

Novartis Methodological Note

on Disclosure of Payments and other Transfers of Values to Health Care Professionals and Health Care Organizations following the 'EFPIA Code on Disclosure of Transfers of Value' and/or 'MedTech Europe Code of Ethical Business Practice'

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Table of Contents

1.	Reference to National Transparency Laws and Regulations	4
2.	Purpose of the Methodological Note	5
3.	Novartis' Commitment and Responsibility for Disclosure	5
4.	Scope of the Novartis' Disclosure on Transfers of Value	5
5.	Novartis' Disclosure Recognition Methodology and Related Business Decisions	6
5.1	Definition of Direct and Indirect Transfer of Values	6
5.2	Definition of Cross-border Transfer of Values.....	7
5.3	Transfer of Value Categories According to the EFPIA Disclosure.....	7
5.3.1	Transfer of Values Related to Donations and Grants.....	8
5.3.2	Transfer of Values Related to Contribution to Costs of Events	8
5.3.2.1	Transfer of Values Related to Contribution to Costs of Events – Sponsorship Agreements	9
5.3.2.2	Transfer of Values Related to Contribution to Costs of Events – Registration Fees	10
5.3.2.3	Transfer of Values Related to Contribution to Costs of Events – Travel & Accommodation.....	10
5.3.3	Transfer of Values Related to Contribution to Fees for Service and Consultancy. 11	
5.3.3.1	Transfer of Values related to Contribution to Fees for Service and Consultancy – Fees.....	11
5.3.3.2	Transfer of Values related to Contribution to Fees for Service and Consultancy – Related Expenses	12
5.3.4	Transfer of Values Related to Research and Development	12
5.4	Transfer of Value Categories According to the MedTech Disclosure Code	13
5.4.1	Transfer of Values Related to Educational Grants to support Third Party Organised Educational Events	14
5.4.1.1	Support for HCP Participation at Third Party Organised Educational Events	14
5.4.1.2	Support for Third Party Organised Educational Events	14
5.4.2	Transfer of Values Related to Other Educational Grants to Healthcare Organizations.....	14
5.4.2.1	Scholarships and Fellowships.....	15
5.4.2.2	Grants for Public Awareness Campaigns	15
6.	Measures Taken to Ensure Compliance with Data Privacy Requirements.....	15
6.1	Safeguarding Measures to Address Lawful Collection, Processing and Transfer of HCPs' Personal Data	15
6.2	Consent Collection	16

7. Financial Aspects	16
8. Published Data	17
9. Acronyms and Abbreviations.....	17

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 an affiliate of Novartis Pharma AG, which is an EFPIA Member Company, Alcon NV 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 On Disclosure Of Transfers Of Value From Pharmaceutical Companies To Healthcare Professionals And Healthcare Organizations ², as laid down in Chapter 5bis of the Code of Deontology of pharma.be and Chapter 5bis of the Code of Deontology of Association Pharmaceutique Luxembourgoise (APL) and the Belgian Sunshine Act of 18 December 2016 and implementing royal decree of 14 June 2017 (Sunshine Act).
- Medical devices to HCPs/HCOs in accordance with the transparency rules in the Belgian Sunshine Act.

As member of MedTech Europe, Alcon also complies with the obligation to collect, disclose and report ToVs related to educational grants to HCOs/PCOs (Professional Conference Organizer) in accordance with the MedTech Europe Code of Ethical Business Practice On Disclosure Of Transfers Of Value From Medical Device Companies To Healthcare Organization and Professional Conference Organizer

In addition to this Alcon NV is also disclosing ToVs related to OTC medicines, if applicable.

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

² The EFPIA Code On Disclosure Of Transfers Of Value From Pharmaceutical Companies To Healthcare Professionals And Healthcare Organization (in short: EFPIA Disclosure Code) states in Section 3.05. *Methodology* that “each Member Company shall publish a note summarizing the methodologies used by it in preparing the disclosures and identifying Transfers of Value for each category described in Section 3.01. The note, including a general summary and/or country specific considerations, shall 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”.

