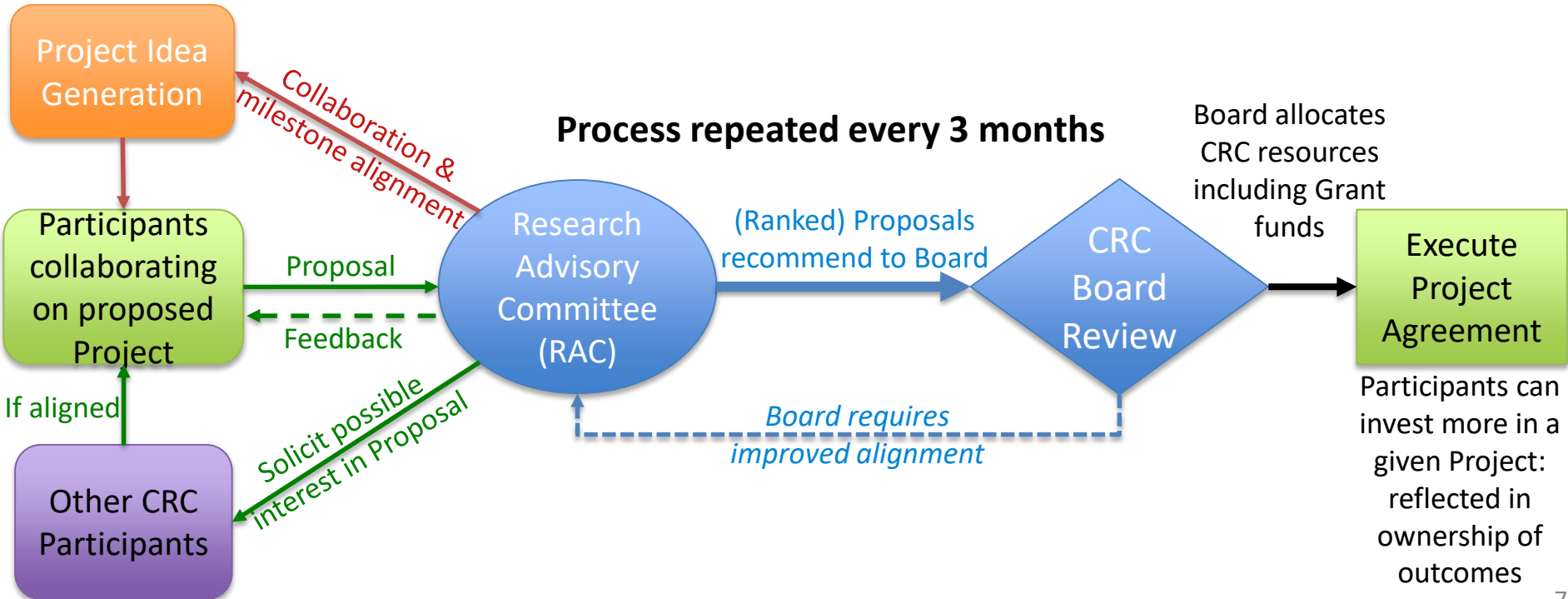


Project Selection Process



Research Advisory Committee (RAC) Process Overview

- Call for Project Proposals released
 - Submission via an on-line portal
- Submission deadline approximately 1 month later
- RAC members review proposals
- RAC meeting approximately 2 weeks after submission deadline
- Proposal approved as fundable and ranked
 - Ranking List forwarded to CRC Board for final decision
 - Project Agreement process commenced
- *High-level feedback to proposals not approved*
- **Whole process repeated every 3 months**

Basic Requirements:

- (1) At least two participants who are members of FEnEx with at least one of these being from industry or government (i.e. not a University)
- (2) Proposal word limits adhered to
- (3) All members signed up to FEnEx
- (4) No members with unpaid invoices

Budget

Commonwealth Grant funding used to leverage resources allocated to a project up to some factor (**CLF**) of Participants' aggregate cash contributions. For example

