Note

on Disclosure of Payments and other Transfers of Values to Health Care Professionals and Health Care Organizations following the EFPIA Code of Practice

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1. Reference to National Transparency Laws and Regulations

Novartis supports laws and regulations that promote transparency around relationships between healthcare companies, Healthcare Professionals (HCPs) and Healthcare Organizations (HCOs) associated with Transfers of Value (ToVs)¹ related to prescription-only medicines by establishing a single, consistent transparency standard in Europe for disclosing ToVs across its divisions and European countries, by following the EFPIA transparency requirements and requirements set in local transparency laws.

As a Novartis Company and member of Latvian Association of International Research - based Pharmaceutical Manufacturers (SIFFA), SIA Novartis Baltics complies with the obligation to collect, disclose and report ToVs related to prescription-only medicines to HCPs/HCOs in accordance with the:

- *National transposition of the EFPIA Code - SIFFA and LPMA Code of Good Practice and Ethics - On Disclosure Of Transfers Of Value From Pharmaceutical Companies To Healthcare Professionals And Healthcare Organizations*
- *Which a Medicinal Product Manufacturer is Entitled to Give Free Samples of Medicinal Products to Physicians (Cabinet Regulation No. 378).*

SIA Novartis Baltics has developed HCP/HCO unique identifiers to ensure that the identity of the HCP/HCO benefitting from the ToVs is clearly distinguishable for each Novartis affiliate.

2. Purpose of the Methodological Note

This document is intended to serve as supporting documentation for the 2022 SIA Novartis Baltics Disclosure Report. SIA Novartis Baltics position is based on the interpretation of the current version of the EFPIA Code aligned with local transparency laws and SIFFA and LPMA Code of Good Practice and Ethics.

The Methodological Note summarizes the disclosure recognition methodologies and business decisions as well as country specific considerations applied by SIA Novartis Baltics in order to identify, collect and report ToVs for each disclosure category as described in Section 23.05 of the EFPIA Code.

¹ A definition on the terms "HCP/HCO" and "ToVs" is provided in chapter 9 of this document.

² The 2019 EFPIA Code of Practice (in short: EFPIA Code) states in Section 23.05 (*Methodology*) that "each Member Company must publish a note summarizing the methodologies used by it in preparing the disclosures and identifying Transfers of Value for each category described in Section 23.05. The note, including a general summary and/or country specific considerations, must describe the recognition methodologies applied, and should include the treatment of multi-year contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of Transfers of Value for purposes of this Code, as applicable".

3. Novartis' Commitment and Responsibility for Disclosure

Novartis supports laws and regulations that promote transparency around relationships between healthcare companies and HCPs/HCOs associated with ToVs related to prescription-only medicines.

Novartis establishes a single, consistent transparency standard for disclosing ToVs in all EFPIA countries.

4. Scope of the Novartis Disclosure on Transfers of Value

This 2022 SIA Novartis Baltics Disclosure Report is following the disclosure standards pursuant to the SIFFA and LPMA Code of Good Practice and Ethics and Cabinet Regulation No. 378. Subject to this disclosure report are all direct or indirect ToVs related to prescription-only medicines disclosed by SIA Novartis Baltics to or for the benefit of a Recipient made by any Novartis affiliate as described in Article 23 of the EFPIA Code. Further details on the disclosure scope will be provided in chapter 4 of this document.

The legal definition of 'prescription-only medicine' is pursuant to the Latvian Pharmaceutical law. ToVs related to a group of products that includes prescription-only medicines (e.g. combination products/diagnostics and medicinal products) are reported in total following the disclosure requirements of the EFPIA Code.

In summary:

The 2022 the SIA Novartis Baltics Disclosure Report covers direct and indirect ToVs, payments, in kind or otherwise, made to HCPs/HCOs in connection with the development and sale of prescription-only medicinal products, exclusively for human use, whether for promotional purposes or otherwise.

