

# Conditions of Award

## 1 Background

- 1.1 The Award Holder has submitted the Application with the consent of, or on behalf of, the Host Institution and Arthritis Research UK is prepared to make the Award to the Host Institution on the terms of the Award Contract.
- 1.2 Subject to clause 4.1.1, the Award Contract shall commence on the Start Date and shall continue until the End Date unless terminated sooner in line with Condition 4.13.
- 1.3 The Host Institution must ensure that the Award Holder complies with their obligations under the Award Contract.
- 1.4 The Host Institution warrants that the person who signed the Acceptance of Award on its behalf was duly authorised to do so and to bind the Host Institution to the Award Contract.

## 2 Definitions

- 2.1 The following terms shall have the following meanings:

<b>“Arthritis Research UK”</b>	Means Arthritis Research UK, a company limited by guarantee registered in England and Wales.no 490500, a charity registered in England and Wales (207711) and Scotland (SCO41156) whose registered office is at Copeman House, St Marys Court, Chesterfield S41 7TD.
<b>“Acceptance Forms”</b>	Means the forms which are sent out to the Host Institution stating the financial award and duration and start date.
<b>“Application”</b>	Means all of the documents associated with the application for the Award including the application form and supporting documents, supplemental information, responses to queries and presentations.
<b>“Award”</b>	Means the award of funding from Arthritis Research UK to the Host Institution to undertake research on the terms of the Award Contract.
<b>“Award Contract”</b>	Means the Award Letter (and any additional conditions, financial summaries or policy guidelines appended to or referred to in the Award Letter, and the Conditions.
<b>“Award Duration”</b>	Means the period for which the Award is made as set out in the Award Letter.

<b>“Award Funded IP”</b>	Means any Intellectual Property that is or has been created, exemplified or developed (whether in whole or in part) arising out of or in connection with the Award.
<b>“Award Holder”</b>	Means the person identified in the Award Letter to whom the Award is assigned and who will be responsible for leading and managing the Award. .
<b>“Award Letter”</b>	Means the letter from Arthritis Research UK to the Award Holder, co-applicants and the Host Institution specifying the details of the financial support awarded and the research to be funded.
<b>“Conditions”</b>	Means these terms & conditions, as amended from time to time and a Condition shall mean a numbered clause in these Conditions
<b>“Clinical Research”</b>	Means Research involving human participants (or their organs, tissue or data).
<b>“End Date”</b>	Means the end date of the Award as identified in the Award Letter.
<b>“Host Institution”</b>	Means the university or other body to which the Award is made which is responsible for the proper conduct and financial management of the Award.
<b>“Intellectual Property”</b>	Means any and all rights to inventions, discoveries, materials (including cell lines, modified organisms, nucleic acid components and peptides), technologies, products, data, algorithms, software, patents, databases, copyright and related rights, moral rights, know-how, goodwill, trademarks and service marks, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, whether registered or unregistered and including applications and rights to apply for and be awarded, renewals or extensions of, and rights to claim priority from such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
<b>“Policies”</b>	Means the policies of Arthritis Research UK.
<b>“Reporting Schedule”</b>	Means the annual report schedule provided by Arthritis Research UK to the Award Holder in connection with the Award containing all information as the Charity requests. This will include an analysis of progress made to date in relation to the stated aims of the Project, details of any publications and confirmation of any potentially exploitable Intellectual Property developed.
<b>“Research Activity”</b>	Means the research activity funded by the Award or to be carried out by the Award Holder as set out in the application form and any subsequent letters between Arthritis Research UK and the Award Holder and Institution relating to the Award.

<p><b>“Revenue Sharing”</b></p>	<p>Means the pro forma agreement set out in Conditions 8 of these Conditions, setting out the terms upon which any revenue earned from Award Funded IP will be shared between the Host Institution and Arthritis Research UK.</p>
<p><b>“Start Date”</b></p>	<p>Means that latest of:</p> <ol style="list-style-type: none"> <li>1. the date specified in the Award Letter; or</li> <li>2. the date notified to Arthritis Research UK by the Host Institution; or</li> <li>3. the date calculated pursuant to clause 4.1.1b.</li> </ol>

- 2.2 Where the words **include(s), including** or **in particular** are used in the Award Contract, they are deemed to have the words **without limitation** following them.
- 2.3 Any obligation in the Award Contract on a person not to do something includes an obligation not to agree, allow, permit or acquiesce to that thing being done and for the avoidance of doubt where the Host Institution is under any obligation it shall be additionally obligated to ensure that all of the Host Institution’s staff comply with that obligation

### 3 Good Research practice

#### 3.1 Integrity

Arthritis Research UK requires the highest standards of integrity to be adhered to by the researchers whom it funds with the Award.

