

Medical Technology Enterprise Consortium Policy for Accepting and Managing Contributions, Grants and Contracts

1. General. The Board of Directors will enter into a Management Services Agreement (MSA) with SCRA Applied R&D to manage the business affairs of the MTEC. This MSA will provide for accepting and managing monetary contributions made by consortium members and non-members. Contributions must be accepted solely for the mission and purpose of the MTEC. The sources of such contributions could include any of the following:

- a. Membership dues collected pursuant to the requirements of the Consortium Member Agreement;
- b. Research Project Award Assessments collected pursuant to the requirements of the Consortium Member Agreement;
- c. Royalty payments payable to the MTEC as a result of Intellectual Property (IP) or commercialization agreements to which MTEC is a party;
- d. Private sector contributions or grants made directly to the MTEC from individuals, corporations or foundations;
- e. Other sources of funding that may arise.

SCRA Applied R&D will keep a separate accounting of all funds received and will receive and administer the funds for the sole purpose of furthering the MTEC mission. These funds shall be deposited in one or more accounts that shall be administered by SCRA Applied R&D on behalf of the MTEC in such a way that the “use of funds” data can be collected from a wide spectrum of Members, partners and third party contributors, and the uses of these funds can be reported to the organization(s) that contributed them. SCRA Applied R&D shall, at the direction of the MTEC or its authorized representative, be authorized to disburse funds from such account(s) for appropriate services, keeping precise and accurate records as to any such disbursements made.

2. Contributions from MTEC Members. The Consortium Member Agreement (CMA) provides for each Consortium member organization to pay annual membership dues. Additionally, the CMA requires each member receiving a Research Project Award under the Other Transactions Agreement to pay an assessment as defined in the CMA or subsequent Board Resolution. These funds shall be deposited in an account that shall be administered by SCRA Applied R&D

on behalf of the Consortium, as authorized by the Board of Directors or its authorized representative as the case may be.

3. Contributions from non-MTEC Members. Contributions made to the MTEC from private sector individuals or organizations in furtherance of MTEC's charitable mission shall be deposited, in accordance with the contributor's written intent, in an appropriate restricted or unrestricted account that shall be administered by SCRA Applied R&D on behalf of the Consortium. SCRA Applied R&D shall certify these contributions on behalf of the MTEC, and shall provide an appropriate receipt to the donor. Charitable contributions other than unrestricted cash or marketable securities must be reviewed by the Board of Directors or its authorized representative as the case may be.

4. Contracts and Subcontracts. On behalf of the MTEC, SCRA shall administer the Government funds awarded under the Other Transactions Agreement to MTEC member organizations consistent with the provisions of the OTA and any additional applicable requirements for the MTEC entity pursuant to non-Governmental contracts.

5. Use of Grant Funds. Funds that will be disbursed for grant awards will be conducted in a manner consistent with both governmental regulations as well as the intent of the funding sponsor. SCRA will record each contribution separately into a general award fund and upon completion or the awarded research project, if any dollars remain, the sponsors will be contacted for instructions as to further use. This accounting will be done in a percentage basis, since tracking of individual sponsor dollars within the research project will not be possible.