In this/these reports, SIA Novartis Baltics discloses the amounts of value transferred by type of ToVs with data coverage from January 1st 2022 to December 31st 2022. Disclosure of ToVs is done by event/activity date. If the ToV is not related to an event/activity it is disclosed by payment date. SIA Novartis Baltics disclosure is performed for the full calendar year 2022.

Following the SIFFA and LPMA Code of Good Practice and Ethics and Cabinet Regulation No. 378, whenever possible, SIA Novartis Baltics follows the principle of disclosure on individual HCP/HCO level, to ensure that each Recipient is referred to in such a way that there is no doubt as to the identity of the HCP/HCO benefitting from the ToVs.

5. Disclosure Recognition Methodology and Related Business Decisions

This chapter represents the central pillar of this Methodological Note. It provides comprehensive information on the terminology definitions, recognition methodology and business decisions that affected how the published ToVs data was established for each category of the disclosure report.

5.1 Definition of Direct and Indirect Transfer of Values

SIA Novartis Baltics applies the EFPIA definition of ToVs as outlined in EFPIA Code Definitions pursuant to the SIFFA and LPMA Code of Good Practice and Ethics.

According to the EFPIA Code Definitions, the following definitions apply throughout this report:

- Direct ToVs are defined as those ToVs, payments or in kind, made directly by the Novartis affiliate to the benefitting HCPs/HCOs.
- Indirect ToVs are defined as those ToVs made through an intermediary (third party) on behalf of a Novartis affiliate for the benefit of HCP/HCO where the Novartis affiliate knows or can identify the HCP/HCO that benefits from the ToVs.

In general, ToVs are reported at the level of the first identifiable Recipient which falls under the EFPIA definition of an HCP/HCO. To the extent possible, disclosure is made under the name of the individual HCP or at the HCO level, as long as this could be achieved with accuracy, consistency and compliance with the EFPIA Code and pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. Where a ToV was made to an individual HCP rendering services on behalf of an HCO indirectly via this HCO, such ToVs are only disclosed once on either Recipient level.

Generally, ToVs to HCPs via an HCO are disclosed at the first level Recipient (HCO), or exceptionally at second level Recipient as mentioned in Section 5.3.2.1, if a contract with an HCO specifies that part of the amount must be used to engage HCPs nominated by SIA Novartis Baltics. When a tripartite contract exists between SIA Novartis Baltics an HCO and an HCP, with the HCP as benefitting party, ToVs are disclosed at HCP level. If SIA Novartis Baltics holds a contract with a non-HCO Third-Party vendor acting on behalf of SIA Novartis Baltics and who is contracting independent HCP/HCO to provide a reportable activity, ToVs are disclosed at the individual subcontracted HCP/HCO level, unless the HCP/HCO must remain unknown in order to comply with good market practices or Novartis internal rules.

ToVs from distributors of SIA Novartis Baltics to HCPs/HCOs whose primary practice is in an EFPIA country must be disclosed if the distributor is making a ToV on behalf of SIA Novartis Baltics (influencing the promotional activities and selection of Recipient). ToVs to HCPs/HCOs made through a Continuous Medical Education (CME) non-HCO provider are disclosable if the 3rd party CME provider is acting on behalf of SIA Novartis Baltics (and SIA Novartis Baltics influenced choice of HCPs/Faculty).

5.2 Definition of Cross-border Transfer of Values

SIA Novartis Baltics applies the EFPIA definition of cross-border ToVs as being a Transfer of Value to an HCP/HCO that **occurred outside** the country where the Recipient has its primary practice, principal professional address or place of incorporation provided that this country is an EFPIA regulated country.

In general, such ToVs are disclosed in the country where the Recipient has its principal practice, principal professional address or place of incorporation - pursuant to the Latvian code of practice on the promotion of medicinal products.

