

PhD Standard Conditions Applying to the Award of Medical Research Scotland Research Funding [from August 2011: revised November 2011]



This document sets out the Conditions on which Medical Research Scotland may offer to support a four-year PhD Studentship.

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1. General

- 1.1 The Studentship shall be carried out by or under the general direction of the University/Research Institution (“Administering Institution”) named in the Studentship award which shall be responsible for the conduct of the project.
- 1.2 The Administering Institution shall notify Medical Research Scotland of the start and completion dates of the project and of any events occurring during the Studentship which could prejudice the completion date. No change in the research protocol may be made without **prior written** agreement of Medical

Research Scotland. Failure to adhere to these conditions may result in termination of the Studentship and the demand for partial or full repayment of funds with the exception of such funds which have been properly and legitimately spent on project work. The Dean or equivalent and the Research Administrator of the Administering Institution will be informed of the circumstances and where appropriate, the Research Ethics Committee of the Administering Institution. Further, no change in the supervisors, Company and company supervisors as disclosed on the application form may be made without prior written agreement of Medical Research Scotland.

- 1.3 The Principal University Supervisor (i.e. the first supervisor from the Administering Institution as named on the application form) cannot accept paid appointments away from the funded laboratory during tenure of the Studentship which would detract from their ability to supervisor the PhD student. Failure to direct the research due to avoidable absence from the funded laboratory may result in termination of the Studentship and the demand for partial or full repayment of funds with the exception of such funds which have been properly and legitimately spent on project work.
- 1.4 The Administering Institution shall be responsible for the provision of the basic facilities required to support the work of the Studentship and will ensure that additional resources are made available by the Company to ensure the project is successful.
- 1.5 The Administering Institution shall be responsible for ensuring compliance with all Conditions contained in this section and the Research Governance Framework for Health and Community Care.
- 1.6 All the Studentship Conditions contained in this document must subsist, notwithstanding the termination of the Studentship or the Studentship period, unless otherwise agreed.
- 1.7 The same research project can be sent to other grant-funding bodies. However, if funding is obtained from Medical Research Scotland and another funding body, not more than one funding award can be held for the same research project.

2. Staff

- 2.1 The recruitment of the PhD student will be dealt with by the Administering Institution in conjunction with the Company but with a representative of Medical Research Scotland (as nominated at the sole discretion of Medical Research Scotland) involved in the recruitment process and which representative will have an ultimate power of veto in the recruitment process.
- 2.2 It is the responsibility of the Administering Institution to enter into any contractual arrangements with the PhD student whose stipend is reimbursed from the Studentship.
- 2.3 The Administering Institution must ensure that staff working on the Studentship must devote to it the appropriate amount of time in relation to the amount of financial support received from Medical Research Scotland.

3. Consumables

- 3.1 The element of the Studentship award attributable to consumables shall be used exclusively in connection with the Studentship and the Administering Institution shall, on request by Medical Research Scotland, produce such receipts and vouchers to evidence the consumables spend on this basis.

4. Finance

- 4.1 The Administering Institution shall exercise financial control of the Studentship. Each year, subject to satisfying all relevant conditions, an annual allocation of the Studentship shall be made by Medical Research Scotland to cover the agreed costs for the incoming year (the Annual Payment).

- 4.2 Medical Research Scotland will **not** make any payments for any increase in any stipend of the Administering Institution's staff which is above that agreed by Medical Research Scotland as set out in the Studentship.
- 4.3 Medical Research Scotland shall not be bound to reimburse claims for expenditure in any category in excess of the maximum stated in the Studentship or in excess of any amended maximum which has been agreed in accordance with **paragraphs 15.1 and 15.2 (below)**.
- 4.4 Medical Research Scotland shall pay claims only in respect of expenditure properly incurred during the currency of the Studentship (as stated in the Studentship), or as has been agreed in accordance with paragraph **15.1**. The Administering Institution shall be bound to supply such additional financial information as may reasonably be required by Medical Research Scotland.
- 5. Privacy**
- 5.1 **It is the responsibility of the Administering Institution to ensure that the requirements of the Data Protection Act 1998 are fully observed.** In particular, the Administering Institution shall ensure at all times that any personal data collected in the course of the Studentship shall be securely held and handled and that the anonymity of persons to whom the data refer shall be preserved in any report or publication.
- 6. Use of Animals**
- 6.1 Studentships which use animals for experimental purposes in support of research require all relevant individuals and entities to obtain the necessary personal and project licences and any necessary certificates from the Home Office and to comply with any conditions imposed by the Home Office.
- 7. Ethics**
- 7.1 Where the proposed research involves NHS patients (and, if applicable, staff who are recruited), foetal material or IVF involving NHS patients, the recently dead, access to patients' records, or the use of NHS premises or facilities, the written approval of the appropriate Research Ethics Committee (REC) must be submitted with the application. Patient information sheets to be used in the research project should be included with the application.
- 7.2 Although an application may be **considered** by Medical Research Scotland before approval is granted, any award will only be **recommended**, subject to its receipt of the letter of approval. No Studentship will be activated until written approval has been received. Medical Research Scotland reserves the right to decline an application on ethical grounds, even when approval has been given by the appropriate REC.
- 7.3 Research proposals which involve genetic modification of organisms must have written authority from the Health and Safety Executive (HSE) for each genetically modified organism proposed to be used during the project.
- 7.4 The use of gene therapy in patients must have written approval from the Gene Therapy Advisory Committee (GTAC). If applicable to the proposed research a copy of the letter from the appropriate authority must be included with the application.
- 7.5 The trial of new medicines must have authority from the Medicines and Healthcare products Regulatory Agency (MHRA) and any clinical trials must comply with the Clinical Trials Directive of May 2004 (and any implementing legislation or regulations all as the same may be amended, modified or re-enacted from time to time). If applicable to the proposed research a copy of the letter from the appropriate authority must be included with the application.
- 7.6 In all studies where human material (irrespective of origin) is used, the Codes of Practice issued by the Human Tissue Authority (www.hta.gov.uk) must be followed.

