

Conditions of award

1. Introduction

- 1.1. The Definitions used in these Conditions are set out in the Definitions section at the end of this document.
- 1.2. These Conditions, together with the Award Letter (together the Award Contract) set out the terms and conditions upon which Versus Arthritis makes the Award available to the Host Institution, as the employer, manager, supervisor or person or organization engaging the Award Holder.
- 1.3. The Award Holder has submitted the Application with the consent of, or on behalf of, the Host Institution and Versus Arthritis is prepared to make the Award to the Host Institution on the terms of the Award Contract.
- 1.4. Subject to **Condition 4.2**, 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**.
- 1.5. The Host Institution must ensure that the Research Activities are carried out by the Host Institution and the Award Holder and by any Participants in accordance with the Award Contract.
- 1.6. 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. Good Research practice

2.1. Integrity

Versus Arthritis requires the highest standards of integrity to be adhered to by the Host Institution, the Award Holder and any Participants involved in the Research Activities funded under the Award.

- 2.1.1. 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 Versus Arthritis on request.
- 2.1.2. The Host Institution shall ensure that all necessary approvals and licences are in place during the Award Duration.

2.2. Misconduct

- 2.2.1. In the event of any investigation of scientific or professional misconduct, both during or after the Award Duration, involving the Research Activities or any Participants funded by the Award:
- 2.2.2. Versus Arthritis must be informed within 7 days of any initiation of any such investigation of scientific or professional misconduct. Versus Arthritis reserves the right to suspend the Award in the event of any suspension of Participants paid from the Award during the period of the investigation.

2.2.3. Versus Arthritis 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.

2.2.4. 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 Versus Arthritis is notified promptly of all such actions.

2.3. **Animals in research**

2.3.1. The Host Institution must ensure that any Research Activities involving the use of animals complies at all times with all Applicable Laws and any regulations of the Host Institution and country in which it is conducted.

2.3.2. Versus Arthritis 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.

2.3.3. Versus Arthritis supports the replacement, refinement and reduction of the use of animals in research (3Rs). The Host Institution must ensure that the any 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)

- 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).

2.4. **Dissemination**

2.4.1. The Host Institution must ensure that the useful results of the research funded by the Award are disseminated in an appropriate form and subject to **Condition 2.4.2** below. 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.

2.4.2. At least thirty (30) days prior to submission of any material for publication or presentation concerning any Research Activities funded by the Award, the Host Institution shall provide Versus Arthritis with such material for its review. Versus Arthritis shall have 30 days to respond with any comments. If requested in writing by Versus Arthritis, any material must be withheld from submission for publication or presentation for an additional 90 days from the date of the request to allow for the filing of a patent application or the taking of such measures as Versus Arthritis deems appropriate to establish and preserve its proprietary rights in the information in the material being submitted for publication or presentation. No publication or presentation with respect to the Research Activities shall be made unless and until any information determined at Versus Arthritis's discretion to be confidential information has been removed.

2.4.3. The Award Holder and the Host Institution must acknowledge Versus Arthritis in all publications and presentations arising from work carried out under the Award and in all correspondence and advertisements relating to the appointment of Participants to work in connection with the Award. When acknowledging Versus Arthritis support, the Versus Arthritis Award reference number must be quoted.

2.4.4. On acceptance for publication of articles in peer reviewed journals, Versus Arthritis 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 Versus Arthritis in advance.

2.5. **Publicity**

2.5.1. The Award Holder and the Host Institution must inform Versus Arthritis at least 21 days in advance of any intended press statement associated with the Award or wholly or partly with the Research Activities funded by the Award, and ensure that such a press statement is approved by Versus Arthritis prior to release. The Award Holder must support a press release announcing the Award.

2.5.2. Versus Arthritis reserves the right to use data or other material from research it funds as part of its fundraising or publicity activities.

2.6. **Compliance**

2.6.1. Each of the Host Institution and the Award Holder must comply, and must ensure that any Participant complies, with all Applicable Laws, regulations, Government guidance, and policies of the Host Institution applicable to, and obtain and maintain all licences and approvals required for, the Research Activities funded by the Award in each country in which it is conducted.