Cross-border ToVs are disclosed according to the Cabinet Regulation No. 378 in the name of the legal entity making the ToVs

5.3 Transfer of Value Categories according to the EFPIA disclosure Code

SIA Novartis Baltics applies the EFPIA definition of the ToVs categories as outlined in EFPIA Code Article 23.05 - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. The following categories constitute the 2022 SIA Novartis Baltics EFPIA Disclosure Report:

- Donations and grants to an HCO
- Contribution to costs related to events to an HCO/HCP, such as:
 - Sponsorship agreements
 - Registration fees
 - Travel and accommodation
- Fees for service and consultancy to an HCO/HCP
 - Fees for service and consultancy
 - Expenses related to fees for service and consultancy
- Research and development

As defined in the SIFFA and LPMA Code of Good Practice and Ethics, reports on ToVs to HCPs and HCOs during the last year are disclosed to The Health Inspectorate of the Republic of Latvia as per the Cabinet Regulation No. 378. The disclosure report is available on the web-page of the Health Inspectorate of the Republic of Latvia - www.vi.gov.lv.

Details on the recognition methodology and business decisions affecting how the published ToVs data was constructed for each category can be found in the subsequent sub-chapters.

5.3.1 Transfer of Values Related to Donations and Grants

SIA Novartis Baltics applies the EFPIA definition of the “Donations and Grants” category as outlined in EFPIA Code Article 23.05 – pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. Grants to a hospital/university department or teaching institution are disclosed in the name of

the legal entity that is the Recipient of the ToVs – this may be the hospital, university or independent department within these organizations.

ToVs to a charitable organization are compiled under the “Donations and Grants” category in the name of the benefitting HCO if the charitable organization falls under the EFPIA definition of a benefitting HCO. Charitable product donations made to HCOs in the context of humanitarian aid are also compiled in the “Donations and Grants” category.

When grant requests from HCOs include explicit support for publication, then these ToVs are disclosed in the “Donations and Grants” category.

However, the ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

5.3.2 Transfer of Values Related to Contribution to Costs of Events

Events are defined as promotional, scientific or professional meetings, congresses, conferences, symposia, and other similar events (including but not limited to advisory board meetings, visits to research or manufacturing facilities, and planning, training or conducting of investigator meetings for clinical trials and non-interventional studies) organized or sponsored by or on behalf of SIA Novartis Baltics pursuant to schedule 1 of the EFPIA Code.

ToVs to participating HCPs/HCOs related to such events falling under the definition above are compiled in the “Costs of Events” sub-categories “Sponsorship Agreements”, “Registration Fees” or “Travel and Accommodation”. However, the ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia. ToVs that by exception fall into the “Fees for Service and Consultancy” or “Research and Development” categories are outlined in the respective chapters 5.3.3 and 5.3.4.

5.3.2.1 Transfer of Values Related to Contribution to Costs of Events – Sponsorship Agreements

SIA Novartis Baltics applies the EFPIA definition of the “Sponsorship Agreements” category as outlined in EFPIA Code Article 23.05, following the principle that “Sponsorship Agreements” are formalized in contracts that describe the purpose of the sponsorship and the related direct or indirect ToV – pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. In general, indirect sponsorship of an HCP through an HCO is compiled under the “Sponsorship Agreements” category as payment to the HCO as first level Recipient of the ToV. This applies to the following categories: ToVs related to intermediaries selecting the faculty who acted as speakers or faculty at an event; ToVs related to advertising space, sponsoring of speakers/faculty, satellite symposia at congresses, courses provided by HCOs.

ToVs made through a professional conference organizer (PCO) as intermediary e.g. for the hire of booths or stand space on behalf of an HCO, are compiled as ToVs either in the “Sponsorship Agreements” category or as “Fees for Services and Consultancy” – depending on the nature of the spend, in the name of the sponsored HCO as benefitting Recipient.

If the contract requires the HCOs to use some of the amount to invite a number of HCPs selected by SIA Novartis Baltics to an event, the ToV is split and disclosed based on the ToVs category the amount was used for (“sponsoring agreements” of speakers/faculty; “registration fees” or “travel and accommodation”) individually in the name of each HCP.