2. Purpose of the Methodological Note

This document is intended to serve as supporting documentation for the 2018 Disclosure Report of Alcon NV. Alcon NV's position is based on the interpretation of the currently valid version of the EFPIA Disclosure Code, MedTech Europe Disclosure Code aligned with local transparency laws and locally transposed EFPIA disclosure code.

The Methodological Note summarizes the disclosure recognition methodologies and business decisions as well as country specific considerations applied by Alcon NV in order to identify, collect and report ToVs for each disclosure category as described in Section 3.01 of the EFPIA Disclosure Code and Chapter 4, section 3 of the Medtech Europe Disclosure Code.

3. Novartis' Commitment and Responsibility for Disclosure

Alcon supports laws and regulations that promote transparency around relationships between healthcare companies and HCPs/HCOs associated with ToVs related to prescription-only medicines, OTC medicines, medical devices and food supplements.

Alcon establishes a single, consistent transparency standard for disclosing transfers of value in all EFPIA countries.

Moreover MedTech Europe created a single platform (EthicalMedTech website) for Member Companies to disclose ToVs in MedTech Europe geographic area .

4. Scope of the Novartis' Disclosure on Transfers of Value

This 2018 Alcon NV Disclosure Report is following the disclosure standards pursuant to the local transposition of EFPIA Disclosure Code, MedTech Europe Disclosure Code and national transparency laws/regulations. Subject to this disclosure report are all direct or indirect ToVs related to prescription-only medicines, OTC medicines and food supplements and medical devices disclosed by Alcon NV to or for the benefit of a Recipient made by any Novartis affiliate as described in Article 3 of the EFPIA Disclosure Code and ToVs for educational grants described in Chapter 4, Section 3 of the MedTech Europe Disclosure 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 Medicines Law of March 25, 1964. 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 Disclosure Code.

In summary:

- The 2018 Alcon NV 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, OTC medicines, medical devices and food supplements exclusively for human use, whether for promotional purposes or otherwise.
- The 2018 Alcon NV Disclosure Report covers provision of funds for the support and the advancement of genuine medical education of HCP, patients and/or the public on clinical, scientific and/or health care topics relevant to the therapeutic areas as educational grants.

In this report, Alcon NV discloses the amounts of value transferred by type of ToVs with data coverage from January 1st 2018 to Dec 31st 2018. Alcon NV disclosure is performed for the full calendar year 2018 / once a year.

Whenever possible, Alcon NV 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. Aggregate disclosure for non Research & Development ToVs is only used in exceptional cases, e.g. if consent could not be obtained despite best efforts or in case of withdrawal of consent.

5. Novartis' 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

Alcon NV applies the EFPIA definition of ToVs as outlined in EFPIA Disclosure Code schedule 1.01 and the definition applicable pursuant to the Belgian Sunshine Act and article 44bis, 2 of the Code of Deontology of APL.

According to the EFPIA Disclosure Code schedule 1, 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 Disclosure Code, pursuant to the Belgian Sunshine Act and the Code of Deontology of APL. 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 Alcon NV. When a tripartite contract exists between Alcon NV an HCO and an HCP, with the HCP as benefitting party, ToVs are disclosed at HCP level. If Alcon NV holds a contract with a non-HCO Third-Party vendor acting on behalf of Alcon NV 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 Alcon NV to HCP/HCOs whose primary practice is in an EFPIA country must be disclosed if the distributor is making a ToV on behalf of Alcon NV (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 Alcon NV (and Alcon NV influenced choice of HCPs/Faculty).

According to the Medtech Europe Code of Ethical Business Practice Part 1, Section 6 the following definition applies:

- Member Companies may provide financial and/or in kind support (e.g. Member Company products) to Third Party Organised Educational Events in accordance with the rules of this Code.

5.2 Definition of Cross-border Transfer of Values

Alcon NV applies the EFPIA definition of cross-border ToVs according to which a cross-border ToV is a Transfers 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 and MedTech Europe regulated countries.

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 Belgian Sunshine Act and article 44bis, 1 of the Code of Deontology of APL.