3. **Administration of an Award**

3.1. **Acceptance of an Award**

3.1.1. An Award shall not commence until,

- a. the Host Institution has accepted the Award Contract by signing and returning the Acceptance Forms provided with the Award Letter, and
- b. where an Award is conditional upon successful applications for funding from other sources, until written confirmation has been received by Versus Arthritis that the Research Activity is fully funded.

3.1.2. The Host Institution undertakes to inform all other Institutions involved in Award Research Activity of the conditions of the Award Contract and obtain their written agreement to them.

3.2. **Use of the Award**

3.2.1. The Host Institution must ensure that it has in place formal standards, procedures, audit and control arrangements, including those for monitoring and preventing fraud, bribery or any other corrupt practices, and that Award expenditure is controlled in accordance with these arrangements and all activities are conducted in compliance with all Bribery Laws at all times. 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 Versus Arthritis's prior written authority.

3.3. **Starting an Award**

3.3.1. 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 Versus Arthritis in writing of any change in the Start Date and seek prior approval if the Research Activity does not commence within 6 months of the date of the Award Letter.

- 3.3.2. The Host Institution must inform Versus Arthritis of any interruptions or delays to the Research Activities funded by the Award.
- 3.3.3. Versus Arthritis 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.
- 3.4. **Funded staff**
- 3.4.1. Versus Arthritis does not act as an employer and in all cases where support is provided by the Award for the appointment of Participants, the Host Institution or its permitted sub-contractor(s) is responsible for the recruitment, employment, management, monitoring, control and remuneration of those Participants. The Host Institution must issue an appropriate contract for such Participants in accordance with the relevant laws and regulations and must ensure that the Participants are entitled to work in the country in which the Award is being conducted.
- 3.4.2. The Host Institution must appoint all Participants funded by the Award in compliance with its requirements and recommendations for good practice in recruitment or appointment.
- 3.4.3. The Host Institution is responsible for the management, monitoring and control of all the work funded as the result of the Award and all Participants involved in any work funded as a result of the Award.
- 3.4.4. The Host Institution must ensure that all Participants 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.
- 3.4.5. Versus Arthritis 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.
- 3.4.6. The Host Institution shall indemnify Versus Arthritis against all reasonable losses incurred by Versus Arthritis resulting from any breach of this Condition 3.4, any claims made by staff employed in connection with the Award, or due to the misconduct of any of those staff.
- 3.4.7. 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.
- 3.4.8. Upon appointment of any employee funded by the Award, the Host Institution must inform Versus Arthritis 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.
- 3.4.9. Where the Host Institution wishes to use a pooled approach to fill funded positions agreement must be sought from Versus Arthritis in writing prior to any claims for such salaries being submitted.
- 3.4.10. The Host Institution must also notify Versus Arthritis 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.
- 3.4.11. Versus Arthritis 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.
- 3.4.12. The Award Holder must inform Versus Arthritis 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, Versus Arthritis and the Host Institution acting in good faith shall determine whether the Award Duration should be extended to accommodate the new working basis.
- 3.4.13. 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 Versus Arthritis's prior written approval.
- 3.4.14. The Host Institution must ensure that any permitted sub-contractor complies with **Condition 3** in respect of any of its Participants funded by the Award.

3.5. **Fellowships**

- 3.5.1. All holders of clinical fellowships who are involved in the Research Activities funded by the Award must be an employee of, or hold an honorary clinical contract with, a National Health Service body.
- 3.5.2. A meeting of all Versus Arthritis 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 Versus Arthritis funded research groups. All Versus Arthritis fellows will be expected to give a presentation on their work to this forum at some time during their award.

3.6. **Clinical Research**

- 3.6.1. Versus Arthritis does not take on the role of Sponsor of clinical studies and should not be considered the Sponsor of the clinical study. Versus Arthritis takes the role of Funder only: funding is conditional on the identified Sponsor confirming this role before the start of the study.
- 3.6.2. The Host Institution shall:
- 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;
 - Ensure that relevant approvals are in place and the study is included on the appropriate registry before the start of patient recruitment;
 - be in receipt of HRA approval and have granted NHS Management Permission for the study before the start of patient recruitment;
 - notify Versus Arthritis when the Sponsor or Host Institution are notified of an inspection by the MHRA which involves Versus Arthritis funded studies.

