



MULTIPLE MYELOMA RESEARCH FOUNDATION

CONDITIONS FOR GRANT SUPPORT

GENERAL POLICIES AND PROCEDURES

The primary purpose of The Multiple Myeloma Research Foundation (the “MMRF”) in funding scientifically meritorious research is to advance its mission to eradicate multiple myeloma as a life threatening disease. These policies are provided to assist applicants and grantees in understanding the terms and conditions that apply to each Grant. The full terms and conditions applicable to each Grant are set forth in the Grant Agreement, which incorporates these policies. No Grant Funds will be released until all the necessary forms, including the Grant Agreement, are completed and signed by the grantee institution (the “Sponsoring Institution”) and returned to the MMRF. By accepting a MMRF grant or fellowship, the Sponsoring Institution agrees to the terms and conditions of this Policy and accepts full responsibility for the conduct of the investigation and for the acts of the investigator; project personnel, compensated in full or in part with funds awarded by the MMRF, are employees of the Sponsoring Institution; they are not MMRF employees.

1. USE OF GRANT FUNDS

- (a) Grant Funds may only be used as set forth in the budget(s) set forth in the approved application, and approved funds may not be re-allocated without the prior approval of the MMRF.
- (b) Indirect costs may not exceed 10% of direct costs.
- (c) The MMRF will not be responsible for any expense incurred prior to the start date of the Grant or any amount in excess of the Grant. Full disclosure of all other funding for a research project must be made as part of the Grant Application or at the time the funding is approved (whichever is earlier). The use of Grant Funds cannot be duplicated by funds received by the Sponsoring Institution or the Principal Investigator from any other sources, however, the Grant Funds may be used to supplement support from other sources. The MMRF shall have the right to audit the use of the Grant Funds.
- (d) Equipment purchased using Grant Funds is under the direction and control of the Principal Investigator.
- (e) The Principal Investigator and the Sponsoring Institution hereby agree to limit the expenditure of Grant Funds as set forth below.
 - (i) Permissible Costs.
 - (1) Salary for the Principal Investigator that have faculty appointments (i.e. Instructor, Professor, etc.) with the following restrictions:
 - the salary (with fringe) percent cannot exceed the percent effort.
 - the salary request (with fringe benefits) cannot exceed fifty percent (50%) of the total grant request.
 - (2) Salaries for the Principal Investigator or professional staff that do not have faculty appointments and technical assistants as necessary with the following restriction:
 - the percent salary cannot exceed the percent effort.
 - (3) Minimal but essential permanent equipment which is directly relevant to the Grant Research.

- (4) Expendable supplies.
 - (5) Other expenses directly related to the conduct of Grant Research.
 - (6) Travel to attend scientific meetings that are directly related to the Grant Research. Such travel arrangements shall be subject to the prior written approval of the MMRF and shall not exceed one thousand dollars (\$1000).
 - (7) Indirect operating costs incurred by the Sponsoring Institution during the Grant Term in an amount not to exceed ten percent (10%) of the total costs.
- (ii) Impermissible Costs.
- (1) Salary of other participants in the Grant Research that have faculty appointments (i.e. Instructor, Professor, etc.).
 - (2) Construction, alteration, maintenance or rental of buildings or building space.
 - (3) Computer equipment, office equipment and furniture.
 - (4) Dues for membership in scientific societies.
 - (5) Office supplies including, but not limited to, mail/postage costs, copying costs, telephone, fax, modem, DSL or other similar line costs.
 - (6) Tuition, books and journals
 - (7) Publication costs

2. **REPORTS AND ACCOUNTINGS**

Principal Investigators must submit detailed progress reports during a Grant Term and detailed final reports upon the conclusion of a Grant Term. The Sponsoring Institution must submit detailed Grant Accountings during a Grant Term and upon the expiration or termination of Grant Agreements. The Sponsoring Institution must refund any portion of the Grant Funds that were not used for the purposes specified in the Grant Application, as well as any unexpended funds.

3. **HUMAN AND ANIMAL SUBJECTS: BIOHAZARDS**

The Sponsoring Institution is responsible for insuring that the Sponsoring Institution's facilities and employees comply with applicable federal, state and local laws and regulations in connection with the Grant Research. Any MMRF-funded research involving human or animal subjects, derivatives of such subjects or biohazards must also comply with all rules, regulations and policies established by the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, the National Institutes of Health, and the Sponsoring Institution's Institutional Review Board.