- 3.1.1 The Host Institution must have in place its own published standards of good research practice and formal written procedures for the investigation of allegations of scientific or professional misconduct. Such standards, policies and procedures must be in line with the “Association of Medical Research Charities' Guidelines on Good Research Practice” and the Host Institution shall make those available to Arthritis Research UK on request.
- 3.1.2 The Host Institution shall ensure that all necessary approvals and licences are in place during the Award Duration.

#### 3.2 Misconduct

In the event of any investigation of scientific or professional misconduct, both during or after the Award Duration, involving research or researchers funded by the Award:

- 3.2.1 Arthritis Research UK must be informed within 7 days of the Host Institution initiating any such investigation of scientific or professional misconduct. Arthritis Research UK reserves the right to suspend the Award in the event of any suspension of staff paid from the Award during the period of the investigation.
- 3.2.2 Arthritis Research UK must be informed immediately of the outcome of the investigation and reserves the right to take any further action it may feel appropriate, including termination of the Award with immediate effect.
- 3.2.3 If publications have been produced where academic fraud has been established, the Host Institution must ensure that appropriate errata and/or retractions are promptly published, and that Arthritis Research UK is notified promptly of all such actions.

#### 3.3 Animals in research

- 3.3.1 The Host Institution must ensure that research involving the use of animals complies at all times with the relevant laws and regulations of the host institution and country in which it is conducted.

- 3.3.2 Arthritis Research UK is a member of the Association of Medical Research Charities and signs up to their position on animal research along with their Concordat on Openness in Animal Research, and as such are committed to be open and clear about the use of animals in research in all external communications.
- 3.3.3 Arthritis Research UK supports the replacement, refinement and reduction of the use of animals in research (3Rs). The Host Institution must ensure that the Research Activity only uses animals where there are no alternatives and where the use of animals is necessary the Host Institution and Award Holder must implement the principles in the cross-funder guidance Responsibility in the Use of Animals in Bioscience Research including specifically: ([www.nc3rs.org.uk](http://www.nc3rs.org.uk))
- a. Where the Research Activity uses non-human primates, it must comply with the NC3Rs guidelines Primate Accommodation, Care and Use; and
  - b. The Award Holder should make use of the ARRIVE guidelines when designing their experiments and should ensure that they report animal-based studies in accordance with the ARRIVE guidelines as far as possible, taking into account the specific editorial policies of the journal concerned ([www.nc3rs.org.uk](http://www.nc3rs.org.uk)).

### 3.5 Dissemination

- 3.5.1 The Host Institution must ensure that the useful results of the research funded by the Award are disseminated. The Host Institution must properly evaluate the research before it is published and, if the results are to be published in a reputable scientific or medical journal, may rely on an evaluation of quality by the journal concerned.
- 3.5.2 The Award Holder and the Host Institution must acknowledge Arthritis Research UK in all publications and presentations arising from work carried out under the Award and in all correspondence and advertisements relating to the appointment of staff to work in connection with the Award. When acknowledging Arthritis Research UK support, the Arthritis Research UK Award reference number must be quoted.
- 3.5.3 On acceptance for publication of articles in peer reviewed journals, Arthritis Research UK must be informed and a copy of the final manuscript of all peer reviewed research papers supported in whole or in part by the Award must be deposited in an open access archive such as the PMC database and any other PMC International (PMCI) sites, such as Europe PubMed Central, to be made freely available within 6 months of publication. Any exceptions to this must be sanctioned by Arthritis Research UK in advance.

### 3.6 Publicity

- 3.6.1 The Award Holder and the Host Institution must inform Arthritis Research UK at least 21 days in advance of any intended press statement associated with the Award or wholly or partly with the research funded by the Award, and ensure that such a press statement is approved by Arthritis Research UK prior to release. The Award Holder must support a press release announcing the Award.
- 3.6.2 Arthritis Research UK recognises that publication of the results of research funded by the Award may need to be delayed for a reasonable period while seeking protection of intellectual property arising from the research. However, any such periods of delay in publication should be kept to a minimum and Arthritis Research UK must be notified of the delay and the reasons for it.
- 3.6.3 Arthritis Research UK reserves the right to use data or other material from research it funds as part of its fundraising or publicity activities.

### 3.7 Compliance

- 3.7.1 Each of the Host Institution and the Award Holder must comply, and must ensure that any permitted sub-contractor complies, with all relevant laws, regulations, Government guidance, and policies of the Host Institution applicable to, and obtain and maintain all licences and approvals required for, the research funded by the Award in each country in which it is conducted.

## 4 Administration of an Award

### 4.1 Acceptance of an Award

- 4.1.1 An Award shall not commence until,
- the Host Institution has accepted the Award Contract by signing and returning the acceptance form provided with the Award Letter, and
  - where an Award is conditional upon successful applications for funding from other sources, until written confirmation has been received by Arthritis Research UK that the research activity is fully funded.
- 4.1.2 The Host Institution undertakes to inform all other Institutions involved in Award activity the conditions of the Award Contract and obtain their written agreement to it.