7.7 Research proposals which involve stem cell research must have written authority from the relevant regulatory body as required by law.

8. Safety

8.1 If the research proposed involves the use of genetically-manipulated organisms, the Administering Institution must demonstrate to Medical Research Scotland, by means of a letter of approval, that both the procedures for such modifications and the recombinant organisms themselves have been approved by the Health & Safety Executive, for both laboratory use and, if appropriate, clinical use.

8.2 Where the research involves equipment or procedures which may be hazardous (such as the use of radioisotopes, potential carcinogens or lasers) the grantholder(s) must satisfy the local safety committee that all appropriate safety procedures and regulations have been complied with. Liability for failures in this regard shall be the responsibility of the employing body. If applicable to the proposed research a copy of the certificate of approval for the laboratory from the appropriate authority must be included with the application.

9. Reviews & Reporting Procedures

9.1 A Scientific Advisor or any authorised officer of Medical Research Scotland or a group appointed on its behalf by Medical Research Scotland must be able, reasonable notice having been given, to discuss its progress with the supervisors and the PhD student involved,

9.2 The Administering Institution will provide a report to Medical Research Scotland at 3 months into the Studentship to confirm that the Studentship is in progress in full accordance with the terms of the application including the identity of the Company and all named personnel, except as otherwise previously agreed in writing with Medical Research Scotland.

9.3 The Administering Institution will procure that the supervisors and student provide **all of the reports normally submitted as part of the oversight of PhD Studentships in the Administering Institution. The Administering Institution will then provide annual Progress Reports to Medical Research Scotland in such form as Medical Research Scotland may require forwarding on the internal reports and also incorporating a report from the Company.** Progress Reports should also include confirmation **by the Administering Institution** that the Studentship is still in progress, that the student supported by the award is still in post, all supervisors as named remain involved, as does the Company and that the money paid has been applied for the purposes of the Studentship, in accordance with its terms. The Annual Payment will not be made until such time as a satisfactory report is received. Any change of objective must be agreed with Medical Research Scotland in accordance with **Paragraph 15.1**. Further reports may be required at any time by Medical Research Scotland.

9.4 If, in the view of the Members of Medical Research Scotland, a Progress Report is deemed to have been unsatisfactory, funding will be suspended until such time as the Members' concerns have been addressed.

9.5 A copy of the PhD thesis must be submitted to Medical Research Scotland by the end of the funding period, unless otherwise agreed in writing.

9.6 A **Final Report** must be submitted at the end of the funding period and it should be lodged with Medical Research Scotland **before the expiry of 3 months** from the end of the Studentship.

9.7 Finally, a **Post-Completion Report** should be provided one year **after** completion of the Studentship. This report must be submitted on the tick-box form available from the Medical Research Scotland website (www.medicalresearchscotland.org.uk/apply.htm). This form will review the progress of the work funded and any commercial, industrial and intellectual property rights arising from it, as well a list of updated publications and copies

thereof. This helps Medical Research Scotland to assess whether its aims are being met through the projects it funds. [see also Condition 12.8]

- 9.8 Should any report not be submitted timeously (as required under Conditions 9.2, 9.5 and 9.6 above) then the Dean or equivalent at the Administering Institution will be notified.
- 9.9 Subject always to the restrictions on publication contained in Condition 11.2, copies of all final form publications originating from research funded by Medical Research Scotland, published either before or after the Final Report, must be provided to Medical Research Scotland. All publications, including the thesis, arising from research funded by Medical Research Scotland **must** acknowledge the contribution provided by Medical Research Scotland. Failure to comply with these Conditions will result in a formal letter being sent to the Dean or equivalent at the Administering Institution.
- 9.10 The supervisors and students involved in the grant will normally be required (if asked) to present their work in person to Members of Medical Research Scotland at some point throughout the tenure of their funding and the Administering Institution will require the supervisors and student to comply with this condition if required. The Administering Institution will also require the PhD student to take part in a separate commercial training programme throughout their research, including possible attendance at a summer school or similar activity.