4. **RELOCATION OF PRINCIPAL INVESTIGATOR**

Any relocation of the Principal Investigator during a Grant Term requires at least thirty days prior written notice to the MMRF and the MMRF's written approval of such relocation. A Grant Agreement may not be

transferred to a laboratory, clinic, hospital or other research institution that is not affiliated with a tax-exempt not-for-profit institution. If such relocation is not approved but is undertaken by the Principal Investigator, the MMRF shall have the right to terminate the Grant Agreement and shall have such additional rights as are set forth in the Grant Agreement. A maximum of one (1) request to relocate to another institution per year will be considered.

5. **PUBLICATION REVIEW AND OBLIGATIONS**

(a) The MMRF shall have at least thirty days to review any proposed publication or other disclosure of any results of the Grant Research. If the MMRF objects to such publication because there is patentable subject matter that needs protection (whether identified by the Principal Investigator or as determined by the MMRF), the publication or presentation shall be delayed until the applicable provisional or other patent application has been filed.

(b) All published works (including on-line publications), presentations or other disclosures of Grant Information must, subject to the MMRF's approval, prominently display the designation, "Supported by a [insert title of grant] Grant from the Multiple Myeloma Research Foundation (MMRF)" in accordance with the direction of the MMRF. In no event shall this designation be construed to mean that the MMRF endorses any of the Grant Information published, presented or otherwise disclosed.

(c) If the Principal Investigator does not publish the results of the Grant Research within twelve months of the expiration or termination of the Grant Agreement and the MMRF wishes to publicize the results thereafter, the MMRF shall have the non-exclusive right to authorize the publication of the results of the Grant Research. If the MMRF elects to cause such publication, the appropriate research personnel shall have the right to review the MMRF's proposed article for scientific accuracy. Any such article shall contain appropriate attribution for the Principal Investigator and other research personnel identified to the MMRF in writing by the Principal Investigator or the Sponsoring Institution.

6. **DEVIATIONS, INTERRUPTION OR ABANDONMENT OF GRANT RESEARCH AND OTHER BREACHES**

(a) **Deviations.** In the event that the Principal Investigator wishes to deviate from the approach set forth in a Grant Application during the Grant Term, continuation of funding is subject to the prior written approval of the MMRF after full disclosure by the Principal Investigator of the proposed deviation(s). The MMRF shall have sixty days to review any such request. If the MMRF does not approve such deviation and the Principal Investigator elects to proceed with such deviation, it shall be deemed a default under the Grant Agreement.

(b) **Interruption.** If a Principal Investigator desires to interrupt any Grant Research during a Grant Term for thirty days or longer, s/he must provide the MMRF with prompt written notice indicating that the research will be interrupted, the reason for the interruption and the date upon which the work will resume. Interruption of Grant Research may not occur, nor may the duration of any interruption be extended, unless and until the Principal Investigator receives written approval from the MMRF. The Principal Investigator's failure to obtain consent for any interruption of the Grant Research or the Principal Investigator's failure to timely resume an approved interruption of the Grant Research shall be deemed a default under the Grant Agreement.

(c) **Abandonment.** In the event that the Grant Research is not continued or completed due to incapacitating illness or death of the Principal Investigator (and a suitable replacement satisfactory to both the MMRF and the Sponsoring Institution is not found), or the Sponsoring Institution and Principal Investigator elect to discontinue the Grant Research, the Sponsoring Institution shall notify the MMRF promptly in writing and the Grant Research shall be deemed abandoned, which abandonment shall be deemed a default under the Grant Agreement.

(d) In the event of any default or other breach of the Grant Agreement by the Principal Investigator or Sponsoring Institution, the MMRF shall have the right to terminate the applicable Grant Agreement and obtain a refund of certain Grant Funds, and the rights in the Grant Research and Inventions thereunder shall be governed by the MMRF IP Policy, which Policy provides for, among other things, the MMRF's right (but not obligation) to continue the Grant Research at another institution and/or to commercially exploit the Invention, patent and/or patent application (as applicable).

7. **INDEMNIFICATION AND INSURANCE**

(a) **Indemnification.** The MMRF will assume no responsibility for any of the activities of the Principal Investigator and/or Sponsoring Institution other than the payment of Grant Funds in accordance with the terms set forth in a fully executed Grant Agreement. The Sponsoring Institution shall, to the full extent legally permissible, hold harmless, defend and indemnify the MMRF and its officers, directors, employees, scientific advisors, independent contractors and agents with respect to any activities carried out in connection with a Grant Agreement by the Principal Investigator and/or the Sponsoring Institution, and/or any person(s) acting under the supervision, direction or control of the Principal Investigator and/or the Sponsoring Institution. The Sponsoring Institution shall, concurrently with the submission of the Grant Application, notify the MMRF of any legal limitations on the Sponsoring Institution's indemnification of the MMRF.

