Eyes on the Future
Revenue Sharing Policy

1. INTRODUCTION

EOTF is committed to maximising public benefit and patient impact from the research it funds in relation to rare diseases, eye diseases and inherited retinal dystrophies, particularly RDH12 -Leber Congenital Amaurosis.

To support its charitable activities, including providing funding for further research aimed at improving the lives of those affected by rare diseases, eye diseases and inherited retinal dystrophies, particularly RDH12 -Leber Congenital Amaurosis, EOTF needs to ensure that it receives a fair return of revenue arising from commercial exploitation of results and innovations arising from EOTF-funded research.

EOTF’s policy revenue sharing policy is set out in this document.

Definitions for terms used in this policy are shown in paragraph 7 below or elsewhere in this policy.

2. REVENUE SHARING FOLLOWING EXPLOITATION OF THE RESULTS ON THEIR OWN

(A) General

For the purposes of this Revenue Sharing Policy, references to “External Funder” **does not include** any grant funder which does not require the Host Institution or Grant Holder to share any revenue generated from any form of commercialisation of any form of intellectual property rights, results, know-how, technical information or otherwise under its terms and conditions.

(B) Revenue sharing where EOTF is sole External Funder

Where EOTF is the sole external funder of the Results being commercially exploited, the Exploiting Party shall pay EOTF 50% of Net Revenue.

(C) Revenue sharing where EOTF is not sole External Funder

EOTF acknowledges that research leading to commercially exploitable Results is likely to have been funded by more than one External Funder. In these cases, the Exploiting Party shall identify the proportionate funding contributions of the various External Funders to the generation of such Results and provide EOTF with reasonable evidence of such calculations.

Such calculations shall not include any internal funding, overhead or other indirect costs (including for the avoidance of doubt public core funding and all non-specific costs charged across all projects such as personnel, salaries, finance, library and departmental services) of the Exploiting Party.

Where EOTF is not sole External Funder of the Results being commercially exploited, the Exploiting Party shall share Net Revenue with EOTF as follows:

(a) Where EOTF and other External Funders have financially supported the research carried out by the same researcher(s) who contributed to the Results being exploited, the Exploiting Party shall pay EOTF 50% of Net Revenue multiplied by the Funding Weighting Ratio as explained below.

Example Calculation	**Net Revenue**	
	EOTF	**Exploiting Party**
In this example, EOTF is not the sole External Funder and contributed 25% of the external funding (**EOTF's Funding Weighting Ratio**). Thus, after deduction of taxes and Direct Costs from Gross Revenue to calculate Net Revenue, EOTF's share of Net Revenue = 50% of 25% = **12.5%**	12.5%	87.5%

(b) Where EOTF and other External Funders have each financially supported different researchers that contributed to the Results being exploited, the Exploiting Party shall pay EOTF 50% of Net Revenue multiplied by the EOTF's Inventive Weighting Ratio.

Example Calculation	**Net Revenue**	
	EOTF	**Exploiting Party**
In this example, EOTF is not the sole External Funder. Researcher A's work was fully funded by EOTF and the work of Researchers B and C were funded by External Funders. Researcher A made a 50% contribution to Results being exploited (**EOTF's Inventive Weighting Ratio**). Researchers B and C each made a 25% contribution to the Results being exploited. Firstly, the **EOTF's Inventive Weighting Ratio** (50%) is taken into consideration and secondly, the 50% revenue share is applied to that ratio. Thus, after deduction of taxes and Direct Costs from Gross Revenue to calculate Net Revenue, EOTF's share of Net Revenue = 50% of 50% = **25%**.	25%	75%

(c) Where EOTF and other External Funders have each financially supported the same researcher(s) and other External Funders have funded other additional researcher(s) contributing to the Results being exploited, then the Exploiting Party shall pay EOTF 50% of Net Revenue multiplied by the EOTF's Inventive Weighting Ratio and then multiplied by the EOTF's Funding Weighting Ratio.

Example Calculation	**Net Revenue**	
	EOTF	**Exploiting Party**
In this example, EOTF is not the sole External Funder. 50% of Researcher A's work was funded by the EOTF (**EOTF's Funding Weighting Ratio**) and Researcher A's work made a 50% contribution to the Results being exploited (**EOTF's Inventive Weighting Ratio**).	12.5%	87.5%

Example Calculation	Net Revenue	
	EOTF	Exploiting Party
The work of Researchers B and C were funded by External Funders (each making a 25% contribution to the Results being exploited). **EOTF's Inventive Weighting Ratio** (50%) and **EOTF's Funding Weighing Ratio** (50%) is applied to the 50% revenue share normally due to EOTF. Thus, after deduction of taxes and Direct Costs from Gross Revenue to calculate Net Revenue, EOTF's share of Net Revenue = (50% of 50%) x 50% = **12.5%**.		