10. Publicity about Financial Support and Objectives

- 10.1 The Administering Institution will procure that details of the financial support given by Medical Research Scotland for the Studentship and also of its scientific objectives are publicised. Medical Research Scotland is required to publish such information itself.

11. Publication or Disclosure of Results

- 11.1 **If the outcome of a Studentship supported by Medical Research Scotland is potentially suitable for commercial exploitation, whether patentable or not, then the Administering Institution must draw this to the attention of Medical Research Scotland specifically and in good time before submission for publication.** The Administering Institution is referred to the publication procedure set out in Condition 11.2 and is reminded that any form of prior disclosure whatsoever (including review by a publication committee) may prejudice subsequent filing of a patent application. The Administering Institution undertakes to bring these matters to the attention of all supervisors and students.
- 11.2 Medical Research Scotland acknowledges that it may be the Administering Institution's policy that new or previously unreported results of the Studentship be published, and any proposals for publications (including public presentations) containing any details of work or results generated from the Studentship shall be considered for such publication or presentation by Medical Research Scotland, who agrees that the Administering Institution and/or any supervisors or students may present at seminars, symposia, international, national or regional professional meetings, and to publish in journals, theses or dissertations, or otherwise, methods and results of the Studentship, provided however that Medical Research Scotland shall have been furnished with copies of any proposed publication and presentation at least forty five (45) days in advance of the first submission of such proposed publication or presentation to a journal, editor, or other third party. Medical Research Scotland shall have forty five (45) days after receipt of said copies, to object to such proposed presentation or proposed publication if in Medical Research Scotland's reasonable opinion a delay of publication is necessary in order to protect the commercial use of the information derived from the project or because there is patentable or commercially sensitive subject matter which needs protection. In the event that

Medical Research Scotland makes such objection the Administering Institution and/or any supervisors or students shall refrain from making such publication or presentation unless or until satisfactory protection of such work or results has been obtained.

- 11.3 **Acknowledgement of funding from Medical Research Scotland *must* be made in all publications, whether in printed or electronic journals, poster displays or oral presentations.** After formal acceptance of an award has been received, the Principal Supervisor in the Administering Institution will be sent an electronic copy of the Medical Research Scotland logo, with instructions regarding its appropriate use in poster displays, presentations and suitable publications. The text for the minimum acceptable words of acknowledgement of Medical Research Scotland support will also be provided.

12. Commercial, Industrial and Intellectual Property

- 12.1 Medical Research Scotland is committed to advancing healthcare through its support for biomedical research. As a charity, Medical Research Scotland is under an obligation to ensure that the useful results of research that it funds are applied for the public good. To meet these objectives, Medical Research Scotland wishes to encourage everyone involved in Medical Research Scotland-funded research to play an active role in ensuring the protection and exploitation of the Intellectual Property arising out of the research that Medical Research Scotland funds. In this respect, Medical Research Scotland requires institutions applying for awards to agree an Intellectual Property protection and commercialisation plan ("the Plan") in respect of any Intellectual Property which may arise from Studentships. The Plan requires to be submitted to Medical Research Scotland if possible at the time of making the application, and if not, then certainly prior to any funding being made available by Medical Research Scotland. The Plan shall make it clear which of the Company and the Administering Institution will be leading the protection and commercialisation of any Intellectual Property arising from the Studentship (the "Lead Party"). (It is expected that the Company will be the Lead Party and that the Administering Institution will be the Lead Party only in exceptional circumstances.)
- 12.2 Specifically, Medical Research Scotland requires the Administering Institution and the Company to:
- 12.2.1 develop and implement the Plan which will demonstrate that appropriate strategies and procedures for the identification, protection and exploitation of all Intellectual Property created or acquired in connection with Medical Research Scotland-funded activity will be implemented;
 - 12.2.2 notify Medical Research Scotland promptly in writing (and without exception) when Intellectual Property that may be of medical or commercial value is created, and ensure that such Intellectual Property is protected and not published or otherwise publicly disclosed prior to protection (while at the same time ensuring that potential delays in publication are minimised);
 - 12.2.3 permit Medical Research Scotland to have reasonable access to personnel, facilities and information utilised in, or created or acquired pursuant to, a Medical Research Scotland-funded activity or the exploitation envisaged under this Condition 12;
 - 12.2.4 ensure that all persons in receipt of Medical Research Scotland funding or working on a Medical Research Scotland-funded activity (including employees, students, visiting fellows and subcontractors) are employed or retained on terms that (i) vest in the Institution in the first instance (rather than any other third party) all Intellectual Property which is created or acquired by any such person in connection with a Medical Research Scotland-funded activity and (ii) include adequate confidentiality undertakings to ensure the proper

protection and exploitation of the Intellectual Property. In this respect Medical Research Scotland expects that any such Intellectual Property will be transferred or licensed to the Company free of charge at the point of transfer or when the licence is entered into and that the Plan will demonstrate how any such intellectual Property arising in respect of a project will be owned and protected. The Company and the Administering Institution shall be free to decide what royalties (if any) shall be paid (i) by the Company to the Administering Institution (where the Company is the Lead Party) or (ii) by the Administering Institution to the Company (where, in exceptional circumstances, the Administering Institution is the Lead Party) from any commercialisation of Intellectual Property arising from the Studentship. This information shall be provided to Medical Research Scotland in the Plan;

