

## RESEARCH PARTICIPANT TERMS & CONDITIONS

These terms and conditions (**T&Cs**) apply to all research entities (**Research Participants**) admitted to the Defence CRC for the Defence CRC and reflect the requirements of the [Defence Cooperative Research Centres Program Guidelines \(Guidelines\)](#). All Research Participants agree with Defence CRC Limited to comply with these T&Cs. The board of the Company (**Board**) may amend these T&Cs as set out in paragraph 20.

- Term:** A Research Participant's participation in the Defence CRC will commence on the later of the date that it is notified in writing that its participant application has been successful or the date on which the Research Participant pays its initial annual participant fee (**Participant Fee**) to the Company. Participation in the Defence CRC must be renewed annually by paying the applicable Participant Fee by no later than the commencement of the participant year, being 1 July each year (**Renewal Date**). Participation in the Defence CRC will continue until the earlier of the Research Participant's retirement in accordance with paragraph 12 or the date that the term of the Defence CRC ends.
- Participant Fee:** All participants in the Defence CRC (**Defence CRC Participants**) must pay the applicable annual Participant Fee to the Company to be a Defence CRC Participant and to access opportunities to take part in projects of the Defence CRC (**Projects**). The Participant Fee is payable on admission, and for subsequent years by no later than the Renewal Date, unless otherwise agreed by the Company. Participant Fees are reviewed annually by the Board and the fees for the upcoming year will be notified to Defence CRC Participants by no later than 60 days before the Renewal Date each year. Other than the annual Participant Fee, Research Participants are not required to commit any other funds to the Defence CRC to become a Research Participant but will be required to provide contributions to Projects in which they participate as further detailed in paragraph 6.
- Eligibility:** A Research Participant must be, and must continue to be: (a) a publicly funded research organisation (**PFRO**) as defined in the Guidelines or an entity incorporated in Australia that conducts research and development, and (b) of a nature and type detailed in its application for admission as a Research Participant unless otherwise agreed by the Company. In addition, Research Participants that are universities must have also entered into a 'Defence Science Partnering Deed' (**DSP Deed**) with the Department of Defence (**Defence**) under the 'Defence Science Partnerships' program (**DSP Program**), and without limitation, have agreed to apply the on-cost arrangements set out in Schedule 2 of the DSP Deed. Any material change in circumstances which impacts upon a Research Participant must be promptly notified to the Company.
- Right to receive information:** Research Participants will be entitled to receive information about the activities of the Defence CRC, including information in relation to proposed Projects. The Company will advise Research Participants from time to time of the manner in which such information will be made available, which may include direct email, electronic newsletters, or through use of a log-in to a Research Participant restricted part of the Defence CRC website.
- Participation in Defence CRC:** Research Participants will actively participate in the Defence CRC and respond in a timely manner to opportunities made available to Research Participants to participate in the activities of the Defence CRC. Research Participants will act reasonably and in good faith in relation to their dealings with the Company and other Defence CRC Participants. If the Board determines, acting reasonably, that a Research Participant is not meeting the standards required of Research Participants under this paragraph 5, the Board may require the Research Participant to retire from the Defence CRC in accordance with paragraph 12.
- Participation in Projects:** No Defence CRC Participant has an automatic right to participate in any Project. At the Company's discretion, it may consult with one or more Defence CRC Participants, Defence CRC advisory panels, or any third party as part of the development of Project proposals. Each Project must: (a) align with Defence CRC' goals and objectives, (b) be approved by the Board, (c) meet the requirements of the funding agreement for Defence CRC between the Commonwealth and the Company (**Funding Agreement**), and (d) comply with the Guidelines. Once a Project has been approved, the Board will invite selected Research Participants (together with Defence CRC industry Participants) to apply to take part in the Project by submitting an application using the prescribed template. Research Participants will be responsible for their own costs in submitting an application. The Board may also invite third parties to apply to participate in a Project where it considers that existing Defence CRC Participants do not have the necessary expertise to conduct the Project or where a party (including an international entity) has valuable expertise but is not eligible to become a Defence CRC Participant. A third party's involvement in a Project will not confer Defence CRC Participant status to that organisation. All Defence CRC Participants will be required to provide an in-kind contribution when participating in a Project. A funding contribution to Projects from Defence CRC Participants is not mandatory but may be taken into account when determining the participants to take part in a Project. The Board will consider all Project applications received and determine which organisations will participate in the Project. The Board's decision is final.
- Conduct of Projects:** The Defence CRC has adopted a standard project agreement (**Project Agreement**) which is acceptable to the Commonwealth and aligned with the Commonwealth's template document. Other than in exceptional cases approved by the Board, no amendments to the terms of the Project Agreement will be considered or accepted. A Research Participant is expected to remain a Research Participant for the duration of any Project in which it is involved.

