

Celgene Sp. z o.o.

Methodological Statement

summarizing the methodologies used in preparing the disclosure of transfers of value to health professionals and healthcare organisations pursuant to Section 3.05 of Disclosure Close of the Association of International Research-based Pharmaceutical Manufacturers and Latvian Generic Medicines Association, the “Code”

Introduction

Celgene Sp. z o.o. (“**Celgene**”) is responsible for marketing of Celgene medicinal products in Latvia.

Celgene also collaborates both directly and through its parent company, Celgene Corporation¹, in pre-clinical research and clinical trials in Latvia.

In the course of these activities, Celgene engages with health professionals² whose registered practice addresses are in Latvia and with healthcare organisations³ based in Latvia.

The disclosures that Celgene has submitted to the Association of International Research-based Pharmaceutical Manufacturers (SIFFA) represent the transfers of value that Celgene has made to such health professionals and healthcare organisations during the course of 2017 insofar as those transfers of value fall within Celgene’s disclosure obligations as defined in Sections 1 through 3 of the Code.

Methodology

The data upon which Celgene’s disclosures are based has been collected and compiled by Celgene Corporation’s Spend Transparency Office based in Summit, New Jersey. The Spend Transparency Office is responsible for the disclosure of transfers of value to health professionals and healthcare organisations made by any Celgene Corporation affiliate worldwide in accordance with relevant local laws and codes of practice.

In order to prepare for compliance with Sections 1 through 3 of the Code, the Spend Transparency Office first identified all of the possible sources of information within the Celgene Corporation finance system and held by third party vendors that could identify any and all payments made by Celgene. Using information supplied by IMS Health, verified and supplemented by various commercial operations

¹ For the purposes of this document alone, the term “Celgene Corporation” refers to Celgene Corporation and all of its affiliates, sub-contractors and agents worldwide.

² As defined in Annex 1 of the Code under “HCP”.

³ As defined in Annex 1 of the Code under “HCO”.

resources within Celgene and Celgene Corporation, publically available information and information from third party vendors, the Spend Transparency Office narrowed down the list of payees to those that fell within the definitions of health professional and healthcare organisation, as set out in Annex 1 of the Code. Celgene used the IMS OneKey Code as a unique identifier of any given health professional.

On the basis of these data Celgene has used its best endeavours to disclose to the SIFFA for publication on its central platform all direct and indirect transfers of value made between 1 January 2017 and 31 December 2017 inclusive that fall within its disclosure obligations as set out in Section 1 through 3 of the Code, applying the relevant definitions contained therein. Celgene undertakes to submit promptly to the SIFFA any corrections or additions that may be required as a result of knowledge acquired after the date the disclosures are submitted.

Third parties

Celgene has included in its contractual templates, on the basis of which it contracts with all third parties, a binding clause requiring the third party to notify to Celgene all transfers of value made to health professionals⁴ and healthcare organisations. Celgene has used its best endeavours to include all such transfers of value so notified within the scope of its disclosures to the SIFFA.

Distributors

Celgene does not market its products through a distributor in Latvia.

Cross border transactions

Celgene Spend Transparency Office has worked with all of Celgene's functions and affiliates worldwide to capture data relating to transfers of value made by them to health professionals with their practice address in the Latvia and healthcare organisations based in Latvia. Celgene has used its best endeavours to include all such transfers of value within its disclosures to the SIFFA.

Consent

Celgene has used its best endeavours to seek consent from all health professionals to disclosure on an individual basis, naming the recipient and identifying the value of the transfer. To this end, Celgene has incorporated a binding clause to this effect in its contractual templates on the basis of which, pursuant to Celgene's relevant policies, all such engagements should proceed.

In the event that a health professional has declined to give their consent to such individual disclosure, the Vice President, General Manager of Celgene, or his designee, has considered in each case whether there is an overriding need to pursue the potential engagement with the result that any transfer of value may only be disclosed in aggregate pursuant to Clause 3.02 of the Code. Factors that are relevant to this consideration include whether the health professional has special knowledge and skills that are not available to Celgene from another health professional willing to give consent to individual disclosure.

⁴ Hereafter the phrase, "*health professionals*", defined as "HCP" in Annex 1 of the Code.

In circumstances where a health professional declines to give, or subsequently withdraws, consent to one or more transfers of value in the course of the 2017 reporting year, Celgene has disclosed all transfers of value made to that health professional in aggregate.

Disclosure in aggregate

Where the recipients of transfers of value cannot be disclosed for legal reasons, including where a health professional has declined to give consent to disclosure on an individual basis, Celgene has disclosed those transfers of value on an aggregate basis.

Celgene has also disclosed on an aggregate basis transfers of value falling within the definition of “*Research and Development Transfers of Value*” pursuant to Clause 3.04 of the Code.

Currency

Celgene has made its disclosures in EUR, using Bank of Latvia exchange rate with EUR on the day of transfer for those payments made in any other currency.

Tax

Celgene has made its disclosures relating to direct transfers of value exclusive of all applicable taxes. It is possible, however, that some indirect transfers of value made by third party vendors have been reported to us inclusive of taxes.

Date methodology

Celgene has made its disclosures relating to cash payments by reference to the payment date. In circumstances where transfers of value represent benefits in kind Celgene has made its disclosures by reference to the date of the event.

Multi-year contracts

Celgene has not identified any multi-year contracts that fall within its disclosure obligations for 2017.

Prepared by

Celgene International S.a.r.l., Boudry, Switzerland

Celgene Corporation, Spend Transparency Office, Summit, New Jersey, United States of America

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