- 12.2.5 make available on a free of charge basis any background Intellectual Property required for the purposes of carrying out the Studentship.
- 12.3 **No Intellectual Property created or acquired in connection with Medical Research Scotland-funded activity may be commercially exploited in any way other than in accordance with the Plan without Medical Research Scotland's prior written consent**, such consent not to be unreasonably withheld. In this context commercial exploitation includes use for any commercial purpose or any licence, sale, assignation, materials transfer or other transfer of rights. As a condition of granting such consent, Medical Research Scotland shall require the Administering Institution and the Company to agree to terms of commercial exploitation including the sharing of the benefits (such as revenues and equity) arising from the exploitation as between the Administering Institution and the Company and Medical Research Scotland.
- 12.4 Subject to paragraphs 12.6 and 12.7, if neither the Administering Institution nor the Company protects or exploits the Intellectual Property to Medical Research Scotland's reasonable satisfaction whether in accordance with the Plan or otherwise and pursuant to these PhD Standard Conditions Medical Research Scotland shall have the right, but not a duty, to protect and exploit such Intellectual Property either by itself or by a third party on behalf of Medical Research Scotland. The Administering Institution and the Company agree to do, and will ensure that their employees, other staff, subcontractors and students do, all acts required to assist Medical Research Scotland in such protection and exploitation (including to execute and deliver such further documents as may be required by law or otherwise necessary or reasonably desirable to implement and/or perfect these PhD Standard Conditions.
- 12.5 Subject to paragraphs 12.6 and 12.7, in order to support Medical Research Scotland's obligation to ensure that the useful results of research that it funds are applied for the public good, in the event that the Administering Institution or the Company does not protect or exploit the Intellectual Property to Medical Research Scotland's reasonable satisfaction pursuant to paragraph 12.4 above, the Administering Institution and the Company shall, if requested by Medical Research Scotland in writing, grant to Medical Research Scotland appropriate rights (being licence(s) (including the right to sub-licence) and/or assignation(s) of the Intellectual Property in whole or in part, all as Medical Research Scotland shall reasonably determine at its sole discretion) to exploit the Intellectual Property (and if required procure the same of any other third party associated with the project). Medical Research Scotland shall inform the Administering Institution and the Company in the event that it is not satisfied with any aspect of either the protection or the exploitation of the Intellectual Property by the Administering Institution and the Company. Medical Research Scotland shall give the Administering Institution and the Company a period of 3 months to remedy any points with which it not satisfied prior to issuing a written request for such grant of rights.

- 12.6 Medical Research Scotland accepts that Intellectual Property created or acquired in connection with Medical Research Scotland-funded activity may be the result of collaborative work, involving more than one funding source. The Administering Institution agrees to advise Medical Research Scotland if there will be any third party funding applied to the Studentship apart from the contribution to be made by the Company (at the time of application to Medical Research Scotland for the funding of the Studentship). If Medical Research Scotland has been notified in writing of such additional funding source(s) pursuant to paragraph 14.3, then Medical Research Scotland shall also send a copy of the paragraph 12.5 notice to such additional funding source(s).
- 12.7 Medical Research Scotland shall consider any timeous approach made by such additional funding source(s) with regard to taking the protection and/or exploitation of the Intellectual Property forward in the event that the Administering Institution or the Company does not remedy the points of concern with the 3 month notice period and a grant of rights requires to be made.
- 12.8 The Lead Party shall ensure that Medical Research Scotland is provided with an Annual Report confirming whether or not any or all identifiable Intellectual Property arising from Medical Research Scotland-funded research is being considered for commercial exploitation of any type.
- This annual report should include an indication of whether any Intellectual Property has been identified arising from the research of the Medical Research Scotland-funded Studentship and provide updates on progress towards the targets for the protection and commercialisation of any such Intellectual Property, as specified in the Plan. If no Intellectual Property has been identified, or if no progress has been made towards the protection and or commercialisation of any identified Intellectual Property, an explanation should be provided. Further, where there Intellectual Property has been identified, but no steps have been taken towards its protection or commercialisation, the Lead Party should indicate what plans it and the other party (whether the Company or the Administering Institution) have for rectifying the situation timeously.
- 12.9 It is accepted that commercial exploitation of Intellectual Property may take time to develop and may result from collaborative work, involving more than one funding source, over several years. Notwithstanding this, Medical Research Scotland requires that the Intellectual Property Manager monitors Medical Research Scotland-funded research after completion of the funding award on a regular basis and ensures that Medical Research Scotland is (i) advised of progress of the exploitation of the Medical Research Scotland-funded Studentship and (ii) receives its allocation of any monetary returns and/or other consideration for such exploitation in accordance with all relevant commercialisation agreements and timescales. In the event that a funded research Studentship cannot be commercialised (either alone or in collaboration with other funded research), the Lead Party shall advise Medical Research Scotland of the reasons for this in writing following such a decision being made to assist in future funding round decisions.
- 12.10 In the event that the Administering Institution or the Company do not comply with the provisions of this Condition 12 then Medical Research Scotland shall be entitled to withhold payment of any or all of the funding due until matters are resolved to the reasonable satisfaction of Medical Research Scotland.
- 12.11 The Administering Institution and the Company acknowledge and agree that all provisions in this Condition 12 (whether imposed on them as the Administering Institution or the Company or as the Lead Party) will apply to them on a several basis.