3.7. **Equipment funded by the Award**

- 3.7.1. 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, Versus Arthritis has no liability to make further payments in relation to that equipment, including for maintenance, repair, running costs or failure.
- 3.7.2. When purchasing equipment funded by the Award, the Host Institution must adhere to its own standard procurement procedures.

- 3.7.3. 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 Versus Arthritis's prior written approval.
- 3.7.4. Without prejudice to **Condition 3.7.3**, should the Award Holder move to another institution within the United Kingdom during the Award Duration or within 3 years of the end of the Award Duration, Versus Arthritis reserves the right to require that the equipment be transferred with them after discussion, as necessary, with the institutions concerned.
- 3.7.5. 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.
- 3.7.6. If any equipment to be used by the Award Holder or named co-applicants was provided by a previous Versus Arthritis Award, either to the current Award Holder or to any other person, Versus Arthritis 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 Versus Arthritis.
- 3.7.7. Where the Award includes the purchase of equipment, Versus Arthritis may require the Host Institution (at its cost) to include a plaque or other suitable identification marking with the name of Versus Arthritis and / or of a 3rd Party nominated by Versus Arthritis.
- 3.8. Transfer to another institution**
- 3.8.1. Should the Award Holder or a named co-applicant move to another institution during the Award Duration, the Award may not transfer with them unless agreed by Versus Arthritis, the Award Holder and the existing and new Host Institutions. Versus Arthritis will not be obliged to provide additional Award monies as a result of such a transfer.
- 3.8.2. If the Award Holder moves to another institution but consent for the transfer is not granted (or requested) the Host Institution must agree with Versus Arthritis 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).
- 3.9. Financial arrangements**
- 3.9.1. No payments of the Award shall be made until the Host Institution has signed and returned the Acceptance Forms relating to the Award.
- 3.9.2. 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 Versus Arthritis.
- 3.9.3. 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 Versus Arthritis and the Host Institution.
- 3.9.4. Payment of the Award will be made to the Host Institution quarterly in arrears subject to receipt by Versus Arthritis 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.
- 3.9.5. The claim must contain sufficient detail to enable Versus Arthritis to verify the costs incurred against the Award headings in the financial summaries referred to in the Award Letter. Versus Arthritis may request such additional information from the Host Institution or the Award Holder as is reasonably necessary to carry out such verification.

- 3.9.6. Payment of the Award relating to the purchase of equipment must be accompanied by a copy of the relevant receipt.
- 3.9.7. All claims will be paid within 30 days of receipt of the required verification.
- 3.9.8. **The final claim will only be accepted if it is submitted within 6 months of the end of the Award Duration.**
- 3.10. **Audit**
- 3.10.1. At Versus Arthritis's request the Host Institution must obtain confirmation from its internal auditors of the following:
- that the annual accounts of the Host Institution have been audited by the auditors without qualification;
 - 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 Versus Arthritis;
 - that the Award has been used for the purpose for which it was awarded.
- 3.10.2. Versus Arthritis 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 Versus Arthritis in respect of the Award. In addition, Versus Arthritis 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 Versus Arthritis 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.
- 3.10.3. Versus Arthritis 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 Versus Arthritis's expense. The Host Institution shall ensure that Versus Arthritis has such access to a sub-contractor's records.
- 3.11. **Withholding and Reduction of the Award**
- 3.11.1. If the Award Holder or the Host Institution has failed to comply with the Award Contract, Versus Arthritis may withhold payment of any instalment of the Award until the non-compliance is remedied to Versus Arthritis's reasonable satisfaction. Where the non-compliance affects the delivery of the Award, Versus Arthritis may reduce the total value of the Award proportionate to the effect of the non-compliance.
- 3.12. **Repayment of the Award**
- 3.12.1. Versus Arthritis 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:
- has not been applied for the Award purposes stated in the Award Letter; or
 - has been spent on items of expenditure not allowed by the Award Contract; or
 - has been paid by Versus Arthritis for items of expenditure which have also been funded directly by a third party other than the Host Institution.
- 3.13. **Termination of Award**
- 3.13.1. Versus Arthritis 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.
- 3.13.2. Versus Arthritis may terminate the Award by notice to the Host Institution (without any liability) if the Award is not activated within [6] 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 6-month period.
- 3.13.3. On termination, Versus Arthritis 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).
- 3.13.4. If Versus Arthritis terminates pursuant to **Condition 3.13.1** 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.
- 3.14. If the Host Institution is required to terminate its Research Activities under the Award early for any reason, it must notify Versus Arthritis in writing no less than 60 days prior to any proposed termination in writing and with a full report detailing the reasons for termination, the spend to date and the results and/or any Award Funded IP to date. All unspent parts of the Award must be then returned to Versus Arthritis within 30 days of the date upon which the Research Activities end and, upon request by Versus Arthritis, the parties will enter into an assignment of any Award Funded IP in accordance with **Condition 6.7**.
- 3.15. 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.
- 3.15.1. Termination of this Award Contract shall not affect the accrued right of the parties to the Award Contract to the date of termination.
- 4. Variation of conditions**
- 4.1. Versus Arthritis may vary the Award Contract at any time by written notice to the Host Institution and the Award Holder.
- 4.2. A proposed variation to the end date of the Award must be approved by Arthritis Research UK, which shall not be unreasonably withheld.