### 4.2 Use of the Award

- 4.2.1 It is the responsibility of the Host Institution to ensure that the Award is applied exclusively and appropriately in support of the Research Activity or purpose for which it has been awarded and within the Award Duration and within the overall amount of the Award. The use of the award monies for any purpose other than that stated in the application and Award Letter is not permitted without Arthritis Research UK's prior written authority.

### 4.3 Starting an Award

- 4.3.1 The Award should be activated as soon as all approvals required by the Award Contract are in place and in any event, within 6 months of the date of the Award Letter. The Host Institution must advise Arthritis Research UK in writing of any change in the Start Date and seek prior approval if the activity does not commence within 6 months of the date of the Award Letter.
- 4.3.2 The Host Institution must inform Arthritis Research UK of any interruptions or delays to the research funded by the Award.
- 4.3.3 Arthritis Research UK will not be held responsible for any costs incurred as a result of delays to the start of, or interruption to the research activity and reserves the right to review the Award and make whatever changes it deems appropriate including termination of the Award.

### 4.4 Funded staff

- 4.4.1 Arthritis Research UK does not act as an employer and in all cases where support is provided by the Award for the employment of staff, the Host Institution or its permitted sub-contractor(s) is responsible for the recruitment, employment, management, monitoring, control and remuneration of those staff. The Host Institution must issue a contract of employment for such staff in accordance with the relevant laws and regulations and must ensure that the staff are entitled to work in the country in which the Award is being conducted.
- 4.4.2 The Host Institution must recruit all employees funded by the Award in compliance with its requirements and recommendations for good practice in recruitment.
- 4.4.3 The Host Institution is responsible for the management, monitoring and control of all the work funded as the result of the Award and all those persons (including employees, students and visiting fellows) employed or involved in any work funded as a result of the Award.



- 4.4.4 The Host Institution must ensure that all permanent and temporary staff and students employed or involved in the work funded by the Award receive training appropriate to their duties, in accordance with any applicable legal or regulatory requirements, including any necessary to support the requirement for management, monitoring and control.
- 4.4.5 Except as set out in Condition 4.12.1c below, Arthritis Research UK is not responsible for any claim for which the Host Institution or any permitted sub-contractor may be liable as an employer, including redundancy, dismissal or discrimination.
- 4.4.6 The Host Institution shall indemnify Arthritis Research UK against all reasonable losses incurred resulting from any breach of this Condition, any claims made by staff employed in connection with the Award, or due to the misconduct of any of those staff.
- 4.4.7 The salary and employment benefits to be provided and the length of contract to be issued will be a matter for agreement between the post holder, the Award Holder and the Host Institution or its permitted sub-contractor.
- 4.4.8 Upon appointment of any employee funded by the Award, the Host Institution must inform Arthritis Research UK of full details of their appointment date, salary level and contract length. No payment of the Award relating to the salary costs of such employee shall be made until this information is provided.
- 4.4.9 Where an institution wishes to use a pooled approach to fill funded positions agreement must be sought from Arthritis Research UK in writing prior to any claims for such salaries being submitted.
- 4.4.10 The Host Institution must also notify Arthritis Research UK where an employee identified in the application fails to take up the appointment and when an employee funded by the Award leaves together with the date of termination.
- 4.4.11 Arthritis Research UK will only pay the costs of staff employed in connection with an Award during periods when those staff are actually working on the Award. The Host Institution will not be reimbursed, and no supplement will be given, for staff costs during any period of staff leave for any reason:
- a. exceeding 10 consecutive working days; or
  - b. exceeding 32 days in any 12-month period.
- 4.4.12 The Award Holder must inform Arthritis Research UK of the dates in advance of any planned leave, and promptly where unplanned leave has lasted more than 10 consecutive working days, of an employee funded by the Award. Payment of the Award (to the extent it relates to the salary costs of, or the work undertaken by, the employee on leave) will be suspended for the period of such leave. If the employee returns to work after any leave on a lesser time commitment, Arthritis Research UK and the Host Institution acting in good faith shall determine whether the Award Duration should be extended to accommodate the new working basis.
- 4.4.13 Should a person whose salary is supported by the Award subsequently obtain salary support from some other source, that salary provision in the Award may not be transferred to any other individual or use without Arthritis Research UK's prior written approval.
- 4.4.14 The Host Institution must ensure that any permitted sub-contractor complies with Condition 4 in respect of any of its employees, students and visiting fellows funded by the Award.

