

**PROPOSED AGREEMENT TO INCREASE THE JOSEP CARRERAS
INTERNATIONAL FOUNDATION'S ALLOCATION FOR THE CONSTRUCTION
AND EQUIPPING OF THE JOSEP CARRERAS LEUKAEMIA RESEARCH
INSTITUTE**

1.- At a meeting of the Board of Trustees of the Josep Carreras International Foundation on 25 April 2016, it was agreed to increase the amount of the financial allocation committed to in the agreement of 30 November 2010 with the Generalitat de Catalunya (Government of Catalonia) for the creation, building and equipping of the Josep Carreras Leukaemia Research Institute. The Board of Trustees agreed to increase the amount from the initially agreed €14,000,000 to €18,000,000 in two phases, subject to the course of the 2016 financial year. The Delegate Committee was appointed to oversee compliance with this agreement.

The 2016 financial year closed with positive results which have enabled the Foundation, with the agreement of the Delegate Committee in accordance with the agreement of 24 November 2016, to commit the amounts necessary for the items for which the aforementioned increase was requested, especially construction work, installations, furniture, equipment and equipment shared with the Germans Trias i Pujol Research Institute on Health Sciences.

The result achieved meant the Foundation's reserves were greater than the limit approved at the meeting of 25 April 2016, with an amount greater than €19,700,000. Therefore, if the Board of Trustees sees fit, it can continue to increase and strengthen the IJC's assets.

In parallel to this, on 2 February 2017, Prof. Evarist Feliu, in his capacity as President of the IJC's Delegate Committee, delivered a request from the FIJC to increase the allocation for equipment given that the allocation included in the approved additional allocation mentioned in the first paragraph was based on the hypothesis that the IJC would capture resources from the 2016 FEDER tender. In the end, the allocation made by government representatives did not include any of the items that had been requested. Consequently, and independently of any future FEDER tender, the IJC requests the FIJC Board of Trustees to authorise an additional allocation of €588,088.91 in order to acquire the equipment it had been intended to purchase with FEDER funding.

This increase means that it is advisable to set the committed limit at €19,500,000, an amount that is less than the available reserves on 31 December 2016.

2.- On 7 April 2017, the Director General for Research at the Catalan Government Ministry of Health made a proposal for the IJC to incorporate the epidemiology team led by Dr. J. Casabona. Such an incorporation could bring many advantages.

Firstly, the IJC would be able to develop its Line 9, in the field of the epidemiology of leukaemia and other malignant blood diseases, as described in the Strategic Plan. The whole spectrum of the IJC's research would then be complete, covering prevention and basic, translational and clinical research.

It is also important to note that this request demonstrates a great spirit of collaboration on the part of our authorities since it shows very clear confidence in and support for our project. Placing this unit under the auspices of the IJC would make our organisation more valuable and necessary within the spectrum of research in Catalonia. If the authorities had not seen a clear future for the IJC, they would not have made this proposal.

Should an agreement be reached, a preparatory measure would be to refurbish one of the spaces which have not yet been finished on the 1st, 2nd or 3rd floors of the building at the ICO-Germans Trias i Pujol Campus. Dr. Casabona and his team would need 288 square metres of space. It would not seem reasonable, however, to only partially refurbish one of the free spaces, each of which covers an area of approximately 500 square metres. In order to avoid future inconvenience we have been advised that it would be better to refurbish the entire available space on whichever floor is chosen, even if it is partially disused to begin with.

Being cognisant of these circumstances, and depending on the economic evolution during the financial year and the appropriateness of agreeing to the request made by the Director General for Research, it is proposed to empower the Delegate Committee to accept a new increase to the committed limit to €20,000,000 in order to suitably equip the space that would be needed by the Epidemiology Unit.

3.- Over recent months the Vice-president and the Administrator have been intensifying their negotiations with the Hospital de Sant Pau Private Foundation in order to reach an agreement about the equipping of spaces for the IJC at this Campus. As a result of these conversations, the FIJC has proposed a five-way agreement with the participation of these two organisations plus the Hospital de la Santa Creu i Sant Pau Health Administration Foundation, the Sant Pau Research Institute Private Foundation, and the Josep Carreras Leukaemia Research Institute Foundation. This agreement makes it possible to identify the investments that will be needed and to establish the scientific and financial regime for the development of the IJC's Sant Pau Campus, which would be regulated by a specific tripartite agreement between the IJC, the Hospital de la Santa Creu i Sant Pau Health Administration Foundation and the Sant Pau Research Institute Private Foundation.

The proposed agreement envisages a final FIJC contribution to the Hospital de Sant Pau Private Foundation of up to €400,000 for the creation of a Clean Room within the Sant Pau Campus, the refurbishing of a laboratory space yet to be determined and the purchase of equipment for the exclusive use of the IJC. The contributions and investments are dependent on the signing of the tripartite agreement mentioned above.

Although, at the time of drafting this proposal, the final budgets needed for refurbishing the spaces and purchasing equipment have not yet been determined, it is advisable to formalise an agreement that would enable the development of the Sant Pau Campus to go ahead, to the extent that the negotiations, budgetary resources and FIJC reserves permit.

4.- Proposed agreement

1. Agreement to increase the committed amount for the construction and equipping of the Josep Carreras Leukaemia Research Institute in two phases:
 - a. Up to €19,500,000 for the purchase of the equipment necessary to fully equip the ICO - Germans Trias i Pujol Campus. This increase to be disbursed from the reserves accumulated up to 31 December 2016.

- b. Up to €20,000,000 to complete the construction, equip and furnish one of the free spaces on one of the three floors of the ICO – Germans Trias i Pujol Campus, should an agreement be signed with the Directorate General for Research of the Catalan Government Ministry of Health with regard to the integration of the Epidemiology Unit. This allocation must be funded from savings generated in the execution of the points contemplated in Phase 1, which had been approved at the meeting of the Board of Trustees on 25 April 2016, with surplus reserves from the 2016 financial year, if applicable, and any surplus that might be generated by the FIJC during the 2017 financial year. The Delegate Committee is empowered to make this disbursement upon formalisation of the intended agreement and according to budgetary developments, given that available reserves on the day of the Board meeting, 20 April 2017, fall short of the sum of €20,000,000 and there may be unforeseen circumstances during the course of the financial year that make the operation unviable due to a failure to achieve the sum of reserves required.
2. In accordance with the negotiations with the Hospital de Sant Pau Private Foundation, the Sant Pau Research Institute Private Foundation and the Hospital de la Santa Creu i Sant Pau Health Administration Foundation, budgetary developments and the economic evolution of the 2017 financial year, to empower the Delegate Committee to allocate resources to the development of the Sant Pau Campus. This allocation may never, under any circumstances, constitute an increase in the committed allocation greater than the sum of reserves available to this end, and neither may it entail any kind of debt arrangement.