1. **Equipment for Laboratories**

1.1 All grant funds (each, a “Grant”) provided by Global Action to End Smoking, Inc. (the “Corporation”) to a grantee (“Grantee”) to purchase equipment for laboratories are “restricted” funds. In addition, the amounts set out in a proposed budget submitted to the Corporation by a Grantee will be treated as “tentative” until quotes are delivered to the Corporation and approved by the Corporation in its sole discretion. Any purchase of laboratory equipment with Grant funds from the Corporation shall be by mutual written consent of the Corporation and Grantee following the rules and procedures of acquisition of such materials by Grantee, such as number of quotes, approvals from relevant committees, etc.; following such additional rules and procedures as the Corporation may require; and consistent with the rules and regulations for charitable grants in the jurisdiction of Grantee.

1.2 Grantee shall ensure that the seller of any equipment purchased with Grant funds from the Corporation offers and agrees to provide ongoing maintenance and repair of the equipment. Grantee shall have and maintain adequate comprehensive insurance coverage for equipment purchased with Grant funds from the Corporation.

1.3 The use of equipment purchased with Grant funds from the Corporation shall be primarily limited to research conducted by Grantee during the duration of the Grant. After the initial two-year period of the Grant, Grantee may, with the Corporation’s prior written approval during any period in which such equipment is jointly owned by the Corporation and Grantee, offer the use of such equipment to other research institutions for activities that accelerate an end to smoking and other related public health matters or for the diversification of tobacco dependent smallholder agriculture at subsidized rates, provided, however, that any net revenue received by Grantee from such use must be distributed to enhance the research capacity of Grantee and its partners, if any, based in low- and middle-income countries. The accounts and annual reports of Grantee submitted to the Corporation must clearly reflect such revenue and distributions. All use of equipment purchased with Grant funds from the Corporation must be consistent with the Corporation’s priorities and shall be communicated by Grantee during monitoring and evaluation visits by Corporation staff and advisers.

1.4 The equipment purchased with Grant funds from the Corporation shall be jointly owned by the Corporation and Grantee until the end of the Grant period or five (5) years from the date of the Grant, whichever is later. During such time, Grantee may not transfer, sell, lease, encumber, or dispose of such equipment. After such time, such equipment will be owned solely by Grantee.

1.5 Notwithstanding the foregoing, in case of termination of a Grant or the inability of Grantee to fulfill the purpose of the Grant for any reason, the Corporation may reacquire equipment purchased with Grant funds at no cost and transfer such equipment as the Corporation determines appropriate in its sole discretion. In addition, while it is anticipated the Corporation will rarely do so, the Corporation may also reacquire equipment purchased with Grant funds and transfer such equipment in cases where a Grant is transferred to another Grantee and the
equipment purchased with Grant funds is needed to continue the research at such new Grantee.

1.6 Grantee shall take a physical inventory of equipment purchased with Grant funds from the Corporation and the results shall be reconciled with the equipment records at least annually or more frequently as the Corporation shall reasonably request. Any differences between quantities determined by the physical inspection and those shown in the equipment records shall be investigated by Grantee to determine the cause of the difference. Grantee shall, in connection with such inventory, verify in writing to the Corporation the existence, current utilization, and continued need for such equipment.

1.7 Grantee shall maintain a control system to ensure adequate safeguards to prevent loss, damage, or theft of equipment purchased with Grant funds from the Corporation. Any loss, damage, or theft of such equipment shall be investigated and fully documented, and Grantee shall promptly notify the Corporation in writing of any such loss, damage, or theft within forty-eight (48) hours of discovering the loss, damage, or theft.

1.8 Grantee shall not use equipment purchased with Grant funds from the Corporation to provide services to private and for-profit organizations for a fee that is less than private and for-profit organizations charge for equivalent services.

1.9 Grantee shall, in coordination and consultation with the Corporation, use equipment purchased with Grant funds from the Corporation for the project or program for which it was acquired and in a manner aligned with the Corporation's research agenda as long as needed, whether or not the project or program continues to be supported by the Corporation. When the equipment is no longer needed for the original project or program, Grantee may use such equipment in connection with its other research activities and shall provide a quarterly written report of such usage to the Corporation. Any net revenue from such use of equipment shall be used to develop the capacity of Grantee and its registered not-for-profit partners, if any. Grantee shall file written reports to the Corporation regarding the use of such net revenue at least annually or more frequently as the Corporation shall reasonably request.

1.10 During the time that equipment purchased with Grant funds from the Corporation is used for the program, project, or activity for which it was acquired, Grantee shall make such equipment available for use on other projects or programs if such other use will not interfere with the work on the program, project, or activity for which the equipment was originally acquired. First preference for such other use shall be given to other programs, projects, or activities funded by the Corporation.

2. **Vehicles**

2.1 The Corporation does not permit use of Grant funds from the Corporation for the purchase of vehicles to conduct research-related activities or other work as described in a grant agreement. This limitation is consistent with the best practices of other major foundations and philanthropic organizations, which take into account considerations such as running costs, maintenance, insurance, and security of personnel, among others.
22 As necessary to facilitate a Grant-funded program, project, or activity and provided the Grantee has included such costs in an approved Grant budget, Grantee may lease or rent vehicles for the necessary period and may enter into lease or rental agreements with service providers where appropriate to fulfill its Grant objectives through the use of such vehicles.

23 Grantee acknowledges the Corporation is not responsible for third-party claims, demands, losses, liabilities, costs, or expenses of any kind or nature whatsoever, including, without limitation, third-party claims of personal or bodily injury or death, arising out of or relating to the use of any vehicle by Grantee or the security of staff of Grantee using any vehicle, and Grantee is solely responsible for any of the foregoing and Grantee shall exercise reasonable due diligence when leasing and/or renting any vehicle.