#### 4.5 Fellowships

- 4.5.1 All holders of clinical fellowships who are involved in the work funded by the Award must be an employee of, or hold an honorary clinical contract with, a National Health Service body.

4.5.2 A meeting of all Arthritis Research UK fellows and final year/2nd year directly funded PhD students is normally held annually. The purpose of the meeting is to promote informal interactions between clinical and scientific fellows working in different disciplines and to foster collaboration between different Arthritis Research UK funded research groups. All Arthritis Research UK fellows will be expected to give a presentation on their work to this forum at some time during their award.

#### 4.6 **Clinical Research**

4.6.1 Arthritis Research UK does not take on the role of Sponsor of clinical studies and should not be considered the Sponsor of the clinical study. Arthritis Research UK takes the role of Funder only: funding is conditional on the identified Sponsor confirming this role before the start of the study.

4.6.2 The Host Institution shall:

- a. Ensure the study is conducted in accordance with the all necessary regulatory approvals, including: EU Clinical Trials Directive (2001/20/EC), Human Tissue Act, Good Clinical Practice (GCP) and Health Research Authority (HRA) approval
- b. Ensure that relevant approvals are in place and the study is included on the appropriate registry before the start of patient recruitment
- c. be in receipt of HRA approval and have granted NHS Management Permission for the study before the start of patient recruitment.
- d. notify Arthritis Research UK when the Sponsor or Host Institution are notified of an inspection by the MHRA which involves Arthritis Research UK funded studies.

#### 4.7 **Equipment funded by the Award**

4.7.1 The Host Institution must ensure that any equipment funded by the Award has adequate insurance cover. If the equipment is damaged, destroyed or stolen during its useful lifetime the Host Institution must repair or replace it at their own cost. On payment of the Award for the purchase of equipment, Arthritis Research UK has no liability to make further payments in relation to that equipment, including for maintenance, repair, running costs or failure.

4.7.2 When purchasing equipment funded by the Award, the Host Institution must adhere to its own standard procurement procedures.

4.7.3 The Host Institution must maintain the equipment during its useful lifetime so that it is capable of operating for its intended purpose. The equipment must not be disposed of during this period without Arthritis Research UK's prior written approval.

4.7.4 Without prejudice to Condition 4.7.3, should the Award Holder move to another institution within the United Kingdom during the period of the Award or within 3 years of the end of the Award Duration, Arthritis Research UK reserves the right to require that the equipment be transferred with them after discussion, as necessary, with the institutions concerned.

4.7.5 If the Award is made for the purchase of large, multi-user items of equipment specifically to provide departmental infrastructural support and the Award Holder moves to another institution, either during or following the end of the Award Duration, the equipment will remain in the Host Institution.

4.7.6 If any equipment to be used by the Award Holder or named co-applicants was provided by a previous Arthritis Research UK Award, either to the current Award Holder or to any other person, Arthritis Research UK will not provide funds for usage or access charges for the equipment in question. This Condition covers all equipment (including personal computers) purchased with funds provided by Arthritis Research UK.

4.7.7 Where the Award includes the purchase of equipment, Arthritis Research UK may require the Host Institution (at its cost) to include a plaque or other suitable identification marking with the name of Arthritis Research UK and / or of a 3rd Party nominated by Arthritis Research UK.

#### 4.8 **Transfer to another institution**

4.8.1 Should the Award Holder or a named co-applicant move to another institution during the period of the Award, the Award may not transfer with them unless agreed by Arthritis Research UK, the Award Holder and the existing and new Host Institutions. Arthritis Research UK will not be obliged to provide additional Award monies as a result of such a transfer.

4.8.2 If the Award Holder moves to another institution but consent for the transfer is not granted (or requested) the Host Institution must agree with Arthritis Research UK that one of its employees undertakes to be bound by this Award Contract as if originally named as the Award Holder (to the extent obligations remain to be performed by the Award Holder).

#### 4.9 **Financial arrangements**

4.9.1 No payments of the Award shall be made until the Host Institution has signed and returned the Acceptance Forms relating to the Award.

4.9.2 The maximum amount of Award monies which may be claimed is specified in the Award Letter. Total amounts agreed in the Award will not be increased. Monies may not be varied between budget headings without the prior agreement of Arthritis Research UK.

4.9.3 The control of the expenditure funded under the Award must be governed by the normal financial standards and procedures of the Host Institution and must be conducted in line with the remittance and confirmation processes agreed from time to time between Arthritis Research UK and the Host Institution.

4.9.4 Payment of the Award will be made to the Host Institution quarterly in arrears subject to receipt by Arthritis Research UK of a duly completed claim setting out the costs properly incurred by the Host Institution during the preceding quarter which are covered by the Award.

4.9.5 The claim must contain sufficient detail to enable Arthritis Research UK to verify the costs incurred against the Award headings in the financial summaries referred to in the Award Letter. Arthritis Research UK may request such additional information from the Host Institution or the Award Holder as is reasonably necessary to carry out such verification.