3. **REVENUE SHARING FOLLOWING EXPLOITATION OF THE RESULTS IN A COMBINATION PACKAGE**

Where the Results are being exploited as a Combination Package the Exploiting Party shall first multiply the Combination Package Gross Revenue (i.e. gross revenue for the whole Combination Package) by the Package Weighting Ratio in order to calculate the portion of Combination Package Gross Revenue applicable to the Results included in that Combination Package (i.e. value of **EOTF Component Gross Revenue**) and then calculating the share of **EOTF Component Net Revenue** due EOTF in accordance with the scenarios set out above under paragraph 2.

Example Calculation
To calculate the Package Weighting Ratio, one must consider the relative contribution of each component in the package of licensed technologies. In this example, EOTF funded the generation of data which supported/exemplified a pre-existing patent application (i.e. data not included in patent application). The patent application and data were licenced for exploitation as a Combination Package. For the purpose of this example, the weighting applied to: (a) the patent application = 80% of the licensed Combination Package, and (b) the supporting/exemplifying data = 20% of the licensed Combination Package. Firstly, the Package Weighting Ratio Applicable to the Results (20%) is applied to the Combination Package Gross Revenue to calculate the EOTF Component Gross Revenue. Secondly, EOTF Component Direct Costs and taxes applicable to the EOTF Component Gross Revenue (if any) are deducted from the EOTF Component Gross Revenue in order to determine the value of EOTF Component Net Revenue. The 50% revenue share due to EOTF is then applied to the value of the EOTF Component Net Revenue calculated above. **Worked Example Calculation:** Combination Package Gross Revenue = **£100,000** Taxes applicable to Combination Package Gross Revenue = £20,000 Package Weighting Ratio applicable to the Results = 20% EOTF Component Gross Revenue = £100,000 x 20% = £20,000 EOTF Component Direct Costs = £0

Example Calculation
Taxes applicable to EOTF Component Gross Revenue = £20,000 x 20% = £4,000 EOTF Component Net Revenue = £20,000 - £4,000 = £16,000 EOTF's share of EOTF Component Net Revenue = £16,000 x 50% = **£8,000**

4. **REWARDING THE RESEARCHERS**

Rewarding the researchers who contributed to the development of the Results:

EOTF acknowledges that researchers who contributed to the development of the Results being commercially exploited should be rewarded in accordance with the Exploiting Party's or Host Institution´s (as the case may be) policies and procedures and applicable laws. The Exploiting Party shall be solely responsible for all and any payments which may be due to its researchers and such payments shall be made solely from the Exploiting Party's share of Net Revenues/EOTF Component Net Revenue and not deducted from Gross Revenue or deducted from Net Revenues/EOTF Component Net Revenue before EOTF's share of Net Revenues/EOTF Component Net Revenue is calculated and deducted.

5. **EQUITY**

Where exploitation revenues received by the Exploiting Party from the exploitation of Results include rights to take Equity, the Equity shall be shared between EOTF and the Exploiting Party in accordance with the calculations used for the sharing of Net Revenue/EOTF Component Net Revenue set out in (as applicable) paragraph 2 or paragraph 3.

EOTF may elect at its sole discretion (i) to hold such Equity in its own name (or its nominee), (ii) to have the Exploiting Party to hold such Equity for the benefit of EOTF, or (iii) for sums received by the Exploiting Party which derive from the Equity (such as from dividends, sale or other disposal) to be added to Gross Revenue and shared with EOTF in accordance with (as applicable) paragraph 2 or paragraph 3.

6. **MISCELLANEOUS**

EOTF (or its representatives) shall have the right to audit the Exploiting Party's records (at least annually) in relation to these revenue sharing obligations and the exploitation of Results.

The Exploiting Party shall provide EOTF with regular reports (at least annually) in relation to these revenue sharing obligations and the exploitation of Results and shall grant EOTF or any third parties assigned by EOTF for this purpose access to any relevant accounting documents in this respect.

7. **DEFINITIONS**

Combination Package:	A package containing the Results bundled together with any other Materials, Technical Information and/or Intellectual Property Rights which the Exploiting Party owns or is the beneficial owner.

Combination Package Gross Revenue: All the sums actually received by the Exploiting Party for directly exploiting a Combination Package and/or for exploiting a Combination Package under any licence, option or any other legal agreements entered into by the Exploiting Party, including, subject to paragraph 5 of this Revenue Sharing Policy, sums received which derive from the disposal or other realisation of any Equity obtained from a third party in consideration for the grant of the relevant rights in a Combination Package.

Direct Costs: All external expenses incurred and paid by the Exploiting Party in connection with the filing, prosecution, maintenance and defence of the Intellectual Property Rights arising from the Results being commercially exploited (other than in a Combination Package), including (but not limited to) official patent application filing fees and patent agent costs, all external legal, litigation and other advisory/consultancy costs reasonably necessary to achieve the same. Direct Costs shall not include: (i) any internal funding/costs, salaries of the Principal Investigator or any other investigator working on the Research Project, overhead or other indirect costs of the Exploiting Party; or (ii) any amounts payable to the inventors or contributors of the Intellectual Property Rights being commercially exploited.