8. **Fee for service:** All research and development carried out by a Research Participant as part of the Defence CRC' activities, including Projects, will be on a fee for service basis. As set out in paragraph 3, the fees payable to Research Participants that are universities for the conduct of a Project will be determined in accordance with the terms of their DSP Deed, and for other Research Participants will be determined on terms consistent with those that apply under the DSP Program. The fees are to be set out in the Research Participant's Project application (which is to include a budget breakdown), and reflected in the Project Agreement. No Research Participant or other Defence CRC Participant will be entitled to any payment of monies from the Company for Project related activities except to the extent that such payment is detailed in a Project Agreement or otherwise approved in writing by the Board.
9. **Project IP:** Management of intellectual property arising from the conduct of a Project (**Project IP**) will be consistent with the principles of the Defence Innovation Hub Intellectual Property Strategy to: (a) maximise incentives to innovate, (b) attract investment, (c) develop leading-edge innovation, and (d) support sovereign industry capabilities. In addition, the terms applicable to Project IP for Research Participants will be consistent with the terms of the DSP Program for a 'Defence Strategic Project' and a 'National Security Classified Project'. Project IP will vest in industry Defence CRC Participants participating in the Project unless there are compelling reasons for ownership by Defence. Defence will make any such determination before Project commencement. The agreed ownership and use rights to Project IP will be detailed in the Project Agreement. Research Participants will usually be granted a right to use Project IP created in Projects in which they participate for their internal non-commercial research, education and teaching purposes. All such rights are to be detailed in the Research Participant's Project application and reflected in the applicable Project Agreement.
10. **Defence Purposes:** Subject to this paragraph 10, Defence will have a right to use and license the Project IP for '**Defence Purposes**' (as that term is defined in the Funding Agreement and set out for convenience in the Annexure to these T&Cs). Each Project Agreement will provide for the grant to the Company (acting as agent of Defence) of a perpetual, irrevocable, royalty-free, non-exclusive, worldwide licence (including the right to sublicense) to use Project IP for Defence Purposes. Defence will also be granted a licence to use background IP made available to the Project (**Background IP**) that is essential to enable or facilitate the proper functioning and use of the Project IP for Defence Purposes, subject to the terms of that licence being negotiated in good faith and agreed with the Background IP owner.
11. **Commercialisation rights:** Research Participants have no rights to commercialise any Project IP. The rights to commercialise Project IP will generally follow the ownership rights. Where determined and agreed by the Company at the time of execution of the Project Agreement, commercialisation rights will be set out in the Project Agreement, and otherwise will be agreed by the Company and the Project IP owners. If a party fails to exercise its commercialisation rights, it will forfeit those rights in the circumstances set out in the Project Agreement. Except in circumstances where commercialisation rights have been forfeited to Defence by a party, Defence does not have the right to commercialise Project IP in return for a royalty or other commercial return but otherwise may use Project IP for Defence Purposes as set out in paragraph 10.
12. **Retirement:** A Research Participant may retire from the Defence CRC at any time upon 30 days' written notice to the Company. The Board may further require that a Research Participant must retire from the Defence CRC immediately on written notice to the Research Participant, if the Research Participant is in breach of these T&Cs, including a failure to pay the annual Participant Fee when due or ceasing to meet the requirements of paragraphs 3 and 5. Upon retirement, a Research Participant will cease to be a Defence CRC Participant. A retiring Research Participant will continue to be liable for any Participant Fee outstanding at the date of retirement. The Board will consider, on merit and on a case by case basis, requests for a refund of the Participant Fee pro rata from the effective date of retirement to the end of the participant year. Subject to the terms of an applicable Project Agreement, retirement from the Defence CRC will not affect a Research Participant's rights and obligations under a Project Agreement to which it is a party.
13. **Confidentiality:** The Company and a Research Participant (each a **Receiving Party**) must keep strictly confidential all information disclosed by the other of them (**Disclosing Party**) in relation to the Defence CRC that is marked as confidential or which the Receiving Party ought reasonably to know is confidential to the Disclosing Party (**Confidential Information**). A Research Participant must also keep strictly confidential all information of another Defence CRC Participant in relation to the Defence CRC that is marked as confidential or which the Research Participant ought reasonably to know is confidential to the Defence CRC Participant (**Defence CRC Participant Confidential Information**). The Receiving Party must ensure that its officers, employees, contractors and agents do not disclose the Confidential Information to any third party without prior written approval of the Disclosing Party (or in the case of the Research Participant and Defence CRC Participant Confidential Information, the prior written approval of the relevant Defence CRC Participant). The obligation of confidentiality does not apply to Confidential Information or Defence CRC Participant Confidential Information that: (a) without fault on behalf of the Receiving Party is in the public domain, (b) is disclosed by a third party that has a legal right to make the disclosure, (c) is developed independently by the Receiving Party as evidenced by written record, (d) is known by the Receiving Party prior to receipt, or (e) is required to be disclosed by law, government regulation, or court order. Without limitation to the foregoing, all Project proposals and applications (**Project Confidential Information**) are confidential to the Company and the parties making or involved in the proposal or application (**Contributing Parties**), and must not be disclosed to any other party without the prior written approval of the Company and the Contributing Parties. For the purposes of giving effect to a Defence CRC Participant's or a

Contributing Party's right to have its Defence CRC Participant Confidential Information or Project Confidential Information kept confidential, the Company is acting in the capacity as agent of those parties under these T&Cs.

