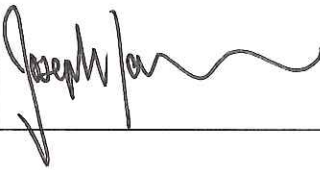


CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • MEMORIAL HOSPITAL
WOMEN & INFANTS HOSPITAL • VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

Intellectual Property Policy

SUBJECT: Intellectual Property Policy	PREPARED BY: Padma Choudry, Associate General Counsel	EFFECTIVE DATE: October 28, 2014	POLICY NUMBER: CNE-FIN-05
PAGE: 1 of 13	APPROVED BY: Joseph Iannoni, EVP & CFO	REPLACES: Butler Hospital: None	REPLACES: Kent Hospital: None
		REPLACES: Memorial Hospital of Rhode Island: None	REPLACES: Women & Infants Hospital: Patent and Invention Policy (#ADM-20)

A. GENERAL

- I. **Purpose.** The vision of Care New England (“CNE”) is to be recognized nationally for quality care, academic excellence, and innovation. This Patent and Invention and Copyright Policy (this “**Policy**”) is intended to further CNE’s vision by promoting innovation through the encouragement and development of research, scholarship and creative activity and by providing a means through which Inventions, copyrightable materials and other intellectual works may be produced, preserved and disseminated for the public good. Additionally, this Policy sets forth guidelines to protect the interests, and ensure the fair treatment, of each of the Inventors and Institutions.
- II. **Scope.** This Policy applies to (a) Butler Hospital, Women & Infants Hospital of Rhode Island, Kent County Memorial Hospital, Memorial Hospital of Rhode Island, VNA of Care New England, the subsidiaries of each of the foregoing and any other direct or indirect CNE subsidiary (each an “**Institution**”); and (b) the full and part-time employees or members of the professional staff of an Institution, whether or not paid by such Institution, as well as anyone (i) using an Institution’s Resources (for whatever purposes, and whether or not for compensation); (ii) participating as a member of the research team in clinical or other research conducted at an Institution or under the auspices of such Institution; or (iii) using funds from outside sources (e.g., grants) under an Institution’s sponsorship, including, without limitation, contractors, consultants, agents, visiting clinicians or scientists, fellows, students and trainees (individually, a “**Covered Individual**” and collectively, “**Covered Individuals**”). These Covered Individuals, in consideration of their affiliation with an Institution, agree to the terms and conditions within this Policy, must assign, and hereby do assign any rights and interests in Inventions, Works, other Intellectual Property, and TRP as specified in this Policy.

III. Definitions. For purposes of this Policy, the following terms shall have the meanings assigned to them in this Section A.III. Any terms capitalized in this Policy and not defined in this Section A.III shall have the meanings assigned to them elsewhere in this Policy.

- (a) “**Academic Works**” are Works the ownership of which shall remain with (or shall be returned to, if necessary) the Author(s), in deference to traditional academic freedoms. “Academic Works” shall mean Works of an academic or scholarly nature (as defined by the CNE General Counsel in case of disagreement):
1. that are authored by Covered Individual(s) in the course of customary clinical, research, and educational activities;
 2. that are prepared at the Covered Individual(s) own initiative and not at the request or under the auspices of an Institution, nor for Institutional purposes, and that do not make substantial use of Institution Resources; and
 3. that are not owned by or obligated to a third party through any Institutional arrangement.

This Academic Work concept is intended to recognize and facilitate the traditional academic freedoms of Covered Individuals to publish and disseminate their scholarly works.

It is not possible to formulate an all-inclusive definition of “Works of an academic or scholarly nature” that can be applied mechanically to every imaginable Work; however, these will ordinarily include Works such as traditional textbooks, course and curriculum materials (which does not include courseware), and articles published in scientific journals. The term Academic Work is not generally intended to cover Software, databases, and courseware. The Author’s mere receipt of salary support, or use of office space or computers for word processing provided by an Institution shall not be considered “substantial use of Institution Resources” for the purpose of determining whether a Work meets the criteria for an Academic Work. In addition, a Work that describes research or other activities that did make substantial use of Institution Resources shall not be disqualified from being treated as an Academic Work as long as the creation of the Work itself, as opposed to the underlying research or other activity, did not make substantial use of additional Institution Resources.

