

RESEARCH ADVISORY COUNCIL

NON-CLINICAL RESEARCH AGREEMENT (Template)

THIS AGREEMENT is made by and between the KING FAISAL SPECIALIST HOSPITAL & RESEARCH CENTRE (hereinafter referred to as "KFSH&RC") having an address at P.O. Box 3354, Riyadh 11211, Saudi Arabia and _____, whose address is _____ (hereinafter referred to as "SPONSOR").

WHEREAS, the research program contemplated by this agreement is of mutual interest and benefit to KFSH&RC and SPONSOR and will further the instructional and research objectives of KFSH&RC in a manner consistent with its status as the premier Hospital and Research Centre in the Middle East. NOW, therefore, in consideration of the mutual covenants and promises herein contained, KFSH&RC and SPONSOR agree as follows:

1 RESEARCH PROGRAM

- 1.1 KFSH&RC undertakes to conduct the research program ("Research Program") described in the attached Exhibit A, "Statement of Work", and will furnish the facilities necessary to carry out such Research Program. The Research Program will be under the direction of Dr. _____ as PI (PI). SPONSOR's Technical/Scientific Representative shall be _____, or such other representative as SPONSOR may subsequently designate in writing.
- 1.2 SPONSOR understands that KFSH&RC's mission is providing patient care and advancement of knowledge through education and research, and that the Research Program will be performed in a manner best suited to carry out that mission. The manner of performance of the Research Program shall be determined solely by the PI, and KFSH&RC does not guarantee specific results.

2 PERIOD OF PERFORMANCE

The Research Program shall be conducted during the period from _____ to _____.

3 COMPENSATION

- 3.1 In consideration of KFSH&RC's agreement to undertake the research described in Exhibit A, SPONSOR will, based on invoices presented, reimburse KFSH&RC for an amount not to exceed a total of US \$ _____ for the term of the Research Program. Payments will be made within 30 days of receipt of invoice, in the name of "King Faisal Specialist Hospital & Research Centre, Research Advisory Council, and sent to Chairman, Research Advisory Council, Research Centre, KFSH&RC at the above

address. Such invoices may be issued in accordance with the payment plan in Appendix A and after KFSH&RC has achieved the goals and milestones described in Exhibit A.

- 3.2 KFSH&RC shall retain title to all equipment purchased and/or fabricated by it with funds provided by SPONSOR under this agreement.

4 CONSULTATION AND REPORTS

During the performance of the Research Program, SPONSOR's Technical/Scientific representative may have reasonable access to consult informally with KFSH&RC's PI regarding the research both personally and by telephone. The PI shall make a written report, if required by SPONSOR, every 6 (six) months during the period of performance of the Research Program.

5 PUBLICATIONS AND COPYRIGHTS

5.1 KFSH&RC and its investigators will be free to publish in reputable journals, or to present at professional conferences, the results of research under this agreement. In order to give the SPONSOR an opportunity to protect against loss of patent rights or disclosure of confidential information as a result of publication, KFSH&RC will submit copies of an early draft of any articles on the research written by project personnel to SPONSOR for review and comment at least sixty (60) days prior to the date the article is submitted for publication. If SPONSOR, in its reasonable judgment, needs additional time to seek patent or other protection for the information, it may request deferral of the publication for up to sixty (60) additional days. All deferral requests due to loss of patent rights or disclosure of confidential information as a result of publicity cannot be denied.

5.2 Title to, and the right to determine, the disposition of any copyrights or copyrightable material first produced or composed in the performance of the Research Program, shall remain with KFSH&RC; provided, however, that KFSH&RC shall grant to SPONSOR an irrevocable, royalty-free, non-transferable, non-exclusive right to reproduce, translate and use all such copyrightable material.

6 CONFIDENTIALITY OF SPONSOR INFORMATION

SPONSOR may wish, from time to time, in connection with work contemplated under this agreement, to disclose confidential information to KFSH&RC personnel. To protect the confidentiality of such information, SPONSOR may request the PI and other research personnel to sign confidentiality agreements with SPONSOR, in the form of Exhibit B hereto. KFSH&RC cannot assume institutional responsibility for a guarantee of confidentiality.

7 PUBLICITY

Neither party shall use the name of the other party or of any investigator in any advertising or promotional material without the prior written approval of the other. SPONSOR may, and KFSH&RC shall, however, acknowledge SPONSOR's support for the investigations being pursued under this agreement. In any such statements, the relationship of the parties shall be accurately and appropriately described.

8 INVENTIONS AND PATENTS

KFSH&RC and Sponsor wish to promote the patent protection of any new Invention and the commercialization of the same, and the parties hereby agree as follows:

- 8.1 Sponsor shall be the sole owner and holder of any new Inventions and the intellectual property rights therein, including, without limitation, any patent applications, patents, and trade secrets, resulting from this project, whether in the United States, Europe, Saudi Arabia or elsewhere. KFSH&RC hereby irrevocably transfers to Sponsor all existing and future rights to all such intellectual property resulting from this project.
- 8.2 KFSH&RC shall, during the term of this Agreement, receive from Sponsor a royalty of ____ % (____ percent) of the net sales price of all products made and sold by the Sponsor and based on the results of this project. Net sales price as used in this Agreement shall mean Sponsor's price invoiced to the purchaser of their products less:
- 1 Reasonable sales discounts, including any sales rebates.
 - 2 Sales return.
- If the sales are made to a purchaser being a subsidiary or affiliated company to Sponsor, the sales price for calculation of royalty shall be the price normally charged to an independent purchaser.
- 3 Royalties shall become due on the last day of each calendar half year in which the invoicing of the Products occurs and shall be paid within a period of 45 days thereafter.
- All payments shall be accompanied by a statement showing the computation of amounts due.
- 4 Sponsor may deduct any withholding income tax that may be assessed by any government from the payments made under this Agreement.
- 8.3 In order to facilitate the disposition of the intellectual property rights for the Invention and to promote efficient commercialization of the Invention, KFSH&RC hereby grants to Sponsor (the "Attorney-in-fact"), an irrevocable power of attorney, with right of substitution, to take all action necessary and appropriate to develop and commercialize the Invention to apply for patents; cause to be issued patents; to license; assign; sell; hypothecate; lien; use as collateral or otherwise to commercialize and transact in the Invention, and all the intellectual property rights in the same. The Attorney-in-fact shall report at least annually to KFSH&RC regarding its actions in this regard, and shall consult in advance with KFSH&RC on any major decisions involving expense or income relating to the Invention.
- 8.4 KFSH&RC and Sponsor agree to execute and file all documents, certificates, applications and other items reasonably necessary to patent, protect, and commercialize the Invention and the intellectual property in the same, in the United States, Europe and in Saudi Arabia, and elsewhere.

9 LIABILITY

9.1 SPONSOR shall defend, indemnify and hold harmless KFSH&RC, and its officers, employees and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any and all liability or damage, that may be incurred by or imposed upon the Indemnitees, or any of them, in connection with any claim, suit, demand, action or judgment arising out of the following:

- a) the design, production, manufacture, sale, use in commerce, lease, or promotion by SPONSOR or by an Affiliate or sublicense of SPONSOR of any product, process or service relating to, or developed pursuant to this Agreement; or
- b) any other activities to be carried out pursuant to this Agreement.

SPONSOR's indemnity under a) shall apply to any liability, damage, loss or expense whether or not it is attributable to the negligent activities of the Indemnitees. SPONSOR's indemnification under b) shall not apply to any liability, damage, loss or expense to the extent that it is attributable to:

- (i) the negligence or willful misconduct of KFSH&RC, or;
- (ii) if the Research Program involves a clinical trial of an investigational drug, a failure by KFSH&RH to adhere to the terms of the protocol or SPONSOR's written instructions relative to use of the investigational drug. Further, if the Research Program involves a clinical trial of an investigational drug, SPONSOR agrees to adhere to the terms of the document appended hereto and incorporated herein by reference entitled "Insurance Requirements for Clinical Trials of Investigational Drugs".

9.2 KFSH&RC makes no warranties, express or implied, as to any matter whatsoever, including, without limitation, to the condition of the research or any invention(s) or product(s), whether tangible, conceived, discovered, or developed under this agreement; or the merchantability, or fitness for a particular purpose of the research or any such invention or product. KFSH&RC shall not be liable for any direct, consequential, or other damages suffered by SPONSOR, any licensee, or any others resulting from the use of the research or any such invention or product.

10 INDEPENDENT CONTRACTOR

For the purpose of this agreement, and all services to be provided hereunder, the parties shall be, and shall be deemed to be, independent contractors and not agents or employees of the other party. Neither party shall have authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other party, except as may be explicitly provided for herein or authorized in writing.

11 TERMS AND TERMINATIONS

- 11.1 This Agreement has entered into force on _____, and will continue until _____. On _____ this Agreement will cease automatically.
- 11.2 Performance may be terminated by KFSH&RC in advance if circumstances beyond its control preclude continuation of the research.
- 11.3 In the event that either party shall be in default of any of its obligations under this agreement and shall fail to remedy such default within sixty (60) days after receipt of written notice thereof, the party not in default shall have the option to terminating this agreement by giving written notice thereof.
- 11.4 Termination, cancellation or cessation of this agreement shall not affect the rights and obligations of the parties accrued prior to termination. Upon any termination hereof in advance, KFSH&RC shall be entitled to be compensated for all reasonable expenses and uncancellable commitments incurred as of the effective date of the termination, not to exceed the total contract amount stated in 3.1 above.
- 11.5 Article VI and VIII and any other provisions of this agreement, which by their nature extend beyond termination hereof, shall survive such termination.

12 GENERAL

- 12.1 This agreement may not be assigned by either party without the prior written consent of the other party.
- 12.2 This agreement constitutes the entire and only agreement between the parties relating to the Research Program and all prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.
- 12.3. Any notice required by this agreement shall be sufficiently given if sent in writing by prepaid, first class, certified or registered mail, return receipt requested, addressed in the case of KFSH&RC to:

King Faisal Specialist Hospital & Research Centre
 Attention: Dr. Sultan Al Sedairy
 Chairman, Research Advisory Council
 P.O. Box 3354 MBC-03
 Riyadh 11211
 Saudi Arabia

or in the case of SPONSOR to: _____

or at such other addresses as may be designated by notice given from time to time under the terms of this provision.

12.4 All disputes arising out of, or in connection with, the present agreement, including disputes on its conclusion, binding effect, amendment and termination, shall be resolved, to the exclusion of the ordinary courts by a sole arbitrator in accordance with the _____ . *(try for laws in the Kingdom of Saudi Arabia. Depending on country of sponsor we may need to find a mutually acceptable place of arbitration).*

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives

KING FAISAL SPECIALIST HOSPITAL & RESEARCH CENTRE

By: _____
Sultan T Al Sedairy, PhD
Chairman, Research Advisory Council

Date: _____

SPONSOR

By: _____
printed name:
title:

Date: _____

I have read the foregoing agreement and agree to comply with its terms.

By: _____
Principal Investigator

Date: _____