If an intermediary organized an event with sponsorship of SIA Novartis Baltics on behalf of more than one HCO, the ToV is disclosed based on the actual ToV allocated to each benefitting HCO wherever possible. In cases where it was not possible to accurately allocate the ToVs to each HCO involved in the event, it was assumed that all HCOs had similar levels of involvement. In consequence, the ToV was divided by the number of HCOs, which would each be reported as having received their equal share of the ToVs.

SIA Novartis Baltics discloses ToVs related to preceptorships considering that such non-promotional independent “practical” training offered to HCPs by other HCPs or HCOs – typically in a specific disease area at a reputed teaching institution (faculty of medicine, university, university hospital) – falls under the definition of “Events” and is disclosed in the name of that contracting entity.

All of the ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

5.3.2.2 Transfer of Values Related to Contribution to Costs of Events – Registration Fees

SIA Novartis Baltics applies the EFPIA definition of the “Registration Fees” related to cost of events categories as outlined in EFPIA Code Article 23.05 – pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. In general (and for all types of events), whenever registration fees were charged for an event organized or sponsored by or on behalf of SIA Novartis Baltics, they are disclosed in the name of the benefitting HCP or HCO. The total amount of registration fees paid in a given year to a HCO should be disclosed on an individual basis (in the name of the HCO) under “Contribution to Costs of Events”. The total amount of Registration Fees paid in a given year to a HCP who is the clearly identifiable Recipient is compiled on an individual basis (in his/her name) under “Contribution to Costs of Events”.

ToVs related to virtual congresses (e-congresses) are reported as actual spend. Aggregate spend is compiled under the HCO in each country and is reported in “Registration Fees” category. Virtual congress vouchers given to HCPs will be disclosed under the final beneficiary (HCP).

The ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

5.3.2.3 Transfer of Values Related to Contribution to Costs of Events – Travel & Accommodation

SIA Novartis Baltics applies the EFPIA definition of the “Travel and Accommodation” related to cost of events categories - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. ToVs covered under the “Travel and Accommodation” category include costs of transportation (e.g. flights, trains, buses, taxis, etc., car hire tolls, parking fees) and accommodation (e.g. hotel, apartment, etc.), ToVs covered under the “Travel and Accommodation” category do not include costs of agency fee.

In general, ToVs related to travel and accommodation are disclosed at first level Recipient basis. If the ToVs are made through an HCO or intermediary (third party), it will be disclosed at individual HCP level whenever possible (see chapter 5.1).

ToVs related to travel and accommodation for a group of HCPs such as group transportation by bus are compiled on an aggregate basis. If the mass transportation is shared by a group of HCPs who have their primary practice in different countries, the ToVs are disclosed in aggregate with the total cost divided equally among the planned number of benefitting HCPs per country.

In case the benefitting HCP partly bears the costs related to travel and accommodation, the total amount of the SIA Novartis Baltics payment offset by payment from HCP is disclosed as ToV under the “Travel and Accommodation” category in the name of the HCP.

The ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

5.3.3 Transfer of Values Related to Contribution to Fees for Service and Consultancy

5.3.3.1 Transfer of Values related to Contribution to Fees for Service and Consultancy – Fees

SIA Novartis Baltics applies the EFPIA definition of the “Fees for Service and Consultancy” category as outlined in EFPIA Code Article 23.05 - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. ToVs covered under the “Fees for Service and Consultancy” category, whether made directly or through a third party to an HCP/HCO, include but are not limited to services performed in connection with third-party congresses, speakers’ fees, speakers’ trainings, medical writing, data analysis, development of education material, interviews e.g. on SIA Novartis Baltics products or research, general consulting/advising, services by distributors, consultancy for tool/questionnaire selection or analysis.

SIA Novartis Baltics has formalized such collaboration in a contract describing the purpose of ToVs. In general, the ToVs received by the contracting entity – which may be an HCP, a legal entity owned by an HCP (considered an HCO under the EFPIA Disclosure Code) or an HCO – are compiled under the “Fees for Service and Consultancy” category in the name of that contracting entity.