If uncertain, Covered Individual(s) should request a review by the Intellectual Property Review Committee at any time to determine if a particular Work should be considered an Academic Work.

- (b) “**Administrator**” means the Technology Ventures Office at Brown University, or other individual or entity designated by the General Counsel of CNE from time to

time, responsible for the administration and commercialization of Inventions and any Institution-owned Works.

- (c) **“Author”** means a Covered Individual of an Institution who creates a Work.
- (d) **“Committee”** means the Intellectual Property Review Committee, the composition and description of which is set forth in Section A.IV.
- (e) **“Inventor”** means a Covered Individual of an Institution who creates or makes any discovery or any Invention (i) in connection in any way with the regular duties and responsibilities, research or other assigned work of such Covered Individual for, or on behalf of, the applicable Institution, or (ii) that involved the use of Institution Resources.
- (f) **“Institution Resources”** mean any items or persons provided by or accessed through an Institution, or the payment of salary, scholarships, fellowships, or similar stipends through the Institution, including, without limitation, Institution funding, facilities and/or space (excluding facilities and/or space rented at fair market value from an Institution), resources, such as equipment, computer infrastructure, materials, supplies, property, ideas, data, information not in the public domain, use of an Institution’s regulatory review committees, staff, patients or employees working within the scope of their employment.
- (g) **“Institutional Works”** mean Works that are supported by a specific allocation of an Institution’s funds or created at the direction of an Institution for a specific Institution purpose. “Institutional Works” may also include Works whose authorship cannot be attributed to one (1) or a discrete number of Covered Individuals, but rather result from simultaneous or sequential contributions over time by multiple Covered Individuals.
- (h) **“Intellectual Property”** means Inventions, Patents, Works, Trademarks, Trade Secrets, and any other intellectual or intangible property (such as non-secret data) which is or becomes protectable by law.
- (i) **“Invention”** includes not only tangible or intangible inventions, discoveries or other innovations, whether or not patentable or reduced to practice, but also includes proprietary information relating to useful articles of commerce and processes such as computer programs, secret processes and methods. An Invention may also include biological material that may be legally and ethically licensed or made available to another party in a manner that generates income. An Invention does not include copyrightable materials, unless such copyrightable material is determined to be both copyrightable and an Invention in which case appropriate and reasonable distinctions will be made in accordance with this Policy.
- (j) **“Net Income”** means income after all deductions of expenses for processing, development, patent prosecution (as necessary), and any fees or commissions accrued and/or paid and related to such patent, including a proportionate share of

overhead, but excluding any monetary payments received with respect to such patent that is intended to reimburse for any patent related expenses. The determination of the items that constitute proper processing, development and patent prosecution (as necessary) expenses shall be determined by the Executive Vice President, Chief Financial Officer of CNE (the “**CNE CFO**”), and shall be final and binding in every case.

- (k) “**Software**” means computer or computer-based materials in the broadest sense, including, but not limited to computer programs, user interfaces, user manuals and other accompanying explanatory materials or documentation, mask works, firmware and computerized databases. It includes, for example, microcode, subroutines, operating systems, high level languages, and application programs in whatever form expressed (e.g., machine or assembly language, source or object code) or embodied (e.g., chip architecture, ROM, disk or tape storage, program listing). While some materials defined here as Software may not be covered by United States copyright laws (mask works, for example, are protected separately under the Semi-Conductor Chip Protection Act), for convenience, all Software is treated as a copyrightable Work for purposes of this Policy. In many cases, however, Software will constitute or embody Inventions as well as copyrightable Works and will be subject to both Section B and Section C of this Policy.
- (l) “**Tangible Research Property**” (“TRP”) refers to those research results that are in a tangible form, as distinct from intangible (or intellectual) property. TRP also includes human tissue and other bodily samples which may be obtained in the course of research activities, or in the course of non-research activities (such as surgery or biopsy) but which are of interest to researchers. TRP often has intangible Intellectual Property rights associated with it, for example, biological molecules which are patented.
- (m) “**Trademark**” means any word, phrase, logo, design, or other symbol used to identify and distinguish the source of goods or services. As used here, the term includes any trademark, service mark, trade name, or trade dress.
- (n) “**Trade Secret**” means any scientific or technical information, design, process, formula, listing, or other information relating to a business or profession that is kept reasonably confidential.
- (o) “**Work**” means any original expression that is copyrighted or eligible for copyright protection.
- (p) “**Works Made for Hire**” are any Works that are created in the scope of a non-medical/professional staff’s employment or affiliation with an Institution, or created by a medical/professional staff at the request of an Institution or as part of an Institutional undertaking, or that otherwise constitutes a “Work Made for Hire” under the copyright laws of the United States. By way of example, these Works may include training, educational or policy materials, articles written for the news office, patient handbooks, or Software created by professional, administrative or