- 4.3. A proposed variation to the Award Contract (other than to the end date of the Award) must be approved in advance by Versus Arthritis.
- 4.4. No variation of the Award Contract under **Conditions 4.2** or **4.3** shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

5. Funding from Third Parties

- 5.1. 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 Versus Arthritis’s prior written consent.
- 5.2. The Host Institution must notify Versus Arthritis 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.
- 5.3. Versus Arthritis may withhold its consent to third party support where the terms of that support limit or restrict:
 - 5.3.1. the dissemination of the useful results of the research required by **Condition 2.4**; or
 - 5.3.2. potential commercial exploitation in line with **Conditions 6** and **7** .
- 5.4. Breach of this **Condition 5** shall be a material breach of this Award Contract.

6. Intellectual Property and Commercial Activities

- 6.1. The Host Institution and Award Holder acknowledge that Versus Arthritis 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 either:
 - 6.1.1. the protection and exploitation of Award Funded IP; and/or
 - 6.1.2. in the case where there may be no Award Funded IP created but a commercial opportunity is created as an output of the Award (in whole or in part) which may generate any form of commercial gain or benefit (**Commercial Output**), the appropriate handling and management of such Commercial Output.
- 6.2. The Host Institution shall:
 - 6.2.1. Develop, implement and manage strategies and procedures for the identification, protection, management and exploitation of all Intellectual Property and/or any Commercial Output created or acquired in connection with any Research Activity funded by the Award, taking into account circumstances where such activities may involve collaboration with or the contribution from third parties;
 - 6.2.2. Ensure that all Award Funded IP is owned by the Host Institution and that all persons in receipt of the Award or working on an activity funded by the Award (including all Participants) are employed or retained on terms that vest in the Host Institution all Award Funded IP;
 - 6.2.3. Subject to **Condition 6.2.4** below, provide to Versus Arthritis a written report detailing all identified Award Funded IP and any identified Commercial Output at least every 4 months or otherwise upon written request by Versus Arthritis. Such requirement shall be in addition to any reports required under **Condition 9**;