ToVs related to market research studies for which the identity of the Recipient was known to SIA Novartis Baltics, are compiled under the “Fees for Service and Consultancy” category. ToVs related to market research studies for which the identity of the HCP/HCO was not known to SIA Novartis Baltics are not disclosed as the right of the respondents to remain anonymous is embodied in market research definitions and relevant codes of conduct worldwide.

ToVs related to medical writing and editorial support made directly or indirectly to an HCO/HCP are compiled either under the “Fees for Service and Consultancy” in the name of the benefitting HCP/HCO or under the “Research and Development” category in aggregate form – pursuant to SIFFA and LPMA Code of Good Practice and Ethics. The following instances of medical writing and editorial support are covered under the “Fees for Service and Consultancy” category: case studies,

congress write ups, article and abstracts, manuscripts, poster, clinical management guideline, supplements - only if not disclosed under the “Research and Development” category by SIA Novartis Baltics.

ToVs related to the following Research and Development related activities (see chapter 5.3.4) but when they do not fall under the definition of Research and Development ToVs as stated by the EFPIA Code are disclosed under the “Fees for Services and Consultancy” category in the name of the benefitting Recipient, for example:

- Retrospective non-interventional studies not falling under the definition of Research and Development ToVs as per that prescribed in EFPIA Code Schedule 1
- Investigator initiated trials, investigator sponsored trials and Investigator meeting, in the exceptional cases when such ToV do not fall under the definition of Research and Development mentioned above
- Activities contracted to Contract Research Organizations (CROs) where SIA Novartis Baltics makes indirect ToVs to HCPs/HCOs but not falling under the EFPIA Research and Development definition
- Project activities related to e.g. disease area, mode of action, market placement, adjudication committees, speaker programs, scientific meetings, ethics committees, steering committee and advisory board activities not in scope of the EFPIA Research and Development definition
- ToVs related to consultancy for tool/questionnaire selection or analysis and reporting of results not in scope of the EFPIA Research and Development definition.

The ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

5.3.3.2 Transfer of Values related to Contribution to Fees for Service and Consultancy – Related Expenses

SIA Novartis Baltics fully complies with the EFPIA definition of the “Fees for Service and Consultancy - Related Expenses” category as outlined in EFPIA Code Article 23.05 - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics. In general, the ToVs amount related to expenses such as travel and accommodation cost associated with the activity agreed to in a “Fees for Service” or “Consultancy” contract do not constitute part of the fees itself; in consequence such ToVs are disclosed under the “Related Expenses” category in the name of the benefitting HCP/HCO.

In case such expenses were not material (e.g. of limited value), or when such expenses despite best effort could not be accurately disaggregated from the fees, such ToVs have been disclosed as part of the total amount of fees under the “Fees for Service or Consultancy” category.

5.3.4 Transfer of Values Related to Research and Development

SIA Novartis Baltics applies the EFPIA definition of the “Research and Development” category as outlined in EFPIA Code – Definitions, the definition of non-clinical studies in the OECD Principles on Good Laboratory Practice, the definition of clinical trials and non-interventional studies (as defined in Directive 2001/20/EC and Section 15.01 of the HCP Code) - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics.

ToVs **related to the following Research and Development activities** are disclosed under the “Research and Development” category in aggregate form whenever they fall under the definition of Research and Development by the EFPIA Code, for example:

- Activities related to the planning or conduct of non-clinical studies, clinical trials or prospective non-interventional studies and that involve the collection of patient data from or on behalf of individual, or groups of HCPs specifically for the study (Section 15.01 of the EFPIA Code).
- IIT (Investigator initiated trials) and IST (Investigator sponsored trials - since, although not initiated by SIA Novartis Baltics, they may benefit from SIA Novartis Baltics
- Post marketing trials, investigator meetings - in which case the total ToV amount is disclosed and in case of participating HCP from other countries, the total actual cost per meeting (incl. infrastructure, travel, logistic and with exclusion of meals whenever possible) is divided by the number of participants per country of practice
- Activities contracted to CROs, where - SIA Novartis Baltics makes indirect ToVs to HCPs/HCOs falling under the definition of Research and Development
- ToVs related to early stage research if falling under the definition of Research and Development in the EFPIA Code

In case ToVs relating prospective and retrospective non-interventional studies cannot be distinguished, all non-interventional studies are disclosed on an individual basis.