other staff at the request of an Institution or as part of an Institutional undertaking, or Software created by individuals who are employed by an Institution as programmers.

- (q) **“Works Significantly Derived from Institution Resources”** are Works that are created by one or more Covered Individual(s) in performing activities that
1. received any direct or indirect financial support from an Institution, including Institutional salary support or funding from any outside source awarded to or administered by an Institution;
 2. made substantial use of any space, facilities materials or other resources of an Institution, including resources provided in-kind by outside; or
 3. were otherwise subject to any grant, contract or other arrangement between an Institution and a third party, such as the federal government, a foundation, or corporate research sponsor.

IV. Intellectual Property Review Committee.

- (a) There shall be an Intellectual Property Review Committee which includes (i) the individual serving in the position of General Counsel of CNE (the **“General Counsel”**) or a designated representative from the General Counsel’s office; (ii) one (1) individual actively involved in research activities or administration at each hospital Institution and appointed by the applicable Institution; (iii) an individual with experience in research administration appointed by the Committee; (iv) a designated representative of the Administrator; and (v) such other individuals as may be determined and appointed by the Committee from time to time, including individuals with a relevant clinical or technical expertise who may serve on an ad-hoc basis.
- (b) The General Counsel or the General Counsel’s designated representative shall serve as Chair of the Committee and the Committee shall meet on an ad hoc basis or regular basis, as deemed necessary by the Chair of the Committee.
- (c) The Committee shall be responsible for reviewing reports and documents provided by the Administrator and providing advice with respect to the investment of resources in connection with patents, copyrights and other forms of intellectual property. At the request of the Chair of the Committee, the Committee may provide guidance in outreach and educational activities with respect to Inventions and any Institution-owned Works.

V. Administration.

- (a) General. The General Counsel, the Administrator, the CNE CFO, the CNE SVP Marketing and Communications, and the Committee shall have the responsibilities as detailed through this policy.

- (b) Disclosures. Covered Individuals shall promptly notify the Administrator when an Invention, a Work, other Intellectual Property, or a TRP has been created which might be subject to this Policy. Each such disclosure (“Disclosure”) shall be in a form specified by the Administrator and approved by the General Counsel and shall contain a provision that each Covered Individual thereby assigns all rights in any Intellectual Property or TRP to the applicable Institution. The Administrator shall maintain a central record of all Disclosures.

B. PATENTS & INVENTIONS

I. Policies Applicable to Externally Sponsored Research.

- (a) When an Institution and an outside sponsor enter into an agreement for research to be conducted with funds or facilities provided by the outside sponsor, any Covered Individual who utilizes such funds or facilities may be required to enter into an agreement with the outside sponsor as to Inventions arising from the use of the sponsor’s funds or facilities.
- (b) In such a case, an Institution, through the office of the General Counsel (in consultation with the principal investigator of the sponsored research), shall negotiate those terms of sponsored research agreements which relate to Inventions or which define patent rights, copyrights, and other similar property rights, on behalf of both the Institution and the Institution’s Covered Individuals, in accordance with the terms and objectives of this Policy.
- (c) Covered Individuals who are engaged in consulting work or in private business are responsible for determining that the terms of consulting or private business agreements which define patent rights, copyrights, and other similar property rights, are not in conflict with this Policy, or with the applicable Institution’s commitments in sponsored projects, and for ensuring compliance with other applicable Institution policies regarding outside work and conflicts of interest.