13. Consequences of Breach of Conditions

- 13.1 Should Medical Research Scotland find that any of the PhD Standard Conditions have been breached to a material extent by the Administering Institution and/or the Company and/or that the Medical Research Scotland-funded research has been exploited without consulting and accrediting Medical Research Scotland in accordance with these PhD Standard Conditions then Medical Research Scotland shall serve the Administering Institution and/or the Company (as appropriate) with a notification of default letter and if the default is not rectified by the Administering Institution and/or the Company (as appropriate) within 30 days of notice then (i) Medical Research Scotland reserves the right to award no further grants to applicants applying from the Administering Institution or involving the Company; (ii) the Administering Institution shall without prejudice to any other rights which Medical Research Scotland has or may have, on demand, pay to Medical Research Scotland such sums that are equivalent to the grant awarded by Medical Research Scotland pursuant to the relevant Studentship; and (iii) the Administering Institution and/or the Company (whichever is in breach of these PhD Standard Conditions) shall without prejudice to any other rights which Medical Research Scotland has or may have, on demand, pay to Medical Research Scotland all costs and expenses (including legal costs and disbursements) incurred by Medical Research Scotland as a result of its breach of these PhD Standard Conditions.

14. Commercial Exploitation of Results

- 14.1 Medical Research Scotland, save as otherwise provided for in these Conditions, will not stipulate any method of commercial exploitation, this will be left to the Administering Institution and the Company to determine as provided for in the Plan. The Administering Institution and the Company shall notwithstanding the foregoing be responsible for dealing with the commercial exploitation of the Intellectual Property pursuant to these PhD Standard Conditions in accordance with Good Industry Practice.
- 14.2 Subject to paragraph 14.3, the Lead Party will be responsible for payment to Medical Research Scotland of a percentage of all sums received by the Administering Institution and/or the Company from the commercialisation of any Intellectual Property arising from the Studentship, calculated as follows:
- 14.2.1 the Administering Institution and the Company shall be entitled to deduct from the sums received as specified above all proper and reasonable costs for patenting and external legal and advisory costs;
- 14.2.2 thereafter, Medical Research Scotland shall be paid Royalties from the balance of sums received as specified above (the "Balancing Sum") in accordance with the table below:

Balancing Sum	Percentage of Balancing Sum to be:	
	paid to Medical Research Scotland	retained by the Administering Institution/Company
£0 - £50,000	30%	70%
£50,001 - £250,000	40%	60%
£250,001+	50%	50%

- 14.3 The Studentship is awarded on the basis that Medical Research Scotland is the sole funder of the project. The Administering Institution and the Company hereby undertake to keep Medical Research Scotland fully informed of all circumstances regarding compliance with these PhD Standard Conditions and, in particular, shall inform Medical Research Scotland of any third parties who propose to provide funding with regard to the project as provided in Condition 12.6 above.