- 6.2.4. Notify Versus Arthritis promptly upon the identification of any Commercial Output or when any Award Funded IP that may be of medical or commercial value is identified or 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) and ensure that any Participants are educated as to the risk of disclosing Award Funded IP prior to seeking appropriate IP protection;
- 6.2.5. Subject to **Condition 6.6** below, hold responsibility and take all steps as may be reasonably required, at the Host Institution's cost, for the protection and management of any Award Funded IP including making and maintaining any registrations required to protect such Award Funded IP and shall notify Versus Arthritis promptly of any patent filing or other IP protection of Award Funded IP or any intention to abandon protection of Award Funded IP (giving full details);
- 6.2.6. Promptly notify Versus Arthritis if it has reason to believe any rights in the Award Funded IP are being infringed by any third party or if it receives 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;
- 6.2.7. Subject to **Condition 6.6** below, hold responsibility and take all steps as may be reasonably required, at the Host Institution's cost, to defend or assert its rights in the Award Funded IP in the Award Funded IP provided that the Host Institution shall not issue a claim, threaten to issue a claim or respond to any claim and make no comment or admission to any third party without prior written consent from Versus Arthritis;
- 6.2.8. Notify Versus Arthritis promptly if the persons in receipt of the Award and/or conducting any 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 Intellectual Property similar to the Award Funded IP;
- 6.2.9. In the event of a notification under **Condition 6.2.8**, the Host Institution shall provide full details of the third-party project to Versus Arthritis and shall ensure that such project does not impact on the ownership of the Award Funded IP.
- 6.3. No Award Funded IP may be exploited in any way, nor shall the Host Institution enter into any agreement for the exploitation or disposal of any Award Funded IP or in connection with any Commercial Output without Versus Arthritis'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.
- 6.4. The Host Institution shall promptly inform Versus Arthritis of any proposal to exploit the Award Funded IP or any Commercial Output including the terms of any proposed agreement (giving full details). Versus Arthritis shall not unreasonably withhold its consent and shall only refuse consent if it considers that the proposal for exploitation would run counter to its interests and charitable objectives, but as a condition of awarding such consent, Versus Arthritis will require the Host Institution to agree terms of exploitation including the sharing of the benefits arising from the exploitation in accordance with **Condition 7**.
- 6.5. Subject to **Conditions 6.3** and **6.4** above, the Host Institution shall provide Versus Arthritis on a confidential basis with copies of any agreements which concern the Award Funded IP and/or the exploitation of any Award Funded IP and/or any Commercial Output. By way of example, such agreements may include but shall not be limited to assignments, collaboration, joint venture or equity share agreements, licences, sub-licences or other commercialization agreements. The Host Institution shall ensure that any agreement concerning or related to the Award Funded IP

shall only be entered into in a manner and upon terms which reflect and permit the exercise of the rights of Versus Arthritis under the Award Contract.

- 6.6. If the Host Institution does not protect, manage, exploit or defend any Award Funded IP or any Commercial Output to Versus Arthritis's reasonable satisfaction, Versus Arthritis shall issue a notice to the Host Institution detailing its basis for disagreement (Warning Notice). Where a Warning Notice has been issued by Versus Arthritis the parties will enter into good faith negotiations to reach mutual agreement as to the steps which should be taken to improve the position. If the parties cannot reach agreement within 20 business days of the date of the Warning Notice as to the steps which should be taken to improve the position then Versus Arthritis shall have the right, but not a duty, to protect, manage, exploit or defend such Award Funded IP or Commercial Output, either its self or by its agents and require the Host Institution to grant to Versus Arthritis the relevant rights in order to do so. Arthritis reserves the right to exercise this right earlier where Versus Arthritis considers that the opportunity to protect, manage, exploit or defend the Award Funded IP or Commercial Output could be lost if more immediate action is not taken. The Host Institution must, and must ensure that its Participants, do all acts reasonably required to assist Versus Arthritis, or its agents, in such protection, management, exploitation or defence.
- 6.7. If the Host Institution decides to abandon in any territory any or all patent or patent applications resulting from the Award Funded IP or decides it does not wish to continue to protect, manage or exploit the Award Funded IP, the Host Institution shall promptly notify Versus Arthritis (and in any event at least 60 days prior to any patent office deadlines) and shall offer to assign the Award Funded IP or relevant rights comprised in the Award Funded IP to Versus Arthritis for the sum of £1. If Versus Arthritis elects to take an assignment, the Host Institution shall or shall ensure the appropriate assignment document is executed promptly to assign the relevant Award Funded IP [free of all licences, liens, charges and encumbrances] and Versus Arthritis shall then be responsible for all further costs relating to or arising from such assigned Award Funded IP.
- 6.8. The Host Institution shall ensure that separate and accurate records are maintained of the commercial exploitation of the Award Funded IP and access for Versus Arthritis or its appointed representative to inspect and audit such records and to take copies at Versus Arthritis's expense.
- 6.9. The Host Institution hereby grants Versus Arthritis a non-exclusive worldwide licence to use all Award Funded IP to support Versus Arthritis's obligation to ensure that the useful results of research that it funds are applied for the public benefit. Versus Arthritis shall give due acknowledgement of the Host Institution and Award Holder in the use of any materials under this licence.
- 6.10. Nothing in this **Condition 6** 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.
- 6.11. **Condition 6** shall continue to apply after termination of the Award Contract in perpetuity.