ToVs made by or on behalf of SIA Novartis Baltics **related to consultancy activities** are disclosed under the “**Research and Development**” category in aggregate form whenever they fall under the definition of Research and Development by the EFPIA Code: consultancy activities related to the planning/conduct of non-clinical studies, clinical trial or prospective non-interventional studies, ethics committees, steering committee and advisory board activities related to the planning or conduct of non-clinical studies, clinical trial or prospective non-interventional studies, adjudication committees, speaker programs, scientific meetings.

ToVs related to **licensing fees** paid for the use of Clinical/Health Economics and Outcomes Research questionnaires and tools, if the questionnaires and tools are intended for use with an Research and Development project/study are reported in aggregate form under the “Research and Development” category.

The following instances of medical writing and editorial support (as defined in chapter 5.3.3) are covered under the “Research and Development” category: investigator’s brochure (trials), clinical study report (trials), clinical report, safety report; generally all types of medical writing related to clinical trials or related to Research and Development activities, patient narrative writing - only if not disclosed under the “Fees for Service and Consultancy” category by SIA Novartis Baltics ,consensus report - only if not disclosed under the “Fees for Service and Consultancy” category by SIA Novartis Baltics.

The ToVs described above are disclosed as per the requirements of the report template of the Health Inspectorate of the Republic of Latvia.

6. Measures Taken to Ensure Compliance with Data Privacy Requirements

This chapter describes measures taken by SIA Novartis Baltics to ensure compliance with data privacy regulations, rules on consent collection and managing of relevant information in compliance with relevant internal rules, data privacy laws and regulations.

6.1 Safeguarding Measures to Address Lawful Collection, Processing and Transfer of HCPs' Personal Data

Data privacy refers to the individual's fundamental right to control the use of, access to and disclosure of information that describes or identifies the individual ("personal information"). To fulfil the transparency disclosure requirements, it is necessary to collect, process and disclose such personal data within and outside of SIA Novartis Baltics. This data will be published and stored by Health Inspectorate of the Republic of Latvia as per the local law requirements. The disclosure of such personal information by SIA Novartis Baltics is at all times limited to the intended purposes.

In case personal data had to be transferred from countries to the central Novartis Transparency data repository manually (e.g. Excel) or via interfaces, applicable local regulations for the transfer were assessed at local level and managed accordingly.

6.2 Consent Collection

No consent collection was required for ToVs to HCPs and HCOs and Research and development as data collection and disclosure is based on requirements of the Cabinet Regulation No. 378.

7. Financial Aspects

This chapter focusses on the financial aspects related to recognition methodology and business decisions associated with the collection and disclosure of the ToVs information.

SIA Novartis Baltics complies with the Novartis accounting principles and the financial disclosure methodology - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics and Cabinet Regulation No. 378.

SIA Novartis Baltics decided to apply the following rules for ToVs payment dates based on type of ToVs: pursuant to the Cabinet Regulation No. 378: direct ToVs related to events for which the dates of expenses differ from the date(s) the event took place, are disclosed using the date of the last day of the event, however if direct ToVs are not related to an event, they are disclosed based on the date the payment has been cleared via banking system. Indirect ToVs related to events such as

congresses for which the dates of (in kind) expenses differ from the date(s) the event took place, are disclosed using the date of the last day of the event.

Pursuant to the Cabinet Regulation No. 378 SIA Novartis Baltics discloses ToVs in full amount and for payments to HCPs – the amount paid to HCP bank account.

Currency treatment – foreign currency ToVs will be converted using actual exchange rates in agreement with the accounting policy of the SIA Novartis Baltics. ToVs will be disclosed in the local currency of the country where the disclosing entity is located. For direct and indirect ToVs, the foreign currency is converted to the local currency of the disclosing entity based on the transaction date. For cross-border ToVs, the foreign currency is converted to the local currency of the disclosing entity based on the average rate for the month in which the ToV occurred, using the Novartis Treasury rates.