- 14.4 Notwithstanding the generality of Condition 14.3, it is, however, accepted that commercial exploitation of Intellectual Property may result from collaborative work, involving more than one funding source (as approved by Medical Research Scotland in accordance with Condition 12.6 above) and may involve the intellectual or other input of various third parties. In the event that there is an additional funding source, or if a significant contribution is made to the development of the Intellectual Property by a third party in terms of the provision of intellectual input or the provision of background Intellectual Property, then a fair split of the Royalties shall be negotiated and agreed by the relevant parties in the circumstances taking account of the input of each of the parties involved.
- 14.5 The Lead Party shall deliver to Medical Research Scotland within thirty (30) days of the end of each six (6) month period, a statement which shall show, on a country-by-country basis (if applicable) the Royalties payable to Medical Research Scotland together with a breakdown of the figures on request.
- 14.6 The Lead Party shall keep and maintain for at least six (6) years, in the United Kingdom, true and detailed records and books of accounts containing all data necessary for the calculation of the Royalties (and where appropriate procure that any relevant third party does the same). The Administering Institution and the Company shall on receiving reasonable notice from Medical Research Scotland at any time permit an independent accountant acting on behalf of Medical Research Scotland and at Medical Research Scotland's expense access to inspect and take copies of their records and books of account and shall furnish such evidence to such independent accountant appointed by Medical Research Scotland as is necessary to enable that person to verify the amount of Royalties due to Medical Research Scotland.
- 14.7 If Medical Research Scotland disputes the calculation of Royalties payable to it pursuant to Condition 14 in respect of any relevant period (which must be for a minimum period of six (6) months) such dispute shall be referred to an independent accountant appointed by agreement between Medical Research Scotland and the Administering Institution and the Company or in the absence of any such agreement by the President for the time being of the Institute of Chartered Accountants of Scotland. The determination of the independent accountant appointed pursuant to this paragraph 14.7 shall be final and binding on the parties as to the amount of Royalties payable to Medical Research Scotland for the relevant period. Medical Research Scotland shall be responsible for the fees associated with the appointment of the independent accountant unless the Administering Institution and/or the Company has made an error in the Royalty calculations which is greater than ten per cent (10%) of the Royalties payable, in which case the Lead Party will pay the relevant fees.
- 14.8 Late payments shall be subject to interest payable on demand at the rate of four per cent (4%) per annum above the base rate of Bank of Scotland from time to time from the date specified for payment until that amount is paid in full.
- 14.9 All Royalties shall be made without any deductions whatsoever except for deductions which the Administering Institution and/or other relevant third party is required to make under United Kingdom law in respect of income tax or under any other law in respect of taxation. If any such deductions are required to be made, the Administering Institution and the Company shall provide Medical Research Scotland with (or procure the provision to Medical Research Scotland of) certificates in respect of such payments and, if appropriate, shall give Medical Research Scotland reasonable assistance when requested in obtaining tax relief in the United Kingdom.

- 14.10 Where work funded by Medical Research Scotland is to give rise to the creation of a separate company or other legal entity (the "Commercialisation Vehicle"), the Administering Institution and the Company shall notify Medical Research Scotland forthwith in writing. Medical Research Scotland shall require to be treated on the same basis as the Administering Institution and the Company in terms of any proposed shareholding in the Commercialisation Vehicle and/or Royalties to be received from the Commercialisation Vehicle, subject to Medical Research Scotland and the Administering Institution and the Company reaching agreement on the percentage of shareholding they should each receive and Royalties being apportioned between the Administering Institution, the Company and Medical Research Scotland in accordance with paragraph 14.2 above. If the shareholding between the Administering Institution and the Company is other than equal, Medical Research Scotland will be treated on the same basis as the party which will have the better position in relation to the shareholding and/or the Royalties to be paid. Medical Research Scotland may nominate itself or an associated entity to hold any such shareholding and/or receive any such Royalties. Medical Research Scotland (or its associated entity) shall require the right to receive regular progress updates and where it has a shareholding, the Administering Institution and the Company shall assist Medical Research Scotland in procuring that it has the ability to make transfers of shares to associated entities without restriction.
- 14.11 Notwithstanding the generality of Condition 14.10, it is, however, accepted that the Commercialisation Vehicle may be created to facilitate the exploitation of Intellectual Property resulting from collaborative work, involving more than one funding source and may involve the intellectual or other input of various third parties. In the event that there is an additional funding source (as approved by Medical Research Scotland in accordance with Condition 12.6 above), or if a significant contribution is made to the development of the Intellectual Property by a third party in terms of the provision of intellectual input or the provision of background Intellectual Property, then a fair split of the shareholding in the Commercialisation Vehicle and/or Royalties shall be negotiated and agreed by the relevant parties in the circumstances taking account of the input of each of the parties involved.
- 14.12 The Administering Institution and the Company acknowledge and agree that all provisions in this Condition 14 will apply to them on a several basis.

15. Variation of Conditions or Specifications

- 15.1 No alteration, deletion or addition may be made to any of these PhD Standard Conditions, or any part of the Studentship without the **prior agreement in writing** of Medical Research Scotland. In particular:
- any change of substance in the objectives of the project;
 - any change of supervisors or students;
 - any potential move of any of the supervisors or student from the Administering Institution or the Company to another;
 - any change of the maximum expenditure figure for each element of the grant given in the Studentship;
 - any change in the duration of the Studentship;

must be so approved.

Medical Research Scotland must also be notified as soon as practicable of any substantial change of control or transfer of assets or business away from the Company, or on the passing of a resolution for the liquidation of the Company other than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction, the presentation at court by any competent person of a petition for the winding up of the Company, the issue at court by any competent person of a notice of intention to appoint an administrator to the Company, a notice of appointment of an administrator to the Company or an application for an administration order in respect of the Company, any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of

the whole or a substantial part of the assets or undertakings of the Company, the Company being unable to pay its debts as they fall due for the purpose of Section 123 of the Insolvency Act 1986, the Company entering into composition arrangement with its creditors, if a process has been instituted that could lead to the Company being dissolved and its assets being distributed among the Company's creditors, shareholders or other contributors, or any equivalent action in respect of it taken in any jurisdiction.