II. Ownership of Inventions.

- (a) An Institution owns certain legal rights in Inventions under any agreement(s) that may be executed by the Institution and a Covered Individual, under any agreements between the Institution and outside sponsors of research, and/or under applicable federal and state law. An Institution owns all rights in an Invention, the discovery of which:
 - 1. involved the use of Institution Resources; or
 - 2. was connected in any way with the regular duties or other assigned work of the Covered Individual for or on behalf of the Institution.
- (b) An Institution also owns rights in Inventions which result, in whole or part, from Institution sponsored research when:

1. the Institution has explicitly funded a project or otherwise supported a project under a prior understanding regarding patent rights, copyrights, or other similar rights, or
2. an Inventor requests the Institution's assistance in the exploration of a patent right, copyright or other similar right and all parties agree in advance to a particular distribution of rights in the Invention.

III. Inventor Obligation. As set forth in Section A.V(b), Covered Individuals have an obligation to disclose, and promptly notify the Administrator, when an Invention, a Work, other Intellectual Property, or TRP has been created which might be subject to this Policy and shall assign all rights in any Invention, Work, other Intellectual Property, or TRP to the applicable Institution. Covered Individuals do not have the right to enter into agreements concerning any Invention, including, without limitation, any agreements to sell, license or otherwise commit or dispose of any Invention, and any such agreement shall be considered null and void; furthermore, if a Covered Individual entered into any such prohibited agreement, such action shall constitute non-compliance with this Policy and may put continued employment, funding, sponsorship, affiliation or any other support from the applicable Institution at risk.

IV. Ethical Issues. All research endeavors undertaken in efforts to secure the intellectual property which forms the basis for such patents and inventions will be conducted in accordance with and with the appropriate supervision of the applicable Institutional Review Board (IRB) for human subjects and the Institutional Animal Care and Use Committee (IACUC) (or other similar committee delegated with such responsibility by an Institution) for vertebrate animals as appropriate. If a transaction involves potential ethical issues, such issues shall be addressed and resolved consistently with prevailing ethical concepts, all applicable policies of CNE and the applicable Institution related to conflicts of interest and with the input and oversight of a committee determined by the applicable Institution that is appropriate to address and resolve such issues.

V. Invention Exploitation Options. The Inventor and the applicable Institution have the following options for commercial exploitation of an Invention. However, the terms of a sponsored research agreement related to an Invention may require the exercise of one of these options, or preclude the exercise of one or both options.

- (a) Exploitation by an Institution. An Institution may decide to exploit an Invention, or to license or assign its rights to an Invention. In such case, the CNE CFO shall distribute income derived from the Invention in accordance with the terms and objectives of this Policy.
- (b) Exploitation by the Inventor. Upon a request of a waiver of the applicable Institution's rights in an Invention from the CNE CFO and the General Counsel, with approval of such request at the discretion of the CNE CFO and the General Counsel, the Institution may release an Invention to the Inventor and the Inventor may exploit an Invention at his or her own expense. When an Invention has been made under a research agreement containing patent terms which permit the

applicable Institution to pass title to an Inventor, in addition to the request of a waiver as set forth above, it is generally necessary to initially petition the sponsoring agency to obtain clear title. The Institution's release of an Invention may be conditioned on the Inventor's agreement to, (i) reimburse the Institution for out-of-pocket legal fees and other expenses if and when the Inventor receives income from the Invention; (ii) to share back with the Institution a percentage of net income; (iii) to fulfill obligations that may exist to any sponsors; and/or (iv) to grant back to the Institution an irrevocable, perpetual, royalty-free, non-exclusive right to use the Invention for research, education and clinical care purposes.