- Participant C allocates \$100k of their annual \$150k contribution to Project X
- Participant S allocates \$50k of their annual \$50k contribution to Project X
- Participant U allocates \$100k of their annual \$200k contribution to Project X
- Project X can request up to $\$250k \times (1 + \text{CLF})$ p.a. in cash resources from CRC Entity

CLF reflects ratio of Commonwealth Grant to Participant Contributions minus CRC overheads

As of Nov-2020, the CLF should be in the range 0.67 to 0.80



- (1) Contribution to the FEnEx CRC's objectives and obligations** (e.g. delivery against funding milestones as per agreement with the Commonwealth)
- (2) Research project proposal quality** (including innovation, novelty, methodology robustness and suitability)
- (3) Research project proposal feasibility** (applicant suitability, resource availability, project planning and budget, market fit, budget justification)
- (4) Impact** (Utilisation plan quality and rigour, final technology readiness (if applicable), commercial potential (if applicable) and/or relevant market impact)

Project Agreement Considerations

(1) Cash flow

Participants will be invoiced on a quarterly basis.

Project payments to Lead Participant will occur on completion of Milestones/Deliverables according to an agreed schedule

Project payment rate should roughly match Participant invoicing schedule.

(2) IP

Guiding principle for initial position: single owner of IP; with royalties and costs split as per input resources (cash and in-kind treated equivalently)

Selection of IP owner based on Participant best able to commercialise and/or utilise, with consideration also to requisite background IP

All parties should have royalty-free licenses to use IP within reasonable domain

See examples provided previously (& attached here as Appendix).

Sensor Technology for Cryogenic Solids Formation in LNG plant (aligned with milestone 1.3.2)

Total resources to project = \$1,290,000 cash + \$833,000 in-kind = \$2,123,000

- From CRC-Entity via Grant: \$540,000 cash [25 % of total]
- From University Party Y: \$300,000 cash + \$378,000 in-kind [32 % of total]
- From Industry Party X: \$450,000 cash + \$455,000 in-kind [43 % of total]

In Project Agreement, parties specify & agree the following about **IP & commercialization plan**

- Party Y will **own** all Project IP (due to background IP & other reasons) & leads its commercialization
- Party X granted non-exclusive, non-transferable, royalty-free license to the IP in the oil & gas sector
- Party X will receive 40% of royalties, CRC-Entity will receive 25% of royalties from commercialization
- Future patent costs to be shared by parties in ratio 25:40:35 (C:X:Y)
- Party Y is **Utilization Agent** with **Utilization Plan** detailing intent to license to specialist 3rd party OEM

Two PhD students funded enter into assignment deed (or similar) with Party Y regarding their share of Project IP.

Students retain copyright of their own thesis; examination & publication according to University policy and confidentiality embargoes; any publications first approved by all parties

Process Improvements (e.g. aligned with milestone 3.4.1 – improved digital control systems)

- IP owned by Industry Party Y who made major resource contribution & proved on its facilities
- Other Project participants have non-exclusive, royalty-free license to IP in oil & gas or hydrogen sector
- CRC has non-exclusive, non-transferable, royalty-free license to IP in any sector
- Utilization Agent could be either Party Y or CRC; any royalties from external licenses split in agreed ratio

Software Tools (e.g. aligned with milestone 2.2.1 – LH2 boil off simulator)

- Developed within Project from scratch. CRC is owner of IP and is also Utilization Agent
- All CRC participants granted non-transferable royalty-free licenses to use IP in hydrogen sector
- Other Project participants receive share of royalties from external licensing of software tools

Market & Policy Research (e.g. aligned with milestone 4.3.2 – LNG reservation policy analysis)

- Report copyright owned by CRC who is also Utilization Agent & disseminates/promotes report
- All CRC participants granted royalty-free licenses to use IP (e.g. model of market or policy impact)
- If objective is advocacy: issue IP with creative commons license to promote wide-spread use
- If competitive advantage: CRC-only access for period then maybe license externally with revenue shared