7. Intellectual Property Revenues and Equity Sharing

- 7.1. Revenue resulting from the exploitation of Award Funded IP and/or in connection with any Commercial Output is to be shared as follows:
 - 7.1.1. In respect of Award Funded IP:

| Cumulative Net Income | Technology Transfer Fee | Host Institution | Versus Arthritis |
|--------------------------|----------------------------|---------------------|------------------|
|--------------------------|----------------------------|---------------------|------------------|

| | | | |
|--------------------------|-----|-----|-----|
| £0 to £100,000 | 10% | 50% | 50% |
| Greater than £100,000 | 5% | 50% | 50% |

7.1.2. In respect of any Commercial Output:

| Cumulative Net Income | Host Institution | Versus Arthritis |
|-----------------------|------------------|------------------|
| £0 to £100,000 | 60% | 40% |
| Greater than £100,000 | 60% | 40% |

7.1.3. “Cumulative Net Income” is the cumulative total of the Net Income over the entire period of the exploitation of the Award Funded IP.

7.1.4. “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.

7.1.5. The Versus Arthritis share is not tiered which for the avoidance of doubt means that the relevant Versus Arthritis share percentage is applied to the whole of the Cumulative Net Income once the thresholds identified in the above table are reached.

7.2. The Host Institution is responsible for any distribution to the inventor(s) (including the Award Holder) from its share of Net Income.

7.3. The Host Institution will, within 30 days after 31 March each year, provide Versus Arthritis with annual statements in respect of all Net Income and Cumulative Net Income during the previous 12 month period which will include a breakdown of all Gross Income, Direct Costs and any information relevant for the calculation of the Technology Transfer Fee. On receipt of such statement, Versus Arthritis will issue the Host Institution with an invoice for any payment due to Versus Arthritis which will be paid by the Host Institution in accordance with the instructions set out in the relevant invoice.

7.4. If there is any dispute over the amount properly due to Versus Arthritis in accordance with this **Condition 7**, including but not limited to the appropriate calculation for Net Income or any conversion of any non-monetary element of Net Income, such dispute may, at the request of either party, be referred to an Expert under **Condition 7.6**.

7.5. **Equity Sharing**

7.5.1. Any sharing of equity between the Host Institution, Award Holder, Versus Arthritis 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 Versus Arthritis. The parties will negotiate in good faith to reach an appropriate mutual agreement concerning any sharing of equity, taking into account the Award, the respective contributions of the parties and Versus Arthritis’s charitable obligations and duties as referred to in **Condition 6.1**.

7.5.2. If the parties are unable to reach an appropriate mutual agreement concerning the sharing of equity pursuant to **Condition 7.5.1**, such dispute may, at the request of either party, be referred to an Expert under **Condition 7.6**.

7.6. **Expert**

7.7. **The expert will be a single, independent chartered accountant to be agreed between the parties, or in** default of agreement between the parties within 5 Business Days, to be selected at the request of either of them by the President for the time being of the Institute of Chartered Accountants in England and Wales (**Expert**). Any dispute to be referred to the Expert will be decided upon in a final and binding manner by the Expert acting as a technical expert and not as an arbitrator. Any actions, decisions, awards or payments to be made or taken pursuant to the determination of the Expert will be made or taken within 60 Business Days of notification of the same to the relevant parties. The costs of the Expert will be borne by the parties as determined by the Expert.

7.8. **Condition 7** shall continue to apply after termination of the Award Contract.

8. Assignment of Intellectual Property

8.1. In line with **Conditions 6.6** and **6.7** Versus Arthritis may require that all Award Funded IP be assigned to and vest absolutely in Versus Arthritis. Upon such request by Versus Arthritis, 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.

8.2. **Conditions 6** and **7** do not apply to Award Funded IP assigned under this **Condition 8**.

9. Progress Reports

9.1. The Award Holder will submit reports as per the Reporting Schedule and in addition to any other reports as may be required pursuant to **clause 6**.