5.3 Transfer of Value Categories According to the EFPIA Disclosure

Alcon NV applies the EFPIA definition of the ToVs categories as outlined in EFPIA Disclosure Code Article 3.01 – pursuant to article 44bis, 2 of the Code of Deontology of APL – and the Belgian Sunshine Act.

The following categories constitute the EFPIA Disclosure Template used to create the 2018 Alcon NV affiliate 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 & development

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

Alcon NV applies the EFPIA definition of the “Donations and Grants” category as outlined in EFPIA Disclosure Code Article 3.01 – pursuant to article 38§3 of the Code of Deontology of APL – and the Belgian Sunshine Act.

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 disclosed 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 disclosed 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.

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

investigator meetings for clinical trials and non-interventional studies) organized or sponsored by or on behalf of Alcon NV pursuant to schedule 1 of the EFPIA Disclosure Code.

ToVs to participating HCPs/HCOs related to such events falling under the definition above are disclosed in the “Costs of Events” sub-categories “Sponsorship Agreements”, “Registration Fees” or “Travel and Accommodation”. 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

Alcon NV applies the EFPIA definition of the “Sponsorship Agreements” category as outlined in EFPIA Disclosure Code Article 3.01, 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 article 44quater, 2 of the Code of Deontology of APL – and the Belgian Sunshine Act.

In general, indirect sponsorship of an HCP through an HCO is disclosed 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 disclosed 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 Alcon NV 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 Alcon NV 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.

Alcon NV 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.

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

Alcon NV applies the EFPIA definition of the “Registration Fees” related to cost of events categories as outlined in EFPIA Disclosure Code Article 3.01 - pursuant to article 44quater, 2 of the Code of Deontology of APL – and the Belgian Sunshine Act.

In general (and for all types of events), whenever registration fees were charged for an event organized or sponsored by or on behalf of Alcon NV, 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 disclosed 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 disclosed under the HCO in each country and is reported in "Registration Fees" category.

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

Alcon NV applies the EFPIA definition of the “Travel and Accommodation” related to cost of events categories – pursuant to article 31 of the Code of Deontology of APL – and the Belgian Sunshine Act.

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.).

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 disclosed 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 net amount of the Alcon NV payment offset by payment from HCP is disclosed as ToV under the “Travel and Accommodation” category in the name of the HCP.

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

Alcon NV applies the EFPIA definition of the “Fees for Service and Consultancy” category as outlined in EFPIA Disclosure Code Article 3.01 – pursuant to article 44quater, 2 of the Code of Deontology of APL – and the Belgian Sunshine Act.

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 Alcon NV products or research, general consulting/advising, services by distributors, consultancy for tool/questionnaire selection or analysis.

Alcon NV 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 disclosed 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 Alcon NV, are disclosed 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 Alcon NV 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 disclosed 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 article 44quater, 5 of the Code of Deontology of pharma.be, article 42, II, 4 and article 44quater, 5 of the Code of Deontology of APL. 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, supplements, patient narrative writing, consensus report.

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 Disclosure Code and EFPIA HCP Code Article 15 are disclosed under the “Fees for Services and Consultancy” category in the name of the benefitting Recipient, for example:

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- Retrospective non-interventional studies not falling under the definition of Research and Development ToVs as per EFPIA Disclosure Code definition of Research and Development Schedule 1 and EFPIA HCP Code Article 15
 - Investigator initiated trials, investigator sponsored trials and Investigator meeting, in the exceptional case when such ToV do not fall under the definition of Research and Development mentioned above
 - Activities contracted to Contract Research Organizations (CROs) where Alcon NV 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

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

Alcon NV fully complies with the EFPIA definition of the “Fees for Service and Consultancy - Related Expenses” category as outlined in EFPIA Disclosure Code Article 3.01 – pursuant to article 44quater, 2 of the Code of Deontology of APL – and the Belgian Sunshine Act.

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

Alcon NV applies the EFPIA definition of the “Research and Development” category as outlined in EFPIA Disclosure Code – Schedule, 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 article 44quater, 5 of the Code of Deontology of APL – and the Belgian Sunshine Act.