- 15.2 If Medical Research Scotland does not approve a change proposed by the Administering Institution or any change to the circumstances of the Company as provided for in Condition 15.1 above, Medical Research Scotland may, after consultation with the Administering Institution (but at its sole discretion), cancel or renegotiate the arrangements for support of the Studentship.
- 15.3 If Medical Research Scotland does not receive a letter and report as required by Condition 9.3 above, Medical Research Scotland will cancel the arrangements for support of the Studentship.

16. Archiving of Research Data

- 16.1 The Administering Institution will procure that the raw data/results are stored for a minimum period of 5 years after completion of the Studentship. At any time during this period the data/results may be requested by Medical Research Scotland. In the case of long term/longitudinal studies/population surveys, it may be necessary for a longer period of storage both in the interest of the Administering Institution and Medical Research Scotland. The Administering Institution, where appropriate, are encouraged to consider depositing data with the ESRC Data Archive.

17. Research and Financial Misconduct

- 17.1 It is the responsibility of the Administering Institution to **notify Medical Research Scotland immediately** if there is any indication that **research or financial misconduct has occurred**. Failure to do so may lead to the Studentship's suspension or termination. Reimbursement of inappropriate claims will be sought.

18. Confidentiality

- 18.1 Each of the Parties undertakes: (i) to keep the Confidential Information confidential by taking commercially reasonable precautions, and at least those precautions which it uses to protect its own confidential information; (ii) only to use such Confidential Information for the purposes for which it was so disclosed or came into its possession under the relevant project or pursuant to these PhD Standard Conditions; (iii) not to disclose any Confidential Information to any third party (other than as specifically stated within these PhD Standard Conditions) without the prior written consent of the disclosing Party.
- 18.2 Each of the Parties undertakes to disclose Confidential Information of the other Party only to those of its officers, employees, agents and contractors, engaged by the disclosing Party who need to know such Confidential Information in connection with the relevant Studentship or pursuant to these PhD Standard Conditions and only to the extent to which such disclosure is necessary for the purposes contemplated.
- 18.3 The obligations contained in this Condition 18 shall survive the expiry or termination of the relevant Studentship for any reason but shall not apply to any Confidential Information which:
- 18.3.1 is publicly known at the time of disclosure to the receiving Party;
 - 18.3.2 after disclosure becomes publicly known otherwise than through a breach of these PhD Standard Conditions by the receiving Party, its officers, employees, agents or contractors;

- 18.3.3 can be proved by the receiving Party to have reached its hands otherwise than by being communicated by the other Party including being known to it prior to disclosure, or having been developed by or for it wholly independently of the other Party or having been obtained from a third party without any restriction on disclosure on such third party of which the recipient is aware, having made due enquiry;
- 18.3.4 is required by law, regulation or order of a competent authority (including any regulatory or governmental body or securities exchange) to be disclosed by the receiving Party, provided that, (i) where practicable, the disclosing Party is given reasonable advance notice of the intended disclosure and (ii) such disclosure shall only be made to the extent properly required.
- 18.4 Each Party shall promptly notify the disclosing Party (and Medical Research Scotland if different) if it becomes aware of any breach of confidentiality by any person to whom it divulges all or any part of the Confidential Information and shall give the other Party all reasonable assistance in connection with any proceedings which the other Party may institute against such person for breach of confidentiality.

19. Dispute Resolution

- 19.1 In the event of a dispute arising pursuant to a Studentship and/or these PhD Standard Conditions the Parties agree that they shall each in good faith attempt to resolve the dispute.
- 19.2 Work and activity to be carried out under the Studentship shall not cease or be delayed by this dispute resolution procedure unless Medical Research Scotland notifies the other Parties to the contrary.
- 19.3 The Parties acknowledge however that, notwithstanding the provisions of this Condition 19, nothing herein shall prevent any Party from bringing proceedings in any court of competent jurisdiction to protect the Intellectual Property or rights of confidentiality of that Party, or if a Party is clearly acting in bad faith in the conduct of the dispute resolution procedure or has committed a material breach of these PhD Standard Conditions or if the dispute has not been resolved within 21 days after this dispute resolution procedure has been invoked.

20. No Waiver

- 20.1 No modification, alteration or waiver of the provisions of this Agreement by Medical Research Scotland shall be effective unless it is in writing and executed by or on behalf of Medical Research Scotland. No delay, omission or failure by Medical Research Scotland to exercise any right or remedy shall operate as a waiver by Medical Research Scotland. Any partial exercise of a right or remedy by Medical Research Scotland shall not preclude any other or further exercise of any such right of action by Medical Research Scotland.

21. Severability

- 21.1 If any of the paragraphs or Conditions or other provisions of these PhD Standard Conditions are found by an arbiter, court or other competent authority to be void or unenforceable, such provision shall be deemed to be deleted from these PhD Standard Conditions but the remaining provisions of these PhD Standard Conditions shall continue in full force and effect insofar as they are not affected by any such deletion. In the event of any such deletion, the Parties shall attempt to negotiate in good faith with a view to replacing the provisions so deleted with legal and enforceable provisions that have similar economic and commercial effect to the provisions so deleted.