C. COPYRIGHTS & OTHER INTELLECTUAL PROPERTY

I. Ownership of the Copyright in a Work. Except as set forth in Section C.I.(a) through Section C.I.(f) below and subject to Section C.II (as applicable), the Covered Individual(s) that is the Author(s) of a Work(s) shall own the copyright in that Work(s). The copyright in a Work shall vest in the applicable Institution in the following cases:

- (a) if the Work is a Work Made for Hire;
- (b) if the Work is an Institutional Work;
- (c) if the Work is Significantly Derived from Institution Resources;
- (d) if there is an intent to commercialize the copyrighted material on the part of the copyright owner(s) in an industrial application (*e.g.*, commercial computer software programs, commercial data management and analysis products and services);
- (d) if the Work is an audio, video, photographic or any form of digital reproduction of a presentation, seminar or similar event made by an Institution and or its staff;
- (e) if the Work includes images of one (1) or more facilities or buildings, or any property, owned by an Institution for purposes other than scholarly research and publication; and
- (f) if the Work includes the name of an Institution or any other CNE-related entity as an endorsement, enhancement or sanction for a product or service.

The applicable Institution may decide to assign its copyright to the Covered Individual(s) that is the Author(s) of the Work on a case by case basis and at such Institution's sole discretion.

II. Types of Works.

- (a) **Academic Works.** "Academic Works" has the meaning given in Section A.III(a). CNE and the Institution(s) shall retain the right to a royalty-free license to use Academic Works for Institutional purposes.

The General Counsel shall have the authority to clarify and modify the definition of Academic Works and develop guidelines for its interpretation from time to time. New developments in academic publishing, among other factors, can be taken into account through this process.

- (b) **Institutional Works.** “Institutional Works” has the meaning given in Section A.III(g). Unless otherwise assigned by the applicable Institution pursuant to Section C.I, copyright in any Institutional Work shall be owned by the applicable Institution.
- (c) **Works Significantly Derived from Institution Resources.** “Works Significantly Derived from Institution Resources” has the meaning given in Section A.III(q). Unless otherwise assigned by the applicable Institution pursuant to Section C.I, the Institution(s) shall own all Works Significantly Derived from Institution Resources and all rights in the copyright of such Works.
- (d) **Works Made for Hire.** “Works Made for Hire” has the meaning given in Section A.III(p). Unless otherwise assigned by the applicable Institution pursuant to Section C.I, copyright in any Work Made for Hire shall be owned by the applicable Institution.
- (e) **Related Software.** Related Software means Software created by a Covered Individual that is not a Work Made for Hire but that arises out of or relates to the clinical, research, educational or other activities of the Author at an Institution.

In circumstances deemed appropriate by the Committee, the Institution will waive its claim to any Related Software that is created in the performance of future consulting services under a Consulting Agreement that conforms with the Institution’s policies.

III. Institution Rights. When a Work is developed in conjunction with a Covered Individual’s Institution activities and responsibilities, or using Institution Resources, or with the involvement of other Covered Individuals of an Institution, the applicable Institution shall retain the right to use such Work for its own educational and research purposes, whether or not the Institution claims ownership of the Work.

IV. Institutional Names and Trademarks. Covered Individuals shall obtain approval from the CNE SVP Marketing & Communications before seeking publication of any Work, whether or not owned by an Institution, that prominently displays the name of an Institution or any other name or logo used to identify an Institution, or that uses such a logo in any advertising, promotional, or sales material in any medium. It is generally acceptable (and therefore generally requires no approval) for a Covered Individual to use the name of an Institution in an Academic Work solely to identify the Author’s association with an Institution in a factually accurate way. Use that implies an inappropriate institutional endorsement or endorses a product shall be subject to approval by the Office of the General Counsel and the CNE SVP Marketing & Communications.

No name or logo of an Institution, or other identifying symbol, may be used as a Trademark, or to imply any endorsement, without prior written permission from the CNE SVP Marketing & Communications.

Trademarks shall be owned by an Institution if they are created by Covered Individuals in the course of their employment or affiliation with an Institution, if they are used to identify any product or service originating with or associated with an Institution, or pertain to significant Institutional activities.

- V. **Trade Secrets.** While the Institutions are willing to keep confidential information that is disclosed to them by third parties (such as company confidential information), as academic medical centers, the Institutions are dedicated to open disclosure and discussion of information, and attempt to keep secret very little information that is generated internally at the Institutions. However, the Institutions do attempt to keep confidential some internal information such as patient data, some business information, and some Software. To the extent that any such confidential information relating to an activity conducted at or supported by an Institution constitutes a Trade Secret, the Trade Secret shall be owned by the Institution. If requested by an Institution, Covered Individuals shall take appropriate steps to keep such Trade Secrets confidential.