Equity: The issuing of equity or any other interest (whether by way of debenture, warrant, security, participation or otherwise) from time to time in any company in consideration of the assignment or grant of a licence, rights or an option thereto to such company in respect of any Results.

Exploiting Party: The Host Institution or any third party who has the primary responsibility for the protection and exploitation of some/all of the Results as may be agreed by the EOTF.

Funding Weighting Ratio: The relative weighting given by the Exploiting Party (as agreed in good faith by the Exploiting Party and EOTF) to the funding provided by the EOTF and each other external funding body to the Results as a contribution to the total external funding.

Grant: The sum of money awarded to the Host Institution under the Terms and Conditions of Grant Acceptance in order to carry out the Research Project.

Grant Application: The application submitted by the [Grant Holder and/or the Host Institution] which requested the Grant in connection with the Research Project and accepted by EOTF.

Grant Holder: [full legal name], being the principal applicant as stated on the Grant Application or otherwise agreed by the Host Institution and EOTF who accepts responsibility for managing the Grant, the

	disbursement of the Grant, and the reporting of results in accordance with this Deed.
EOTF:	Eyes on the Future, whose registered office is First Floor, 10 Queen Street Place, London EC4R 1BE and which is registered as a company limited by guarantee in England and Wales under registration number 13956181 and a registered charity with the Charity Commission of England and Wales under registration number 1198330.
Direct Costs:	Direct Costs applicable to Results included in a Combination Package.
EOTF Component Gross Revenue:	Combination Package Gross Revenue multiplied by the Package Weighting Ratio applicable to the Results.
EOTF Component Net Revenue:	EOTF Component Gross Revenue less (a) any taxes including but not limited to value added tax, sales, excise and withholding tax, imposed on the Exploiting Party in connection with EOTF Component Gross Revenue that the Exploiting Party is unable to offset or recover; and (b) EOTF Component Direct Costs.
External Funder:	As defined in paragraph (A) of this Revenue Sharing Policy.
Gross Revenue:	All the sums actually received by the Exploiting Party for directly exploiting any Results and/or under any licence, option or any other legal agreements entered into by the Exploiting Party for the purpose of exploiting the Results, other than as a Combination Package, including, subject to paragraph 5, sums received which derive from the disposal or other realisation of any Equity obtained from a third party in consideration for the grant of the relevant rights in Results.
Intellectual Property Rights:	Any and all patents, utility models, registered designs, unregistered designs, copyright, database rights, rights in respect of Know How, rights in respect of confidential information, rights under unfair competition laws, property rights in materials, extensions of the term of any such rights and applications for and right to apply for any of the foregoing registered property and rights, and any similar or analogous rights in any part of the world.
Know How	Any unpatented technical and other information (including but not limited to unpublished patent applications, inventions, discoveries, concepts, methodologies, models, research, development and testing procedures, the results of experiments, tests and trials, manufacturing processes, data, techniques and specifications, quality control data, analyses, reports and submissions) that is not in the public domain.

Inventive Weighting Ratio:	The relative weighting given by the Exploiting Party (as agreed in good faith by the Exploiting Party and EOTF) to the inventive input of each researcher to the generation of the Results as a contribution to the whole.
Materials:	Organic or inorganic elements or compounds; nucleotide or nucleotide sequences (including DNA and RNA sequences); genes, vectors or constructs (including plasmids, phages or viruses); host organisms (including bacteria, fungi, algae, protozoa and hybridomas); eukaryotic or prokaryotic cell lines or expression systems or any development strains or products of cell lines or expression systems; proteins (including peptides or amino acid sequences, enzymes, antibodies or proteins conferring targeting properties and fragments of any protein, peptide enzyme or antibody); drugs or pro-drugs; assays or reagents and any other genetic or biologic materials or micro-organisms.
Net Revenue:	The Gross Revenue less (a) any taxes including but not limited to value added tax, sales, excise and withholding tax, imposed on the Exploiting Party in connection with Gross Revenue that the Exploiting Party is unable to offset or recover; and (b) Direct Costs.
Package Weighting Ratio:	The relative weighting given by the Exploiting Party (as agreed in good faith by the Exploiting Party and EOTF) to: (i) the Results; and (ii) each other technology and Intellectual Property Rights included in the Combination Package, as a contribution to the whole.
Research Project:	The research project as described in the Grant Application.
Results:	(i) All Materials and Technical Information generated, or otherwise collected or collated, arising, identified or first reduced to practice, in the course of the Research Project and which is partly or wholly funded by the Grant; and (ii) any Intellectual Property Rights in relation to the foregoing.
Technical Information:	All technical, scientific and other Know-How, information, trade-secrets, knowledge, discoveries, inventions, data, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, chemical structures, antibody sequences, data, designs, drawings, assembly procedures, questionnaires, databases, software, algorithms, computer programs, models, apparatuses, specifications, results, research plans, data analyses and reports and other material (whether or not confidential, proprietary, patented or patentable) in written, electronic or any other form now known or hereafter developed.