

SOP: IP 02 Version No: 1 Effective Date: 10/22/04	MAINE MEDICAL CENTER INVESTMENTS IN START-UP OR SMALL COMPANIES INVOLVING RESEARCH PROFESSIONAL STAFF	Supersedes Document Dated: N/A
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1. SUMMARY

Establishes guidelines under which Maine Medical Center may invest in "start-up" or small companies in which Research Professional Staff also have equity interests

2. POLICY

Each year Maine Medical Center may invest a small portion of its investment capital in "start-up" or "small" companies that are exploiting new technologies. Although many such companies do not succeed, those that do offer the potential for high returns to their investors.

On occasion the Maine Medical Center may be faced with an opportunity to invest in a start-up or small company in which one or more Medical and Research Professional Staff members also have equity interests. The Maine Medical Center ordinarily will not invest in such companies if any of the involved Medical and Research Professional Staff members also have line management responsibilities in them, given the potential for apparent or real conflicts of interest. (See "Conflict of Commitment for Medical and Research Professional Staff" for guidance regarding Medical and Research Professional Staff management responsibilities in outside companies.) However, Maine Medical Center may invest in start-ups or small companies in which the extent of its Medical and Research Professional Staff involvement is limited to equity holdings (or rights to equity) and/or advisory roles under the following conditions:

- 2.1 Maine Medical Center will not act as a lead investor or syndicating agent. All investments will be as a "passive investor."
- 2.2 Maine Medical Center will not acquire an equity holding greater than 15% of the ownership of the company. In special circumstances, Maine Medical Center will be allowed to invest above the 15% equity level providing there are clear plans for future dilution of Maine Medical Center's equity that will bring its equity holding to 15% or less.

No Maine Medical Center officer is to be an officer of the company, or have a personal equity position in the company at the time of the Research Institute's investment in any of the equity rounds before the company goes public.

Maine Medical Center investments in start-up or small companies in which Medical and Research Professional Staff have equity interests are subject to the case-by-case approval by the President, based upon recommendations by the Vice President of Medical Affairs and The Associate Vice President of Research. If the involved Research Professional Staff member(s) subsequently creates Maine Medical Center/Research Institute-owned data or inventions for

which the start-up or small company seeks a license for commercial use or development, the licensing request will be subject to the review and approval of the relevant Center/Division Director in consultation with the Vice President of Medical Affairs and the Associate Vice President of Research.

3. AUTHORITY

Associate Vice President for Research is responsible for the interpretation and overall coordination of this Policy.

4. RELATED RESEARCH POLICY HANDBOOK DOCUMENTS

GRI 03	Conflict of Commitment and Interest for Research Professional Staff
IP 03	Equity Acquisition in Technology Licensing Agreements