4.9.6 Payment of the Award relating to the purchase of equipment must be accompanied by a copy of the relevant receipt.

4.9.7 All claims will be paid within 30 days of receipt of the required verification.

4.9.8 **The final claim will only be accepted if it is submitted within 6 months of the end of the Award Duration.**

#### 4.10 **Audit**

4.10.1 At Arthritis Research UK's request the Host Institution must obtain confirmation from its internal auditors of the following:



- a. that the annual accounts of the Host Institution have been audited by the auditors without qualification;
  - b. that the management letter from the auditors confirmed that proper systems of internal control were in place, and that there were no matters that did or could significantly affect the administration of Awards awarded by Arthritis Research UK;
  - c. that the Award has been used for the purpose for which it was awarded.
- 4.10.2 Arthritis Research UK may, both during and after the Award Duration, appoint auditors of its own choice to request confirmation from the external or internal auditors of the Host Institution of amounts paid by Arthritis Research UK in respect of the Award. In addition, Arthritis Research UK may, both during and after the Award Duration, at its cost, commission a separate audit of the Award, the expenditure incurred on the Award funded work and/or the systems used by the Host Institution to administer Arthritis Research UK Awards, including the system of equipment procurement, and, in so doing, it may or may not seek to use the internal audit function of the Host Institution.
- 4.10.3 Arthritis Research UK may on reasonable notice during normal business hours, both during and after the Award Duration, inspect either itself or by its authorised representatives the records of the Host Institution and any permitted sub-contractor relating to the Award, the work funded by the Award and the expenditure incurred on such work and any equipment or facilities funded by the Award and take copies at Arthritis Research UK's expense. The Host Institution shall ensure that Arthritis Research UK has such access to a sub-contractor's records.

#### 4.11 Withholding and Reduction of the Award

- 4.11.1 If the Award Holder or the Host Institution has failed to comply with the Award Contract, Arthritis Research UK may withhold payment of any instalment of the Award until the non-compliance is remedied to Arthritis Research UK's reasonable satisfaction. Where the non-compliance affects the delivery of the Award, Arthritis Research UK may reduce the total value of the Award proportionate to the effect of the non-compliance.

#### 4.12 Repayment of the Award

- 4.12.1 Arthritis Research UK may by written notice to the Host Institution demand within 21 days repayment of the Award made to the extent of that part of the Award (if any) which:
- a. has not been applied for the Award purposes stated in the Award Letter; or
  - b. has been spent on items of expenditure not allowed by the Award Contract; or
  - c. has been paid by Arthritis Research UK for items of expenditure which have also been funded directly by a third party other than the Host Institution.

#### 4.13 Termination of Award

- 4.13.1 Arthritis Research UK may terminate its obligations to pay the Award and the Award Contract:
- a. immediately on written notice to the Host Institution and the Award Holder where there has been no material breach of the Award Contract by the Host Institution or the Award Holder; or
  - b. immediately on written notice to the Host Institution and the Award Holder at any time after the Start Date but before work has begun on the Award,
  - c. immediately on written notice where the Host Institution has not accepted the Award Contract [before OR within 6 months of] the Start Date;

- d. immediately by written notice to the Host Institution and the Award Holder if the Award Holder or the Host Institution is in material breach of the Award Contract and (if capable of remedy) fails to remedy the breach within 30 days of a written request to do so; or
  - e. immediately by written notice to the Host Institution and the Award Holder if either of the Award Holder or the Host Institution are in repeated or persistent breach of the Award Contract.
- 4.13.2 Arthritis Research UK may terminate the Award by notice to the Host Institution (without any liability) if the Award is not activated within 12 months of the scheduled start date set out in the Award Letter or if the Host Institution has not made any claims for payment within any 12-month period.
- 4.13.3 On termination, Arthritis Research UK will reimburse the Host Institution for expenditure properly incurred under the terms of the Award Contract up to the termination date (to the extent not already covered by a previous Award payments).
- 4.13.4 If Arthritis Research UK terminates pursuant to Condition 4.13.a (but not otherwise) and the full amount of the Award has not been paid at the termination date, it shall reimburse to the Host Institution on demand all reasonably incurred liabilities arising out of the termination of employment it incurs directly as a result of the termination of the Award in respect of any staff funded by the Award, provided always that the liability shall be limited to the lesser of:
- a. 3 months' relevant staff costs; and
  - b. the total amount of the Award which would otherwise have been payable.
- 4.14 Provisions of the Award Contract which are either expressed to survive its termination or, from their nature or context, are apparently intended to survive such termination shall remain in full force and effect notwithstanding termination.
- 4.14.1 Termination of this Award Contract shall not affect the accrued right of the parties to the Award Contract to the date of termination.

