

2020 Methodological Note – Galapagos entities

As a science-driven biotech, we have always worked closely with a variety of stakeholders in the scientific and healthcare sector. These relationships and partnerships are invaluable to Galapagos. We are proud of our collaborative spirit and will remain transparent about our research and business practices with our stakeholders. We believe that transparency is vital to strengthen the basis for future collaboration.

Transfer of value

Galapagos discloses Transfers of Value (ToV) in those European markets where there is legislation in place or where we are part of the EFPIA Member Association. This note describes the methods used by Galapagos NV (“Galapagos”) to fulfil the requirements for disclosing payments and Transfers of Value (ToV) to Health Professionals, Healthcare Organisations and Patient Organisations and its Representatives as outlined in the EFPIA Code of Practice and further described in the country Codes of Practice of EFPIA Member Associations.

Definitions

Healthcare Organisation(s) (HCO)	Any legal person/entity that is a healthcare, medical or scientific association or organisation such as a hospital, clinic, foundation, university, or other teaching institution or learned society.
Healthcare Professional(s) (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/her professional activities, may prescribe, purchase, supply, recommend or administer a Medicinal Product.
	Galapagos will not disclose payments to HCPs (e.g. salaries and benefits) who are directly employed by the Company.
Patient Organisation	A non-for-profit legal person/entity (including the umbrella organisation to which it belongs), mainly composed of patients and/or caregivers, that represents and/or supports the needs of patients and/or caregivers and which business address is in Europe.
Transfer of Value (ToV)	Direct and indirect ToV, whether in cash, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development and sale of Galapagos products.
	Direct ToVs are those made directly by a Member Company for the benefit of a Recipient.
	Indirect ToVs are those made on behalf of a Member Company for the benefit of a Recipient, or those made through a Third Party and where

the Member Company knows or can identify the Recipient that will benefit from the Transfer of Value.

Categories of Disclosure

Contribution to Costs related to Events Support providing or covering travel, accommodation and/or registration fees to support the attendance of an individual HCP or PO Representative to an Event organised or created by Galapagos and/or a Third Party.

Fees for Research and Development All fees paid to HCPs or HCOs related to the planning or conduct of non-clinical studies, clinical trials and non-interventional studies performed by Galapagos or by Contract Research Organisations (CRO) on behalf of Galapagos are reported on an aggregate basis unless specified otherwise.

Fees for Service and Consultancy Galapagos engages with an HCP/HCO for services when there is a genuine and legitimate business need and where the HCP/HCO is qualified and appropriate to provide the services. These services are paid with a Fee for Service at Fair Market Value.

As part of the written Fee for Services Agreement, related expenses (in order to enable the recipient execute the assignment for which he/she has been contracted) can be paid for and can include costs of flights, trains, car hire, tolls, parking fees, taxis, bus transfers, hotel accommodation and any visa costs.

Fees are as a standard paid by Galapagos directly and by exception via third party vendors. For ToVs related to Market Research studies these are paid directly by the Market Research Agency and are disclosed under this category but only when the identity of the recipient is known to Galapagos.

As general principle, disclosure is made on the contracting entity. If the contracting entity is a company owned by an HCP, the amount is disclosed as a ToV made to the company, i.e. HCO.

Grants and Donations Collectively, mean providing funds, assets or services freely given for the purpose of supporting healthcare, scientific research, or education, with no consequent obligation on the recipient to provide goods or services to the benefit of the donor in return.

**Sponsorship**

Support provided by or on behalf of Galapagos, when permitted by law, as a contribution to support an activity performed, organised or created by an HCO, a PO or a Third Party.

Commitment to Transparency**Co-Marketing Projects**

Where Galapagos jointly develops and/or markets a product with another pharmaceutical Company, Galapagos will only declare those payments made through Galapagos bank accounts. Transfers of Value made by its co-marketing partners will be disclosed separately by those organisations.

Consent Management

Following the implementation of the new General Data Protection Regulation (GDPR), Galapagos reaches out to individual Health Care Professionals for consent to publish their ToV in those markets where it is required.

In countries where disclosure is not mandated, HCPs have the right to not provide/withdraw their consent to individual disclosure. Recipient consent is obtained on a yearly basis coinciding with reporting period of majority of markets. Where an HCP has not provided/withdrawn their consent the Transfer of Value will be disclosed in an aggregate basis

For countries where consent is not required, consent is defaulted to 'Yes' and disclosure made at the individual level.

Cross Border Payments

Galapagos operates in many countries and therefore may contract HCPs from different countries to perform services in other markets. Disclosures of these ToVs will be made in the recipient's home country. 'Home' country refers to the country where the recipient has its primary place of practice or registration. Similarly, payments made to local HCOs by Galapagos entities located in other countries are disclosed locally regardless of the source of funding.

Currency

Where payments were made in a currency other than that of the host country of the HCP/HCO, the daily exchange rate is applied for the particular transaction. All disclosures will be displayed in the



local currency. Readers should understand that the total amounts disclosed could therefore vary slightly from the exact amount paid in the local currency.

Reporting Date

ToV dates mentioned in the disclosure report are dates of the payment to the recipient. Thus, any payment made to the recipient which falls within the reporting period of a particular country will be picked up for disclosure.

Where ToVs relate to multi-year contracts, only the ToVs made in the reporting period are included.

Where a ToV is a benefit in kind e.g. flight or accommodation, values are reported on the date the recipient received the benefit.

Value Added Tax

Galapagos has taken the decision to report values excluding VAT wherever possible due to the complexity of VAT regimes around Europe and the inconsistency of whether VAT may or may not be reimbursable depending on where the transaction took place and the country of residency of the HCP or HCO. All other taxes are included in the reported values.

Commitment after Transparency

Dispute Management

The activities described above give Galapagos reasonable assurance that the ToV reports are as accurate and complete as possible. In the event that there are requests or disputes, these should be reported to Transparency@glpg.com. Galapagos commits to resolving and, if required, republishing within 30 days of receiving notification of the dispute.