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 Disclosure Code, for example:

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- 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 HCP Code).
 - IIT (Investigator initiated trials) and IST (Investigator sponsored trials - since, although not initiated by Alcon NV , they may benefit from Alcon NV
 - 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 Alcon NV 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 Disclosure 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 Alcon NV **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 Disclosure 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.

5.4 Transfer of Value Categories According to the MedTech Europe Disclosure Code

Alcon NV applies the MedTech Europe definition of the ToVs in the Definition of “Educational Grants” as outlined in the MedTech Europe Disclosure Code in Part 1, Chapter 4, Section 3.

The following categories constitute the MedTech Europe Disclosure template for the 2018 Alcon NV MedTech Europe Disclosure Report:

- Educational grants to support Third Party Organised Events (including support for HCP participation at Third Party Educational Events)
- Other educational grants to HCOs (including scholarships, fellowships and/or grants for public awareness campaigns)

5.4.1 Transfer of Values Related to Educational Grants to support Third Party Organised Educational Events

Alcon NV applies the MedTech Europe definition of the “Educational Grants” category as outlined in MedTech Europe Code of Ethical Business Practice Part 1, Chapter 4, Section 3.a, following the general principle that any Third Party Organised Educational Event supported by way of an educational grant from a Member Company to a HCO must:

- Comply with Part 1, Chapter 1 “General Criteria for Events” of the MedTech Europe Disclosure Code, and
- Where applicable, have approval via the Conference Vetting System (CVS) (<http://www.ethicalmedtech.eu/conference-vetting-system/>)

5.4.1.1 Support for HCP Participation at Third Party Organised Educational Events

Where the educational grant is provided for the purpose of supporting HCPs’ attendance at Third Party Organised Educational Events, the HCO receiving the grant shall be solely responsible for selection of participants and this shall be expressly reflected in the written grant agreement.

5.4.1.2 Support for Third Party Organised Educational Events

Where the prospective beneficiary of an educational grant is the organizer of the Third Party Organised Educational Event and is also a HCO, the recipient HCO shall be solely responsible for:

- The programme content;
- The selection of faculty; and
- The payment of faculty honoraria, if any.

Member Companies shall not have any detailed involvement in determining the content of the educational programme for selection of faculty and this shall be reflected in the written grant agreement. If expressly requested to do so, Member Companies may recommend speakers or comment on the programme.

5.4.2 Transfer of Values Related to Other Educational Grants to Healthcare Organizations

Alcon NV applies the MedTech Europe definition of the “Other Educational Grants” category as outlined in MedTech Europe Code of Ethical Business Practice Part 1, Chapter 4, Section 3.b and c, following the general principle for:

5.4.2.1 Scholarships and Fellowships :

Member Companies may provide educational grant on a restricted basis in the form of grants for scholarships and fellowships to support advancement of genuine medical education of HCPs.

Only HCOs where HCPs are in training shall be eligible to request and/or receive such educational grants. A Member Company shall not provide educational grants to support scholarships and fellowships upon request of individual HCPs. Similarly, the Member Company shall not have any involvement in any way in the selection of the HCPs who will benefit from the educational grant and this shall be reflected in the written grant agreement between the Member Company and the recipient HCO.

5.4.2.2 Grants for Public Awareness Campaigns :

Member Companies may also provide educational grants on a restricted basis to HCOs for the legitimate purpose of providing information, promoting awareness and/or educating patients, carers or the general public about relevant healthcare topics or medical conditions or diseases in therapeutic areas in which the Member Company is interested and/or involved.

6. Measures Taken to Ensure Compliance with Data Privacy Requirements

This chapter describes measures taken by Alcon NV 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 Alcon NV. This data will be published for 3 years in public domain and stored for a minimum of 5 years on record by the Alcon NV (publishing affiliate). The disclosure of such personal information by Alcon NV 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. Where required, the transfer of data to a third country (outside the EU/EEA) was approved by the data controller's Alcon NV country data protection authority (e.g. Information Commissioner).

6.2 Consent Collection

Consent for the publication of the ToVs was obtained and documented as such before disclosing the data on an individual HCP level where applicable³. Consent management procedures were conducted in alignment with the the Law of 8 December 1992 on the protection of privacy in relation to the processing of personal data.