D. TANGIBLE RESEARCH PROPERTY

- I. **General.** TRP may, where appropriate, be distributed without securing intellectual property protection by using some form of contractual agreement, including commercial licensing, and all TRP, even that which has been commercially licensed, may be and often is simultaneously distributed solely for research purposes either under simple letters of understanding or more formal licenses, all negotiated by the appropriate Institution.
- II. **Ownership of TRP.** An Institution shall own TRP as follows:
- (a) All TRP that has intangible Intellectual Property rights associated with it (for example, patentable TRP such as novel genes) shall be governed by the other Patents & Inventions and Copyright & Other Intellectual Property provisions of this Policy.
 - (b) All TRP that has no intangible Intellectual Property rights associated with it (for example, unpatentable biological materials) will, analogously to unpatentable Inventions hereunder, be owned by an Institution if such TRP is developed or created by a Covered Individual, solely or jointly, in performing Institutional activities, or during the time that an individual is a Covered Individual and which arises out of or relates to the Covered Individual's clinical, research, educational or other activities at the Institution. It is recognized that patients and human subjects may have ownership interests in their tissues and other bodily samples, and this Policy does not transfer, nor seek to transfer, to any Institution ownership of such samples. Rather, this Policy addresses ownership of bodily samples only as between the Institution and Covered Individuals. Issues pertaining to

ownership interests of patients/human subjects in their tissues or other bodily samples are beyond the scope of this Policy and will be addressed in other Institutional policies and documents (such as informed consent documents).

III. Disclosure of TRP. TRP shall be disclosed to an Institution as follows:

- (a) All TRP that is copyrightable or that is or may be patentable shall be disclosed in accordance with the provisions of this Policy governing disclosure of Works (Section C) and Inventions (Section B).
- (b) All TRP that is both unpatentable and uncopyrighted shall be disclosed in accordance with Section C or B if such TRP is developed or created by a Covered Individual, solely or jointly, during the time that an individual is a Covered Individual if:
 - 1. the Covered Individual wishes to make or permit use of such TRP for commercial purposes or wishes to have the Institution commercialize the TRP; or
 - 2. the TRP may have commercial or charitable value; or
 - 3. the Covered Individual otherwise wishes to make it available to the public or any third party that is reasonably likely to use it for commercial purposes or broad distribution; or
 - 4. the disclosure of the TRP is required by any grant, contract, or other arrangement between the Institution and a third party or by any applicable policy, law, or regulation; or
 - 5. the Covered Individual is otherwise requested by the Committee to disclose the TRP to an Institution.

IV. Distribution of TRP. In keeping with the traditions of academic science and its basic objectives, it is the policy of the Institutions that results of scientific research are to be promptly and openly made available to others. This policy applies equally to research results that have tangible form. However, it is recognized that the traditional modes of dissemination through scholarly exchange and publication are not fully effective for most TRP. Furthermore, the dissemination of TRP raises other issues such as: the safety of the TRP; the need sometimes for TRP to be more fully characterized or developed prior to distribution; for human tissue and other bodily samples, the need for appropriate consent and compliance with applicable policy regarding transfer of human samples; and the need to ensure that dissemination of TRP is consistent with applicable policies, laws and regulations as well as contractual obligations to third parties. Therefore, all TRP which constitutes human tissue or other bodily samples, or which raises safety concerns, or the distribution of which may be subject to contract, policy, law or regulation (such as export control laws, or laws pertaining to special agents) must be disclosed in accordance

with Section D.III above, must be subject to an agreement that is reviewed, negotiated and approved by an Institution, and which contains the provisions and restrictions deemed appropriate by the Institution for the particular distribution. Covered Individuals shall not sign any agreement to distribute or receive TRP without review by the Office of the General Counsel and approval by the applicable Institution.