9.2. 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 or in connection with any Commercial Output during the period since the Start Date or the Award Holder's last report under this **Condition 9.1** (whichever is later).

9.3. Versus Arthritis reserves the right to request interim reports in writing or by interview as and when reasonably required by Versus Arthritis.

9.4. 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 Versus Arthritis separately until protection of such Award Funded IP has been obtained or the parties agree that there is no further requirement to maintain confidentiality.

9.5. The Award Holder must co-operate fully with Versus Arthritis in carrying out assessments of the success or failure of all of its funded work, both during and after the Award Duration.

9.6. 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 9.5**.

9.7. If the Award Holder fails to submit a report or to co-operate with Arthritis Research UK's assessment, then Versus Arthritis may:

9.7.1. withhold payment of the Award;

9.7.2. reduce and seek repayment of the Award in line with **Conditions 4.11** and **4.12**; and

9.7.3. refuse to consider further Award requests from the Award Holder and their department.

10. Involvement Programme

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

11. Liability Provisions

- 11.1. Except for its obligations to pay the Award in accordance with the Award Contract, Versus Arthritis 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. Versus Arthritis 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.
- 11.2. 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 and shall indemnify Versus Arthritis, including any of Versus Arthritis's employees, contractors, service providers and agents (the "Indemnified Parties"), and hold harmless the Indemnified Parties against all liability, loss, damage, cost or expense arising in connection with the Host Institution's use or exploitation or permitted use or exploitation of the Award Funded IP.
- 11.3. In all cases the liability of Versus Arthritis shall be limited to the total amount of the Award.
- 11.4. Nothing in this agreement excludes or limits either party's liability for fraud or for death or personal injury arising from its negligence.

12. Data Protection and Freedom of Information

- 12.1. The Host Institution and the Award Holder shall comply with all its obligations under any and all Data Protection Laws and shall ensure such compliance by anyone involved in any Research Activity under the Award, and shall not, by act or omission, put Versus Arthritis in breach of, or jeopardise any registration under any such Data Protection Laws. Furthermore, the Host Institution shall ensure that it has obtained appropriate permission from any Data Subject to transfer any required Personal Data (each as defined in accordance with Data Protection Laws) to Versus Arthritis and for Versus Arthritis to process it in connection with the administration Award and the conditions of the Award Contract.
- 12.2. 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 Host Institution receives a request for information under the FOIA in connection with the Award, it will promptly notify Versus Arthritis and comply with any reasonable request made by Versus Arthritis in connection with its response to such a request.

13. General

- 13.1. 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.
- 13.2. 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.

- 13.3. 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 Versus Arthritis's prior written consent, such consent not to be unreasonably withheld.
- 13.4. 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.
- 13.5. 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.

14. Entire Agreement

- 14.1. 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.

15. Governing Law

- 15.1. This Award Contract shall be governed by, and construed in accordance with, the laws of England. The Award Holder, the Host Institution and Versus Arthritis 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

16. Definitions

- 16.1. The following terms shall have the following meanings:

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| “Applicable Laws” | Means any and all laws, rules, regulations, guidelines or scientific standards which may apply or relate to the Research Activities, including (where applicable) all rules, guidelines and codes of practice governing good manufacturing practice and good laboratory practice, and rules governing the collection and storage of human tissue samples and the performance of DNA testing. |
| “Versus Arthritis” | Means Versus Arthritis, 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 Mary’s Court, Chesterfield S41 7TD. |
| “Acceptance Forms” | Means the forms which are sent out to the Host Institution stating the financial award and duration and start date. |
| “Application” | 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. |
| “Award” | Means the award of funding from Versus Arthritis to the Host Institution to undertake research on the terms of the Award Contract. |
| “Award Contract” | 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. |
| “Award Duration” | Means the period for which the Award is made as set out in the Award Letter. |
| “Award Funded IP” | 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. |
| “Award Holder” | Means the person identified in the Award Letter engaged by the Host Institution and whom will be responsible for leading and managing the Award. |
| “Award Letter” | Means the letter from Versus Arthritis to the Award Holder, co-applicants and the Host Institution specifying the details of the financial support awarded and the research to be funded. |