## **5 Variation of conditions**

- 5.1 Arthritis Research UK may vary the Award Contract at any time by written notice to the Host Institution and the Award Holder.
- 5.2 A proposed variation to the end date of the Award must be approved by Arthritis Research UK, which shall not be unreasonably withheld.
- 5.3 A proposed variation to the Award Contract (other than to the end date of the Award) must be approved in advance by Arthritis Research UK.
- 5.4 No variation of the Award Contract under Conditions 5.2 or 5.3 shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

## **6 Funding from Third Parties**

- 6.1 The Host Institution shall not accept funding, drugs, human tissue, materials or other support from third parties, including pharmaceutical, biotechnology and other healthcare commercial companies ("third party support") for an activity which is funded by the Award without Arthritis Research UK's prior written consent.
- 6.2 The Host Institution must notify Arthritis Research UK promptly (giving reasonable details) if they receive, and wish to accept, an offer of third party support in regard to work supported in part or in full by the Award. The notification must include full details of the third party support and the terms of that support, including copies of the proposed agreement.
- 6.3 Arthritis Research UK may withhold its consent to third party support where the terms of that support limit or restrict:
- 6.3.1 the dissemination of the useful results of the research required by Condition 3.5; or

6.3.2 potential commercial exploitation in line with Conditions 7,8 and 9.

6.4 Breach of this Condition 6 shall be a material breach of this Award Contract.

## **7 Intellectual property and commercial activities**

7.1 The Host Institution and Award Holder acknowledge that Arthritis Research UK is under a duty to ensure that the outputs of the Award (whether in whole or in part) are applied for patient benefit and that this may require the protection and exploitation of Award Funded IP.

7.2 The Host Institution shall:

7.2.1 develop and implement strategies and procedures for the identification, protection, management and exploitation of all Intellectual Property created or acquired in connection with an activity funded by the Award;

7.2.2 notify Arthritis Research UK promptly when Award Funded IP that may be of medical or commercial value is created, and ensure that such Award Funded IP is protected and not published or otherwise publicly disclosed prior to protection (whilst at the same time ensuring that potential delays in publication are minimised);

7.2.3 in furtherance of Condition 7.2.2 notify Arthritis Research UK promptly of patent filing or other IP protection of Award Funded IP;

7.2.4 in furtherance of Condition 7.2.2, educate its staff as to the risk of disclosing Award Funded IP prior to seeking appropriate IP protection;

7.2.5 permit Arthritis Research UK to have reasonable access to personnel, facilities and information utilised in, or created or acquired pursuant to, an activity funded by the Award or the exploitation envisaged under this Condition 7;

7.2.6 ensure that all persons in receipt of the Award or working on an activity funded by the Award (including employees, students, visiting fellows and sub-contractors and any others) are employed or retained on terms that vest in the Host Institution all Award Funded IP;

7.2.7 inform Arthritis Research UK of any proposal to exploit the Award Funded IP (giving full details);

7.2.8 inform Arthritis Research UK of any intention to abandon protection of Award Funded IP (giving full details);

7.2.9 not enter into any agreement for the exploitation or disposal of the Award Funded IP without Arthritis Research UK's prior written consent;

7.2.10 notify Arthritis Research UK promptly if the persons in receipt of the Award and/or conducting the Research Activity are, at any point during the Award Duration, instructed and/or funded to work on any project that:

- a. is similar in scope to the Research Activity; and/or
- b. may generate IP similar to the Award Funded IP;

7.2.11 in the event of a notification under Condition 7.2.10, the Host Institution shall provide full details of the third party project to Arthritis Research UK and shall ensure that such project does not impact on the ownership of the Award Funded IP.

7.3 No Award Funded IP may be exploited in any way without Arthritis Research UK's prior written consent. Exploitation includes use for any purpose, including commercial, or any licence, sale, assignment, materials transfer or other transfer of rights, whether or not for consideration.

7.4 Arthritis Research UK shall not unreasonably withhold its consent, but as a condition of awarding such consent, Arthritis Research UK will require the Host Institution to agree terms of exploitation including the sharing of the benefits arising from the exploitation:

7.4.1 where that benefit is financial revenue, in line with Condition 8.1;

### **ARTHRITIS RESEARCH UK**

Copeman House, St Mary's Court, St Mary's Gate  
Chesterfield, Derbyshire S41 7TD t: 0300 790 0400