14. **Publicity and Publication:** A Research Participant may refer to its participation in the Defence CRC provided that it does so in the manner prescribed by the Company from time to time. Subject to the preceding sentence, a Research Participant must not use the name or logo of the Defence CRC, the Company, or the Commonwealth, or make any public announcement relating to the Defence CRC or the Company, except with the prior approval of the Company. The publication of outcomes of Projects will be determined in accordance with the Project Agreement, and may be restricted where publication would adversely affect national security interests.
15. **Reporting, Evaluation and Records:** Upon request of the Company, a Research Participant will provide all reasonable assistance to the Company to enable the Company to comply with its reporting obligations owed to the Commonwealth under the Funding Agreement. Research Participants will further provide reasonable assistance to the Company and the Commonwealth in relation to any evaluation of the Defence CRC and the Defence Cooperative Research Centres Program (as further set out in the Guidelines). Research Participants must keep and retain for 7 years adequate books and records in relation to their participation in the Defence CRC in accordance with generally accepted Australian accounting standards, and assist and cooperate with the Commonwealth in the conduct of audits in relation to the activities of the Defence CRC.
16. **Classified Work and National Security:** Any information which has national security implications is to be dealt with in accordance with Defence policy and applicable law. Defence may require Research Participants, on a case by case basis, to have specified security clearances and accreditations (including those required by the 'Defence Industry Security Program'). If this is the case, Research Participants must implement security arrangements and obtain security clearances and accreditations for staff as required by Defence. Research Participants must further comply with all applicable Australian and international export controls (such as the export controls applicable to defence and dual-use goods), and counter-proliferation and counter-terrorism regulations. For example, the *Defence Trade Controls Act 2012* (including as amended by the *Defence Trade Controls Amendment Act 2015*), the *Defence and Strategic Goods List*, and the *International Traffic in Arms Regulations*.
17. **Conflicts:** A Research Participant declares when submitting its participant application and on an ongoing basis that to the best of its knowledge it has no conflict of interest (whether real, apparent or potential) between its private interests and its obligations to the Defence CRC and the Company. If such a conflict of interest is later identified, the Research Participant must immediately inform the Company in writing. Where a conflict of interest cannot be resolved to the reasonable satisfaction of the Board, the affected Research Participant may be required to retire from the Defence CRC in accordance with paragraph 12. A Research Participant does not need to declare a conflict of interest where researchers in the Research Participant organisation conduct research in competition with the Company if those researchers are not part of the Defence CRC and the researchers have not received Confidential Information. Unless approved in writing by the Company, a Research Participant must not at any time in the five years prior to becoming a Research Participant and in relation to any aspect of research related to the Defence CRC, have received funding from or entered into an agreement to be paid for activities or services with a country (or an entity based in a country) included in the [Country Policies and Embargoes](#) list on the USA Department of State's Directorate of Defence Trade Controls website, as amended from time to time.
18. **Notices:** Any notices required to be given to Research Participants under these T&Cs may be given by email or through posting the notice on a Research Participant restricted part of the Defence CRC website.
19. **Dispute resolution:** A dispute between a Research Participant and the Company will be resolved by good faith negotiation between those parties, and failing resolution within 30 days of the commencement of negotiations, the Research Participant will retire from the Defence CRC in accordance with paragraph 12.
20. **Amendment to T&Cs:** The Board may amend these T&Cs and/or the Project Agreement. The amended T&Cs and/or Project Agreement will be notified to Research Participants by the Company at least 60 days prior to a Renewal Date, and the amended T&Cs and/or Project Agreement will apply from the Renewal Date. If a Research Participant does not wish to accept the amended T&Cs and/or Project Agreement it may retire from the Defence CRC in accordance with paragraph 12. This paragraph 20 will not apply to a Project Agreement that has been executed prior to the date of the Company's notice and such agreement will continue in force between the parties to the agreement in accordance with its terms.

## Annexure to Research Participant T&Cs Defence CRC

### Meaning of Defence Purposes

The following definition is based on and consistent with the Funding Agreement between the Defence CRC Limited and the Commonwealth.

**Defence Purposes** means any purpose within the power of the Commonwealth with respect to the defence of the Commonwealth, and includes activities for the purposes of peacekeeping and emergency aid to the civil community, (including involving, or for the benefit of, a foreign government (or foreign government agency) with whom the Commonwealth collaborates) and purposes that are necessary or incidental to any of those purposes. Without limiting this definition, Defence Purposes includes:

- (a) scientific, technical or applied research and development activities;
- (b) studies, analysis and investigation in relation to current and future technology and capability (including the technology developed under Project Agreements);
- (c) assessment, investigation and development of options to meet Defence's capability needs and operational requirements;
- (d) development and definition of functional and performance requirements to support the procurement of technology or capability; and
- (e) the provision by third party contractors of goods or services to or for Defence.

Defence Purposes does not include Commercialisation of Intellectual Property Rights by Defence in return for a royalty or other commercial return (except to the extent that Commercialisation rights have been forfeited to Defence as provided in the Project Agreement).

SAMPLE ONLY