

## 2018 Methodological Note – Eli Lilly

This Methodological Note describes the methods utilized for preparing the disclosures and identifying Transfers of Value (ToV) categories in compliance with the requirements outlined in the EFPIA Code of practice (therefore the Code).

The note describes the recognition methodologies applied, and includes the treatment of multiyear contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of transfers of value for purposes of the Code, as applicable.

With regards to the Code requirements the methodological note and the disclosure report should be treated as integral and are published together.

The disclosure report excludes Patient Organisations, as reporting obligations will be fulfilled via the EFPIA Patient Organisation Code.

The company reaffirms its commitment to the principle that the cooperation of pharmaceutical companies with health professionals should not result in a conflict of interest from health professionals, in particular between their professional responsibilities and personal interest.

The Company discloses transfers of value it provided during the given calendar year, directly or indirectly, to or for the benefit of any healthcare professional (HCP) or healthcare organization (HCO) in accordance to the categories and rules described below.

According to the purposes of disclosure the Company used the following approach:

VAT, as well as other taxes are excluded when administratively feasible. For HCPs/HCOs who pay their own withholding taxes, the tax amount is included in the total amount paid.

Data processing and transfers of value are implemented in compliance with the Law of Ukraine on Personal Data Protection (“**the Law**”), that include obligation for obtaining of written consent from privacy data subject for implementing processing of privacy information and requirement to ensure that the consent contains the following information: (1) person/entity, collecting personal data (personal data controller or processor); (2) purpose of personal data processing; (3) scope of personal data;(4) types of intended use of personal data, including specifically (where appropriate) transfers and trans-border transfers of personal data (to data processors or third persons);(5) reference to rights of data subject.

Transfers of value to Healthcare professionals (HCPs) are disclosed on an **individual level** for each clearly identifiable recipient, the amounts attributable to transfers of value to such recipient in each reporting period, with regards to obtained written consent in compliance with indicated Law of Ukraine.

In cases when the consent for disclosure of transfers of value to HCPs on an individual level was not granted, transfers of value are disclosed in **an aggregated level** in each reporting period. Such aggregated disclosure are on a category-by-category basis, including (i) the number of recipients covered by such disclosure, on an absolute basis and as a percentage of all recipients, and (ii) the aggregate amount attributable to transfers of value to such recipients.

Transfers of value to HCOs are disclosed on individual levels taking into consideration requirements of the said Law of Ukraine, which identifies the personal data as any information that related directly or indirectly to definite or defined individual (privacy data subject), and, accordingly, the requirement regarding written consent from privacy data subjects is related only to an individual.

Partial consent (ToV disclosed on an engagement by engagement basis) is not an option.

**Categories for ToV to HCOs/HCPs include:**

**Donations and Grants to HCOs**, in cash or in kind or otherwise (i.e., product donations) that are comprised of healthcare professionals and/or that provide healthcare, are included in the report.

**Sponsorship Agreements with HCOs or Third parties (technical organizers) appointed by HCOs** to manage an Event organized by HCOs, are included in the report. If an event is organized by a Third party the ToV is disclosed under the name of the HCO.

That also includes cases when transfers of funds for coverage of the expenses related to the event are provided to a Third party (technical organizer) account, because the final beneficiary according to the purpose of the disclosure is namely the HCO.

Disclosed amount could include expenses related to event organization and implementation and also compensation to the executor (technical organizer).

Where it is not possible to allocate the ToV to each HCO involved in the event, it is assumed that the HCOs have similar levels of involvement. In such case, the ToV is divided by the number of HCOs, which would each be reported as having received their equal share of the ToV.

**Registration Fees** are not provided to HCPs, therefore this column does not apply.

Travel and Accommodation, related to expenses for flights, long-haul bus, rail and private transport; and group transports and accommodation for HCP meeting attendees are not provided by the company to HCPs, therefore this column does not apply.

With respect to **HCP Fee for Service & Consultancy, Speaking & Consulting** related engagements are included in the report.

With respect to ToV amounts, for Fee for Service ToV, actual amounts are applied to payment and related expenses.

The Fee for Service ToV date is equal to the payment date.

**Related Expenses** agreed in the fee for service or consultancy contract include miscellaneous travel & accommodation expenses relevant to the contract. These expenses are included in the report unless the related expense is part of the fee and not administratively feasible to separate.

For Contribution to Cost of Events, ToV date is equivalent to the day(s) relating to the event/meeting.

**Research and development** transfers of value in each reporting period are disclosed on an aggregate level. Costs related to events that are clearly related to research activities are included in the aggregate amount under the “Research and Development Transfers of Value” category.

**Regarding cross-border transfer**, whether the ToV occur in or outside that country, ToV are disclosed in the country where the recipient has its principal practice address for HCP or country of origin for HCO.

**The report characteristics:**

The report is disclosed in local currency.

Disclosure is made in English language.

Regarding **report corrections**, once reports have been published, HCP consent change requests or data corrections may require updates to reports that are publicly available. Once revisions have been made, the publicly available reports may need to be updated to reflect the changes

**Published Date:** The publication date equals the date the report is generated via internal systems.

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