(b) **Insurance.** The Sponsoring Institution shall maintain appropriate insurance, including, a comprehensive general liability policy including coverage for personal injury or death; workers' compensation insurance and any other coverage required to meet minimum statutory requirements of the State of where Sponsoring Institution is located; and patent infringement insurance. The MMRF shall be named as an additional insured on all such insurance policies.

8. **INTELLECTUAL PROPERTY**

The primary purpose of The Multiple Myeloma Research Foundation ("MMRF") in funding scientifically meritorious research is to advance its mission to eradicate multiple myeloma as a life threatening disease. The MMRF recognizes, however, that Inventions (as defined below) having public health, scientific, business or commercial application or value may be made in the course of research supported by the MMRF. It is the desire of MMRF that such Inventions be administered in such a manner that they are brought into public use at the earliest possible time. The MMRF recognizes that this may be best accomplished through patenting, copyrighting and/or licensing of such Inventions.

"Invention" shall mean any information, data, discovery, invention, material, method, process, product, life form, program, trade secret, software, or use (including when unusual, unexpected, or non-obvious results are obtained with an existing invention), whether or not patented or patentable or copyrighted or copyrightable (including, without limitation, all embodiments within the scope of any of the foregoing), that is conceived, developed or reduced to practice in the course of research funded in whole or in part by the MMRF. Inventions shall include those made by employees or agents of the Sponsoring Institution or the Principal Investigator and third parties under the control of the Sponsoring Institution or Principal Investigator.

(a) The Sponsoring Institution shall require the Principal Investigator and all other persons engaged in the Grant Research to promptly disclose all Inventions to the Office of Technology (or the equivalent) of the Sponsoring Institution, and assign to the Sponsoring Institution all of their right, title and interest in and to all Inventions which are conceived, discovered or reduced to practice by such person during the course of the Grant Research at the Sponsoring Institution. The Sponsoring Institution shall also require all such personnel to cooperate fully with the Sponsoring Institution in pursuing legal protection for any Inventions or improvements thereto, including providing assistance in filing and presenting any patent applications or copyrights on such Inventions or improvements. All Inventions shall be reported to the MMRF in writing within three months after their disclosure to the Sponsoring Institution.

(b) Sponsoring Institution shall determine whether it will seek patent or other statutory protection for each Invention promptly after such Invention is disclosed to the Sponsoring Institution, and it shall promptly notify the MMRF of its decision. Upon the MMRF's request, Sponsoring Institution shall provide the MMRF with all documentation relating to the filing or assertion of rights.

(c) In the event that the Sponsoring Institution contemplates entering into a license, assignment or revenue-generating agreement relating to the Invention, the Sponsoring Institution shall give the MMRF notice thereof and, to the extent any such agreement relates to the MMRF or subjects the MMRF to potential liabilities or responsibilities, the MMRF shall have the right to approve such agreement prior to execution. All agreements relating to Inventions shall be entered into by the Sponsoring Institution and/or the Principal Investigator on an arm's-length basis and shall contain provisions obligating the licensee/transferee to commercialize the Invention in a diligent manner; such agreements shall further provide that if such party has failed to commercialize the Invention in accordance with such diligence provisions, the Sponsoring Institution shall have the right to either terminate such

agreement or convert it to a non-exclusive license. Sponsoring Institution shall furnish a copy of each such agreement to the MMRF within thirty days of its completed execution.

(d) If the Sponsoring Institution has an established and applicable patent, intellectual property or technology transfer policy and procedure for administering inventions, the MMRF will defer to that policy with the following restrictions:

(1) The MMRF shall be granted an irrevocable non-exclusive perpetual worldwide royalty-free license (with the right to sublicense) to practice the Invention for non-commercial research purposes.

(2) The MMRF shall have the right to participate in the income derived from the Invention, unless the MMRF waives such right in writing, and no provision of these policies and procedures shall constitute such a waiver. This right shall include the sharing of licensing fees and royalties and any other consideration derived from the Invention on a pro-rata basis, which shall be calculated as follows: the aggregate amount of all revenues, fees, royalties and other consideration attributable to the Inventions less the documented direct costs and expenses incurred by the Sponsoring Institution associated with the Grant Research (excluding profit, royalty or other revenue participation payments) not otherwise paid for by any other grant, sponsorship or government funds (including actual documented reasonable out-of-pocket third party legal fees, U.S. Patent and Trademark Office and foreign patent office fees discharged by the Sponsoring Institution in connection with the patenting of the applicable Invention) and patent maintenance fees attributable to the applicable Invention (in an amount equivalent to a commercial patent annuity service)) (“Net Revenues”), multiplied by a fraction, the numerator of which is the amount of the MMRF’s total contribution to the Sponsoring Institution and the denominator of which is an aggregate of all funding received by the Sponsoring Institution that supported the Invention.

