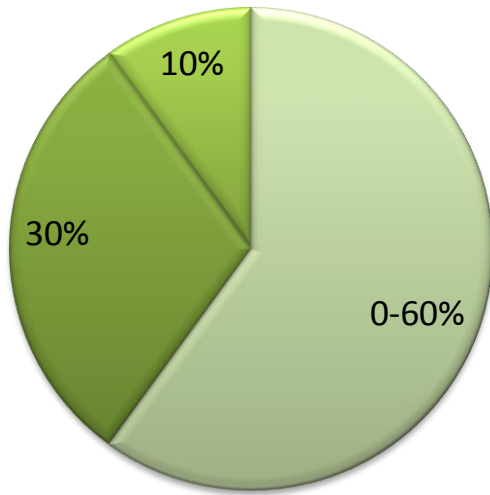


Current Royalty Distribution Policy

(for disclosures received after 7/1/2002)

Income Received



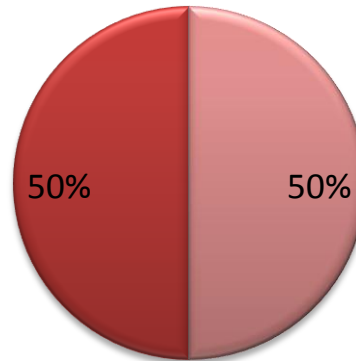
- OTC Admin Fee (30%)
- Inventor(s) (10% up to threshold*)
- Expenses (0-60%)

After expenses are covered, balance goes to inventor(s) up to threshold amount .*



Remainder = **Net Revenue**
(after threshold reached)

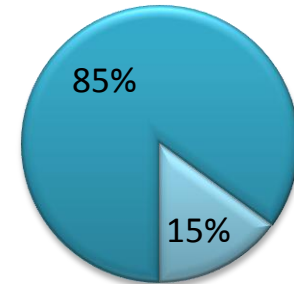
Net Revenue



- Inventor(s) (50%)
- University (50%)



University Share



- Department (85%)
- Further promoting of patents (15%)

* The threshold amount is determined annually by the Chancellor and is based on the fiscal year in which income is first received:

Threshold amounts:

2003: \$10,000
2004: \$10,300
2005: \$10,600
2006: \$11,000
2007: \$11,280
2008: \$11,740
2009: \$11,751

Previous Royalty Distribution Policies

(for disclosures received prior to 7/1/2002)