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| “Bribery Laws” | Means the Bribery Act 2010 and associated guidance published by the Secretary of State for Justice under the Bribery Act 2010 and all other applicable UK legislation, statutory instruments and regulations in relation to bribery or corruption and any similar or equivalent legislation in any other relevant jurisdiction. |
| “Commercial Output” | Means as defined in clause 6.1.2 |
| “Conditions” | Means these terms & conditions, as amended from time to time and a Condition shall mean a numbered clause in these Conditions. |
| “Clinical Research” | Means any research Activity involving human participants (or their organs, tissue or data). |
| “Data Protection Laws” | Means any applicable law relating to the processing, privacy and use of Personal Data, as applicable to either party or the Grant Activities, including: (a) the Directive 95/46/EC (Data Protection Directive) and/or Data Protection Act 1998 or the GDPR; (b) any laws which implement any such laws; (c) any laws that replace, extend, re-enact, consolidate or amend any of the foregoing; and (c) all guidance, guidelines, codes of practice and codes of conduct issued by any relevant supervisory authority relating to such laws (in each case whether or not legally binding). |
| “Direct Costs” | Means all external expenses incurred and paid by Host Institution in connection with the filing, prosecution and maintenance of the Award Funded IP including, but not limited to, official filing fees, agent costs, and reasonable legal and other advisory and consultancy fees. For the avoidance of doubt, Direct Costs shall not include the Host Institution’s internal costs relating to these activities, or any allocation of central overheads regardless of the legal constitution of the Host Institution’s technology transfer office. For the avoidance of doubt, the Host Institution may not make deductions for salary or taxes in respect of the Host Institution or the inventors or generators on the Award Funded IP. |
| “End Date” | Means the end date of the Award as identified in the Award Letter. |

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| “GDPR” | Means the General Data Protection Regulation (EU) 2016/679. |
| “Gross Income” | <p>Means the invoiced amount in respect of licences and/or any other form of exploitation or commercialisation, of any of the Award Funded IP or Commercial Output granted or implemented by the Host Institution or the Award Holder (excluding VAT), including but not limited to any of the following:</p> <ul style="list-style-type: none"> a) upfront, milestone (whether at the stage of development, marketing or otherwise), success, bonus, maintenance and period (including annual) payments and fee payments; b) payment in respect of the funding of research or development activities related to any relevant Award Funded IP, to the extent that such payments exceed a reasonable level of payment for such activities; c) any premium paid over the nominal value of shares, options or other securities in respect of any share capital of the Host Institution or the Award Holder; d) any loan, guarantee or other financial benefit made or given other than on normal market terms; e) any shares, options or other securities obtained from a third person. |
| “Host Institution” | 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. |

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| <p>“Intellectual Property”</p> | <p>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.</p> |
| <p>“Net Income”</p> | <p>Means all Gross Income less Direct Costs and any taxes including but not limited to value added tax, sales, excise and withholding tax, imposed on the Host Institution in connection with the Gross Income which the Host Institution is unable to offset or recover.</p> |
| <p>“Participants”</p> | <p>Means any person or third party working on the Research Activities, including (as applicable) any employee, student, visiting fellow, subcontractor, applicant, collaborator, supervisor, consultant or contractor.</p> |
| <p>“Policies”</p> | <p>Means the policies of Versus Arthritis.</p> |
| <p>“Reporting Schedule”</p> | <p>Means the report schedule provided by the Host Institution to Versus Arthritis (at least annually) in connection with the Award containing all information as Versus Arthritis requests of otherwise specified. This will include an analysis of progress made to date in relation to the stated aims of the Research Activities, details of any publications and confirmation of any potentially exploitable Intellectual Property developed.</p> |
| <p>“Research Activity or Activities”</p> | <p>Means any research activity funded by the Award or to be carried out by the Host Institution or the Award Holder as set out in the application form and any subsequent letters between Versus Arthritis and the Award Holder and the Host Institution relating to the Award.</p> |

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| “Start Date” | Means that latest of: <ol style="list-style-type: none">1. the date specified in the Award Letter; or2. the date notified to Arthritis Research UK by the Host Institution; or3. the date calculated pursuant to clause 4.1.1b. |
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