22. Definitions & Interpretation

22.1 In this document entitled "PhD Standard Conditions Applying to the Award of Medical Research Scotland Research Funding" ("PhD Standard Conditions"), the words and expressions listed below shall, unless otherwise specified or the context otherwise requires, have the following meanings:

- "Administering Institution" means the Administering Institution referred to in the relevant application form submitted to Medical Research Scotland for a Studentship;
- "the Company" means the Company referred to in the relevant application form submitted to Medical Research Scotland for a Studentship.
- "Confidential Information" means any and all information which the disclosing Party may from time to time disclose to the receiving Party which is identified by the disclosing Party as secret and confidential or which, by reason of its character or the circumstances or manner of its disclosure, is evidently confidential, including but not limited to such Intellectual Property as is not in the public domain at the date of this Agreement, research and development projects, product or services development, formulae, specifications, chemical compounds, derivatives, biological or other materials, inventions, ideas, concepts, data, procedures and designs of experiments, tests and the results of experimentation and testing, the research results until such time as publication is agreed to be made pursuant to paragraph 11.2 and the research data as set out in paragraph 16.1 above or any other know how or information relating to the disclosing Party's technical and proprietary information, business secrets or business affairs or finances or any other information designated as confidential by the disclosing Party whether belonging to the disclosing Party or a third party and whether disclosed orally, in writing, in digital form, in machine readable code or embodied in hardware or any other physical medium;
- "Good Industry Practice" means the exercise of that standard of skill, diligence, prudence and foresight which could reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances as the Administering Institution under this Agreement;
- "Intellectual Property" means all intellectual property rights of whatever nature (including without prejudice to the foregoing generality the patent rights, registered designs and trade marks, copyrights, plant variety rights, database rights, design rights, topography rights, internet rights, goodwill, domain names, utility model rights, semi-conductor topography rights, rights in confidential or proprietary information, rights in inventions and discoveries, know how, trade secrets, confidential information and other industrial or intellectual property rights of a similar nature which exist or arise anywhere in the world), in and to the research arising out of the Studentship and any divisions, renewals, continuations, substitutions, registrations, confirmations, additions, extensions or re-issues thereof or applications therefor and any similar or analogous rights to any of the foregoing whether arising or granted under the law of Scotland or any other jurisdiction and any rights to apply for any of the foregoing;
- "Lead Party" shall have the meaning ascribed to it in clause 12.1;

“Medical Research Scotland”	means Medical Research Scotland (the operational name of the Scottish Hospital Endowments Research Trust), of Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE, with Scottish Charity Number SC014959 and references to it imply and include SHERT;
“Parties”	means the parties to which these PhD Standard Conditions shall apply to (including Medical Research Scotland, the Administering Institution and where applicable the Company) and the term “Party” shall be construed accordingly;
“PhD Student”	means the PhD student recruited for the Studentship;
“Royalties”	means the royalty payments to be paid to Medical Research Scotland to be calculated by reference to all sums received by the Administering Institution and/or the Company from the commercialisation of any Intellectual Property arising from the Studentship all as set out in Condition 14;
“SHERT”	means Scottish Hospital Endowments Research Trust, of Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE, with Scottish Charity Number SC014959 and operating under the name of Medical Research Scotland;
“Studentship”	means the four year PhD Studentship awarded by Medical Research Scotland in accordance with these PhD Standard Conditions.

- 22.2 Words importing the singular shall also include the plural and *vice versa*.
- 22.3 References to a “person” include any natural person, any legal person, body or organisation incorporated or unincorporated or any other person, body or organisation whatsoever, as the context may require.
- 22.4 References to any statute, or to any statutory provision, including any regulation, statutory instrument, or other subordinate legislation derived from such statutory sources, shall include references to any statute or other statutory provision which amends, extends, consolidates or replaces the original statutory reference or which subsequently affects any such revised statutory reference.
- 22.5 References to any paragraph or Condition are references to such terms and other subdivisions contained in these PhD Standard Conditions, unless otherwise specified.
- 22.6 The index and headings in these PhD Standard Conditions are for convenience only and shall not affect the construction of these PhD Standard Conditions.
- 22.7 Any reference to “including” shall be interpreted as meaning “including, without limitation”.
- 22.8 Reference to any Scottish legal term for any action, judicial procedure, court, concept or principle shall, where appropriate, include any equivalent or the closest approximation to such term in any other relevant jurisdiction.

23. Governing Law & Jurisdiction

- 23.1 These PhD Standard Conditions shall be governed by and construed in accordance with Scottish law. The Parties irrevocably agree that the courts of Scotland are to have exclusive jurisdiction to settle any questions or disputes which may arise out of or in connection with these PhD Standard Conditions.