

Royalty Distribution Policy

(Effective 7/1/2002)

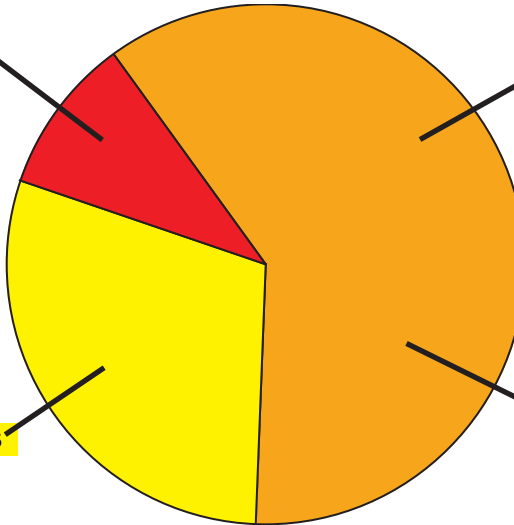
First, **REVENUE** is shared as follows:

10% Creators'/Inventors' Share (Up to Threshold)

The threshold amount is a one-time cumulative limit paid to the creator(s)/inventor(s). The amount is adjusted by the Chancellor each year and is set for each invention based on the year income is first received for the invention. (For FY 2006, the threshold is \$11,000)

30% University General Costs

The administrative fee retained by OTC covers operating expenses such as salaries, telephone, supplies, etc.



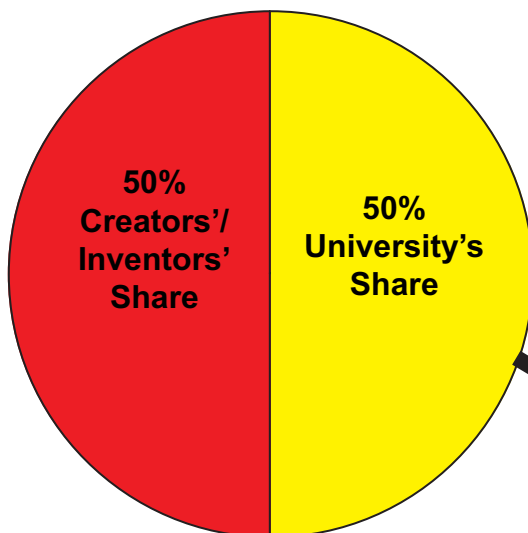
60% Project-Specific Expenses; Balance to Creators/Inventors (Up to Threshold)

The remaining 60% first covers project-specific expenses such as patent costs, printing, etc.

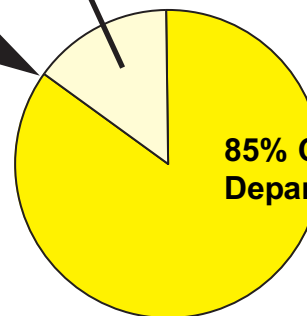
Once costs have been recovered, the balance is paid to creators/inventors (up to the threshold amount).

After expenses are recovered and the threshold is met, the remaining revenue is considered **NET REVENUE**.

Then, **NET REVENUE** is shared as follows:



15% Further Promotion of Patenting



85% Creators'/Inventors' Department (up to \$100,000)