(e) No patent or patent application, copyright or other intellectual property protection in any Invention shall be abandoned without prior notification to the MMRF (such notification not to be less than thirty days before the expiration of the response period required by the applicable patent office) and without giving the MMRF the opportunity to take title to the Invention (with respect to the applicable geographic territory) subject to and to the extent not inconsistent with the Sponsoring Institution’s obligations to the United States federal government or applicable foreign government; Sponsoring Institution shall give the MMRF written notice of any such obligations concurrently with the aforesaid notification.

(f) (1) Sponsoring Institution agrees that if (a) it has not, within one year from the disclosure of the Invention to the Sponsoring Institution, licensed or otherwise brought such Invention to practical or commercial application through licensing or otherwise on terms that are reasonable in the circumstances and it cannot show reasonable cause why it should retain title to and all rights in the administration of the Invention for a further period of time, or (b) if Sponsoring Institution’s licensee has not diligently commercialized the Invention, then the MMRF shall have the right (but not the obligation), upon written notice to the Sponsoring Institution, to require (i) if legal, assignment to it of all right, title and interest in and to the Invention (including, without limitation, all patents, patent applications and other intellectual property rights), with the understanding that if assignment of the Invention or patents is not permitted under federal law, the terms of subparagraph (2) below shall govern, (ii) cancellation of any outstanding exclusive licenses as set forth in paragraph 3 above, and/or (iii) other disposition of the Invention rights.

(2) If an Invention is made with the joint support of the MMRF and an agency or department of the United State government, the MMRF shall defer to the patent, intellectual property or technology transfer policy of that agency or department upon receipt of a written statement by the appropriate agency or department notifying the MMRF of its policy and procedure and identifying the rights and interests of the MMRF in the Invention in question; provided, however, notwithstanding the foregoing, if the Sponsoring Institution decides not to elect title to an Invention that is subject to United States government rights, Sponsoring Institution will so notify the MMRF and if the MMRF wishes to file for patent protection or pursue commercialization of such Invention at its own expense, the Sponsoring Institution agrees to elect title and upon such election, shall be deemed to have licensed the subject Invention to the MMRF on an irrevocable basis for research and commercial purposes, with rights to sublicense the Invention, which license shall be exclusive except with respect to the rights of the United States Government. If the MMRF commercially exploits such Invention, the MMRF shall pay Sponsoring Institution a royalty in an amount equal to ten percent of the net revenues earned and received by the MMRF from such commercial exploitation of the Invention (i.e., after the MMRF’s recoupment of all the expenses incurred by it in connection with the Grant Research and the Invention (including, without limitation, all funding, grants and awards made by the MMRF in respect of the Grant Research and subject Invention (or any element thereof), patent

application and maintenance costs, inventor and third party royalties, licensing expenses and any other similar and dissimilar costs).

(g) The Sponsoring Institution or Principal Investigator shall give the MMRF written notice of any alleged infringement(s) of any Invention, and shall keep the MMRF timely apprised of all developments related to such legal action(s). The Sponsoring Institution shall be solely responsible for all costs and expenses incurred in connection with such action. Any and all amounts received by the Sponsoring Institution and/or Principal Investigator relating to or arising out of such alleged infringement, including any settlements and judgments (after recoupment of actual legal costs and expenses incurred by such party in connection with such legal action), shall be shared with the MMRF as though such amounts were royalties paid in respect of a license of the Invention.

(h) If the Sponsoring Institution has no established and applicable patent, intellectual property or technology transfer policy and procedure for administering inventions, the MMRF shall have the sole right to determine the disposition of the Invention rights. In such cases, the MMRF may, in its sole discretion, elect to do one or more of the following:

(1) Have a patent and/or copyright application filed, and decide to whom it shall be assigned. In such case, the Sponsoring Institution and Principal Investigator shall execute all documents necessary to assist in the filings and the assignment.

(2) Release the Invention to the Principal Investigator or Principal Investigator's designee.

(3) Submit the Invention to a qualified organization for administration and licensing.

(4) Determine by negotiation the fair share of royalty income to be paid to the Principal Investigator, the Sponsoring Institution, the MMRF and any other parties who contributed funds that supported the Invention.

(5) License or make other arrangements for the application and use of the Invention on an exclusive or non-exclusive, royalty-free basis as seems reasonable in the circumstances.