Consent was obtained on Recipient level for all ToVs during a given period of time not shorter than one full year.

Alcon NV does not accept partial consent or split disclosure.

In case consent was either not given by the Recipient or not documented sufficiently to prove the existence of consent, ToVs are disclosed on aggregate level only.

In the event of death of an HCP by the time of disclosure (by the publication date) the ToV is reported in aggregate.

HCP has a right to withdraw the consent. Withdrawal of consent has no retroactive effect and is only effective for the future.

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.

Alcon NV complies with the IAS accounting principles and the financial disclosure methodology - pursuant to Annex 2 of the Code of Deontology of pharma.be, article 42, II, 5 and Annex 2 of the Code of Deontology of APL.

Alcon NV decided to apply the following rules for ToVs payment dates based on type of ToVs: direct ToVs 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.

Alcon NV discloses ToVs net amount only. If VAT cannot accurately be excluded, the full ToV amount is disclosed. Where income tax or equivalent is withheld by Alcon NV on monies earned by the HCP then the ToV will include these amounts.

³ New EU Regulation (GDPR) lays down rules relating to the protection of natural persons with regard to the processing of personal data.

Currency treatment – foreign currency ToVs will be converted using actual exchange rates in agreement with the accounting policy of Alcon NV. 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

Alcon NV applies the EFPIA definition of “Form of Disclosure” as outlined in EFPIA Disclosure Code Article 2 - pursuant to Annex 2 of the Code of Deontology of APL – and the guidelines enacted in accordance with the Belgian Sunshine Act.

Updates of published data are conducted on a yearly basis to allow for reflection of data updates or consent withdrawal after disclosure submission.

This data will remain published for 3 years in public domain and stored for a minimum of 5 years on record by the publishing affiliate.

Also, Alcon NV applies the MedTech Europe definition of “Form of Disclosure” as outlined in MedTech Europe Disclosure Code Part 2, Chapter 3 – pursuant to article 44quater, 5 of the Code of Deontology of APL – and the guidelines enacted in accordance with the Belgian Sunshine Act.

Disclosures shall be made on the EthicalMedTech website (www.ethimedicalmedtech.org) unless the Member Company is already bound by national laws, regulations or professional codes as regulated in Section 1.2 “Applicability of these Disclosure Guidelines”. Member Companies will remain liable for the accuracy of the disclosed data. For the avoidance of doubt, MedTech Europe shall not be held liable for:

- maintaining, correct-ing, deleting the published data nor
- for the storage of data after the three years period of disclosure in the public domain.

Member Companies shall be able to modify, delete or in any way alter their disclosures at any time before or after the time of publication. The information disclosed shall remain in the public domain for 3 years after the time such information is first published.

9. Acronyms and Abbreviations

This chapter includes a list of acronyms, abbreviations and definitions for documentation purpose, based on the Schedule 1 of the EFPIA Disclosure Code and Medtech Europe Disclosure Code whenever possible:

- **Conference Vetting System (CVS) (MedTech Europe):** means the centralised decision-making process which reviews the compliance of Third Party Organised Educational Events with the Code and which is managed independently of MedTech Europe under the supervision of the MedTech Europe Compliance Panel. For more information see: <http://www.ethicalmedtech.eu>.
- **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.
- **Educational Grants (MedTech Europe):** means provision of funding, Member Company or third party products or other in kind support to a Healthcare Organisation by or on behalf of a Member Company on a restricted basis for use solely for the support and the advancement of genuine medical education of Healthcare Professionals, patients and/or the public on clinical, scientific and/or healthcare topics relevant to the therapeutic areas in which the Member Company is interested and/or involved.
- **Healthcare Professional (HCP):**
 - **EFPIA:** 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.
 - **MedTech Europe:** means any individual (with a clinical or non-clinical role; whether a government official, or employee or representative of a government agency or other public or private sector organisation; including but not limited to, physicians, nurses, technicians, laboratory scientists, researchers, research co-ordinators or procurement professionals) that in the course of their professional activities may directly or indirectly purchase, lease, recommend, administer, use, supply, procure or determine the purchase or lease of, or who may prescribe medical technologies or related services.
- **Healthcare Organization (HCO):**