### **ARTHRITIS RESEARCH UK**

Saffron House, 6-10 Kirby Street  
London EC1N 8EQ t: 0300 790 0400

### **ARTHRITIS CARE**

Saffron House, 6-10 Kirby Street  
London EC1N 8EQ t: 020 7380 6500

- 7.4.2 where that benefit is equity, in line with Condition 8.4; or
- 7.4.3 any other case, by prior written agreement with Arthritis Research UK.
- 7.5 If the Host Institution does not protect or exploit any Award Funded IP to Arthritis Research UK's reasonable satisfaction, Arthritis Research UK shall have the right, but not a duty, to protect, manage and exploit such Award Funded IP, either its self or by its agents. The Host Institution must, and must ensure that its employees, students, agents and sub-contractors, do all acts reasonably required to assist Arthritis Research UK, or its agents, in such protection, management and exploitation.
- 7.6 The Host Institution shall ensure that separate and accurate records are maintained of the commercial exploitation of the Award Funded IP and access for Arthritis Research UK or its appointed representative to inspect and audit such records and to take copies at Arthritis Research UK's expense.
- 7.7 The Host Institution hereby grants Arthritis Research UK a non-exclusive worldwide licence to use all Award Funded IP to support Arthritis Research UK's obligation to ensure that the useful results of research that it funds are applied for the public benefit. Arthritis Research UK shall give due acknowledgement of the Host Institution and Award Holder in the use of any materials under this licence.
- 7.8 The Host Institution shall promptly give Arthritis Research UK full written particulars of:
- 7.8.1 any infringement or threatened infringement of any of the Award Funded IP of which it becomes aware; and
- 7.8.2 any third party allegation that any of the Award Funded IP is or may be invalid or unenforceable or that use of the same infringes or may infringe any third party rights and shall make no comment or admission to any third party in respect of such allegation.
- 7.9 Nothing in this Condition 7 shall prevent or restrict the Host Institution or Award Holder using the results of the Award in non-commercial academic research, teaching or papers or publications.
- 7.10 Condition 7 shall continue to apply after termination of the Award Contract in perpetuity.

## 8 Intellectual Property revenues and equity sharing

- 8.1 Revenue resulting from the exploitation of Award Funded IP are to be shared as follows:

### 8.1.1

Cumulative Net Income	Technology Transfer Fee	Host Institution	Arthritis Research UK
£0 to £100,000	30%	45.5%	24.5%
£100,001 to £500,000	25%	45%	30%
Greater than £500,000	20%	48%	32%

- 8.1.2 "Net Income" is all income received in respect of the exploitation of the Award Funded IP less all costs reasonably incurred by such organisation exclusively attributable to the exploitation of the Award Funded IP, including patent fees and professional costs



- 8.1.3 “Cumulative Net Income” is the cumulative total of the Net Income over the entire period of the exploitation of the Award Funded IP.
- 8.1.4 “Technology Transfer Fee” is the share of the Cumulative Net Income that the organisation or institution who actually protects, manages and exploits the IP will receive. For the avoidance of doubt, this may be in addition to the Host Institution share.
- 8.1.5 The Arthritis Research UK share is not tiered which for the avoidance of doubt means that the relevant Arthritis Research UK share percentage is applied to the whole of the Cumulative Net Income once the thresholds identified in the above table are reached.
- 8.2 The Host Institution is responsible for any distribution to the inventor(s) (including the Award Holder) from its share of net income.
- 8.3 The Host Institution will provide Arthritis Research UK with annual statements in respect of Net Income and will notify Arthritis Research UK within 30 days when income is received to request an invoice which shall be paid promptly.

#### **8.4 Equity Sharing**

- 8.4.1 Any sharing of equity between the Host Institution, Award Holder, Arthritis Research UK or others (which includes shares, loan stock, debenture stock and options and other interests in a company) which arises from exploitation of Award Funded IP must be agreed in advance with Arthritis Research UK.
- 8.4.2 Condition 8 shall continue to apply after termination of the Award Contract.

### **9 Assignment of intellectual property**

- 9.1 In line with Condition 7.5 Arthritis Research UK may require that all Award Funded IP be assigned to and vest absolutely in Arthritis Research UK. Upon such request by Arthritis Research UK, the Host Institution must, and must procure that the individuals involved in the Award, execute such deeds and documents and do such other acts and things as may be necessary to achieve the assignment with full title guarantee.
- 9.2 Conditions 7 and 8 do not apply to Award Funded IP assigned under this Condition 9.