E. INCOME FROM INTELLECTUAL PROPERTY AND TRP

I. Allocation of Financial Return. For any Invention, Work, other Intellectual Property, or TRP in which an Institution owns patent rights, copyrights, or other similar rights, income derived therefrom shall be distributed according to the following schedule:

- (a) The first \$100,000 of Net Income shall be distributed between Inventor/Author and the applicable Institution as follows:

60% to the Institution
40% to the Inventor

- (b) Net Income in excess of \$100,000 but less than \$1,000,000 shall be distributed between the Inventor/Author and the applicable Institution as follows:

67.5% to the Institution
32.5% to the Inventor

- (c) Net Income in excess of \$1,000,000 shall be distributed between the Inventor/Author and the applicable Institution as follows:

80% to the Institution
20% to the Inventor

- (d) In the event one or more departments or divisions of an Institution or CNE has a substantial role, as determined by the CNE CFO, in the creation or discovery of any Invention, Work, other Intellectual Property, or TRP, then the applicable Institution may allocate up to 1/3 of its portion of Net Income distribution (as set forth in Section E.I(a) through Section E.I(c) to such department(s) or division(s) at its discretion or may otherwise allocate such funds in support of related research resources and efforts at the Institution or across CNE.

- (e) In the event there are multiple Inventors/Authors in the creation or discovery of any Invention, Work, other Intellectual Property, or TRP, then such Inventors/Authors shall receive equal distributions of the Inventor distribution as set forth in Section E.I(a) through Section E.I(c), unless otherwise agreed to in writing between or among the applicable Inventors/Authors and Institution.

- (f) In the case of any Invention, Work, other Intellectual Property, or TRP, the rights to which have been assigned or transferred by the Institution, or any Invention, Work, other Intellectual Property, or TRP, which is the subject of an agreement entered into by the Institution (*e.g.*, externally sponsored research), the Institution

will, unless otherwise required by such agreement, distribute Net Income according to this Policy.

- II. **Allocation of Equity Income.** In some cases, the Institution or the Inventor/Author may be offered stock, stock options, warrants or similar financial options in exchange for the transfer or license of an Invention, Work, other Intellectual Property, or TRP. In such cases, the Institution may authorize the receipt of such equity instruments in accordance with the following percentages: (i) if such instrument can be accurately valued, it may be apportioned in accordance with the percentages set forth in Sections E.I(a)-(c); or (ii) if such instrument cannot be so valued, it may be apportioned in accordance with the percentages set forth in Section E.I(a)-(c), based upon the assumption that the total value of the instrument to be apportioned eighty percent (80%) to the Institution and twenty percent (20%) to the Inventor/Author. Alternatively, in the Institution's discretion, the Institution may hold such equity instrument, and distribute the income deriving therefrom (including proceeds of sale) in accordance with the percentages set forth in Sections E.I(a)-(c).
- III. Any review related to the distribution of Net Income derived from Intellectual Property or TRP shall be conducted by the CNE CFO. In conducting any such review, the CNE CFO may request the Inventor/Author to provide information or may review any documentation the CNE CFO considers relevant to such review.
- IV. For any Invention, Work, other Intellectual Property, or TRP for which an Institution, any third party (including, without limitation, The Warren Alpert Medical School of Brown University or other educational institution) (an "**Outside Institution**") and the Inventor/Author each may have an interest, the equity or income of the Institution and the Outside Institution shall be negotiated to the satisfaction of the Institution and the Outside Institution. Any distribution of equity or income to the Inventor/Author related to such Invention or Work will be based on the ownership interest of the Institution as negotiated between the Institution and the Outside Institution and such equity will be allocated as set forth in Section E.I or Section E.II, as applicable.
- V. Any receipt and distribution of equity or income must be consistent with the CNE's Conflict of Interest and Confidentiality Policy, the Financial Conflict of Interest Policy for Investigators, CNE's Code of Conduct, and other applicable policies.
- VI. **Exception for Works Made for Hire.** Notwithstanding the foregoing, Covered Individuals whose contributions are Works Made for Hire, or who otherwise contribute to a Work as party of the work they undertake within the scope of their employment, are not entitled to an Author's share of income attributable to the Work Made for Hire.