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- **EFPIA:** 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 the EFPIA PO 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.
 - **MedTech Europe:** means any legal entity or body (irrespective of its legal or organisational form) that is a -healthcare, medical or scientific association or organisation which may have a direct or indirect influence on the prescription, - recommendation, purchase, order, supply, utilisation, sale or lease of medical technologies or related services such as a hospital or group purchasing organisation, clinic, laboratory, pharmacy, research institution, foundation, university or other teaching –institution or learned or professional society (except for patient organisations); or through which one or more Healthcare – Professionals provide services.
- **Member Associations:**
- **EFPIA:** Collectively, the national Member Associations or their constituent members, as the context may require, and bound by the EFPIA codes of practice, including the EFPIA HCP Code, the EFPIA Patient Organization Code and the EFPIA HCP/HCO Disclosure Code.
 - **MedTech Europe :** means all full and associate national association members of MedTech Europe (“**Member Associations**”), as defined in the MedTech Europe statutes, as applicable and as amended from time to time.
- **Member Companies:**
- **EFPIA:** Collectively, “corporate members” (as defined in the HCP Code) of EFPIA, their respective parent companies, if different, subsidiary companies (irrespective of whether a subsidiary is a company or such other form of enterprise or organization) and any companies affiliated with corporate members or their subsidiaries. Separate entities belonging to the same multinational company – which could be the parent company (e.g. the headquarters, principal office, or controlling company of a commercial enterprise), subsidiary company or any other form of enterprise or organization – shall be deemed to constitute a single company, and is as such committed to compliance with the EFPIA Codes.
 - **MedTech Europe :** means all full and associate corporate members (“**Member Companies**”) of MedTech Europe as defined in the MedTech Europe statutes, as applicable and as amended from time to time.

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- **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 a country whose association is a member of EFPIA and/or MedTech Europe.
 - **Scholarships and Fellowships (MedTech Europe):** means Educational Grants provided to a Healthcare Organisation by or on behalf of a Member Company to support fellowships or scholarships offered by the Healthcare Organisation. Scholarships in this context means an Educational Grant provided to support a medical school undergraduate whereas a fellowship is a period of intensive training for post-graduate physicians in a chosen clinical sub-specialty (e.g. medical training after a residency). “Scholars” and “Fellows” shall be understood accordingly.
 - **Third Party Organised Educational Events (MedTech Europe):** means activities of any type that are planned, budgeted, managed and executed in whole or in part by or on behalf of a person or entity other than a Member Company to fulfil Healthcare Professional medical educational needs.
 - **Third Party Organised Educational Conferences (MedTech Europe) :** means a type of Third Party Organised Educational Event that is a genuine, independent, educational, scientific, or policy-making conference organised to promote scientific knowledge, medical advancement and/or the delivery of effective healthcare and are consistent with relevant guidelines established by professional societies or organisations for such educational meetings. These typically include conferences organised by national, regional, or specialty medical associations/societies, hospitals, Professional Conference Organisers (PCOs), patients organisations or accredited - continuing medical education providers.
 - **Third Party Organised Procedure Training (MedTech Europe):** means a type of Third Party Organised Educational Event that is primarily intended to provide Healthcare Professionals with information and training on the safe and effective performance of one or more clinical procedures in circumstances where the information and training concern:
 - Specific therapeutic, diagnostic or rehabilitative procedures, namely clinical courses of action, methods or techniques (rather than the use of medical technologies); and
 - Practical demonstrations and/or training for HCPs, where the majority of the training programme is delivered in a clinical environment.Proctorships and preceptorships are not considered to constitute Third Party Organised Procedure Training.
 - **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 (Section 15.01 of the HCP Code).

- **Transfers of Value (ToVs):**

- **EFPIA:** 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, OTC medicines and food supplements 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.
- **MedTech Europe:** covers provision of funds for the support and the advancement of genuine medical education of HCP, patients and/or the public on clinical, scientific and/or health care topics relevant to the therapeutic areas as Educational Grants.

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