### **10 Progress reports**

- 10.1 The Award Holder will submit reports as per the reporting schedule.
- 10.2 In addition, the Award Holder or Host Institution shall report twice annually (in March and September) on any revenue generated through the exploitation of Award Funded IP during the period since the Start Date or the Award Holder’s last report under this Condition 10.1 (whichever is later).
- 10.3 Arthritis Research UK reserves the right to request interim reports in writing or by interview as and when reasonably required by Arthritis Research UK.
- 10.4 It is acknowledged that some information may be commercially sensitive and may affect Intellectual Property protection, in these cases the details should not be included in the report but notified to Arthritis Research UK separately until protection of such Award Funded IP has been obtained or the parties agree that there is no further requirement to maintain confidentiality.
- 10.5 The Award Holder must co-operate fully with Arthritis Research UK in carrying out assessments of the success or failure of all of its funded work, both during and after the Award Duration.
- 10.6 The Award Holder and Host Institution must ensure that data relating to the Award are retained for a period of not less than 10 years after the end of the period of the Award to allow assessment, including that specified in Condition 10.5.
- 10.7 If the Award Holder fails to submit a report or to co-operate with Arthritis Research UK’s assessment, then Arthritis Research UK may:

- 10.7.1 withhold payment of the Award;
- 10.7.2 reduce and seek repayment of the Award in line with Conditions 4.11 and 4.12; and
- 10.7.3 refuse to consider further Award requests from the Award Holder and their department.

## 11 Involvement Programme

- 11.1 The Award Holder and Host Institution will comply with all reasonable requests from Arthritis Research UK to:
  - 11.1.1 Speak or attend other events aimed at raising awareness or fundraising; and
  - 11.1.2 Host visits to the laboratory or facilities in which the Award research activity is being undertaken to which Arthritis Research UK may invite individuals including, but not exclusively staff, trustees, fundraisers, spokespeople, supporters.

## 12 Limitations of Arthritis Research UK's liability

- 12.1 Except for its obligations to pay the Award in accordance with the Award Contract, Arthritis Research UK accepts no responsibility, financially or otherwise, for the expenditure (or liabilities arising out of such expenditure) or liabilities arising out of work funded by the Award. Arthritis Research UK is not liable for any claims, costs, expenses and liabilities for which, the Award Holder, any named co-applicants and anyone else engaged on work supported by the Award against, may be liable.
- 12.2 The Host Institution is responsible for all acts and omissions of its employees and students (or those of any permitted sub-contractor) in connection with work funded by the Award.
- 12.3 In all cases the liability of Arthritis Research UK shall be limited to the total amount of the Award.
- 12.4 Nothing in this agreement excludes or limits Arthritis Research UK's liability for fraud or for death or personal injury arising from its negligence.

## 13 Data Protection and Freedom of Information

- 13.1 In this Condition the following words shall mean:

**Data Controller:** has the meaning set out in the Data Protection Act 1998

**Data Protection Legislation:** Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the General Data Protection Regulations and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

**Data Subject:** has the meaning set out in the Data Protection Act 1998

**Personal Data:** has the meaning set out in the Data Protection Act 1998.

- 13.2 The Host Institution is the Data Controller of any Personal Data resulting from the work carried out in connection with Award, details of people working in connection with the Award Contract, including the Award Holder
- 13.3 Arthritis Research UK is a Data Controller of any Personal Data transferred to it in connection with the Award Contract, including the details of people working in connection with the Award Contract, including the Award Holder.
- 13.4 The Host Institution shall ensure that it has obtained appropriate permission from any Data Subject to transfer the required Personal Data to Arthritis Research UK and for Arthritis Research UK to process it in connection with the administration Award and the conditions of the Award Contract.
- 13.5 All parties will, at their own expense, comply with the Data Protection Legislation in relation to their handling of Personal Data.

13.6 The parties acknowledge that the Host Institution is subject to the Freedom of Information Act 2002 (or equivalent legislation in other jurisdictions (“FOIA”). If the Institution receives a request for information under the FOIA in connection with the Award, it will promptly notify Arthritis Research UK and comply with any reasonable request made by Arthritis Research UK in connection with its response to such a request.

#### **14 General**

- 14.1 A person who is not a party to the Award Contract shall have no rights under the Contracts (Rights of third parties) Act 1999 (as modified or re-enacted) to enforce any of its terms.
- 14.2 Nothing in the Award Contract shall establish any partnership between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.
- 14.3 Neither the Host Institution nor the Award Holder may assign the benefit of this Award Contract, or sub-contract the performance of its or their obligations, without Arthritis Research UK’s prior written consent, such consent not to be unreasonably withheld.
- 14.4 If a notice has to be given under this Award Contract, it must be sent by first class recorded delivery post or by electronic communication to the recipient at the address notified for that purpose and will be regarded as received within 2 days of posting or 24 hours after the transmission of the electronic communication.
- 14.5 This Award Contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Award Contract, but all the counterparts shall together constitute the same agreement.

#### **15 Entire Agreement**

- 15.1 This Award Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

#### **16 Governing law**

- 16.1 This Award Contract shall be governed by, and construed in accordance with, the laws of England. The Award Holder, the Host Institution and Arthritis Research UK irrevocably submit to the exclusive jurisdiction of the Courts of England to settle any dispute or claim which arises out of or in connection with this Award Contract.