In case of cross-border ToVs as defined in chapter 5.2, direct ToVs will be recognized when the payment has been cleared via the banking system and indirect ToVs will be related to the end date of the event.

In case of multi-year contracts, ToVs are recognized based on the date the payment has been cleared via the banking system.

8. Published Data

SIA Novartis Baltics applies the EFPIA definition of “Form of Disclosure” as outlined in EFPIA Code Article 23.4 - pursuant to the SIFFA and LPMA Code of Good Practice and Ethics and Cabinet Regulation No. 378.

As outlined in the SIFFA and LPMA Code of Good Practice and Ethics, reports on Transfers of Value to HCPs and HCOs and Research and Development during the last year described in section 5.3 shall be disclosed by SIA Novartis Baltics to the the Health Inspectorate of the Republic of Latvia in accordance with Cabinet Regulation No. 378. The disclosure report is available on: www.vi.gov.lv. Submitted reports can be updated if required.

This data will remain published and stored for 3 years in public domain and stored for a minimum of 5 years on record by the publishing affiliate. by Health Inspectorate of the Republic of Latvia as per the local legal requirements

9. Acronyms and Abbreviations

This chapter includes a list of acronyms, abbreviations and definitions for documentation purpose, based on Definitions in the EFPIA Code whenever possible:

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- **Contract Research Organization (CRO):** an organization that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis.
 - **Healthcare Professional (HCP):** Any natural person that is a member of the medical, dental, pharmacy or nursing professions or any other person who, in the course of his or her professional activities, may prescribe, purchase, supply, recommend or administer a medicinal product and whose primary practice, principal professional address or place of incorporation is in Europe. For the avoidance of doubt, the definition of HCP includes: (i) any official or employee of a government agency or other organization (whether in the public or private sector) that may prescribe, purchase, supply or administer medicinal products and (ii) any employee of a Member Company whose primary occupation is that of a practicing HCP, but excludes (x) all other employees of a Member Company and (y) a wholesaler or distributor of medicinal products.
 - **Healthcare Organization (HCO):** Any legal person (i) that is a healthcare, medical or scientific association or organization (irrespective of the legal or organizational form) such as a hospital, clinic, foundation, university or other teaching institution or learned society (except for patient organizations within the scope of article 21 of the EFPIA disclosure Code) whose business address, place of incorporation or primary place of operation is in Europe or (ii) through which one or more HCP provide services.
 - **Member Associations:** as defined in the EFPIA Statutes, means an organisation representing pharmaceutical manufacturers at national level whose members include, among others, research-based companies. Collectively, the national Member Associations or their constituent members, as the context may require, are bound by the EFPIA disclosure Code.
 - **Member Companies:** as defined in the EFPIA Statutes, means research-based companies, developing and manufacturing Medicinal Products in Europe for human use.
 - **Professional Conference Organizer (PCO):** a company which specializes in the organization and management of congresses, conferences, seminars and similar events.
 - **Recipient:** Any HCP or HCO/PCO as applicable, in each case, whose primary practice, principal professional address or place of incorporation is in Europe.
 - **Research and Development ToVs:** ToVs to HCPs or HCOs related to the planning or conduct of (I) non-clinical studies (as defined in OECD Principles on Good Laboratory Practice); (ii) clinical trials (as defined in Directive 2001/20/EC); or (iii) non-interventional studies that are prospective in nature and that involve the collection of patient data from or on behalf of individual, or groups of, HCPs specifically for the study.
 - **Transfers of Value (ToVs):** Direct and indirect transfers of value, whether payments, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of prescription-only Medicinal Products exclusively for human use. Direct transfers of value are those made directly by a Member Company for the benefit of a Recipient. Indirect transfers of value are those made on behalf of a Member Company for the benefit of a

Recipient, or transfers of value made through an intermediate and where the Member Company knows or can identify the HCP/HCO that benefit from the Transfer of Value.

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