

**REVISED MANUFACTURING RESEARCH CENTER
MASTER AGREEMENT**

This Agreement made and entered into on this ____ day _____, of 19____, by and between The Board of Trustees of the University of Illinois, a body corporate and politic under the laws of the State of Illinois with principal offices at Urbana, Illinois (hereinafter "University") and _____, a corporation organized and existing under the laws of the State of _____, located at _____ (hereinafter "Company").

1. Overview of the Manufacturing Research Center Consortium

The University and Company desire to enter into an agreement under which Company will participate in the University's Manufacturing Research Center (MRC). The objective of MRC is to provide a forum within which industry can participate in University research through sponsorship of projects and the continuing education of industrial staff. The MRC will draw upon the broad range of interdisciplinary research and development talent within the Colleges of Engineering at Chicago and Urbana-Champaign in the performance of manufacturing research, and the education of students.

The MRC will be supported by the University of Illinois, the State of Illinois, a limited number of industrial manufacturing-based corporations, and agencies of the Federal Government which provide support to this research at the University of Illinois. Examples of research activities of the MRC include: materials processing; materials handling and logistics; electronic packaging; data acquisition, processing and distribution; decision and control; process design; product design for manufacturability; management/systems integration; manufacturing systems design; total quality management; computer aided product realization; and competitiveness theory and practice.

The research programs within the MRC are divided into two categories: the General Manufacturing Program (GMP) and Specific Manufacturing Programs (SMP). The GMP encompasses the full range of manufacturing expertise in areas noted above. The GMP is suitable for a company that wants to participate in a broad range of projects. Each SMP is a more focused research effort aimed at a major manufacturing issue of common interest to a consortium of industrial sponsors, and is composed of a coordinated team of investigators working on a research plan generated in cooperation with the industrial sponsors. An SMP is suitable for a company that desires to have the leverage provided by participating in a large but focused research effort. SMPs will be formed as needed.

The MRC supports GMP and SMP research projects in the following classes: Company Designated Projects and Center Designated Projects. Company Designated Projects are those proposed by the Company or designated as such from a compendium of faculty-submitted projects. As indicated in Article 5 below, University grants the sponsor of a Company Designated Project (except for Projects in the SMP on Machine Tool Systems) a worldwide, fully paid-up, exclusive license to all rights under the University's interest in inventions arising from the Company Designated Project. Center Designated Projects within the SMP and GMP typically include those projects chosen from faculty submitted projects in research areas of general interest to the respective SMP and GMP members. All industrial members within a program category (i.e., within the GMP or within one of the SMPs) can elect a worldwide, non-exclusive, irrevocable, non-transferable, royalty-free license to utilize and practice University inventions arising from

any Center Designated Projects within the program area. All grants of license rights shall be subject to the University's right to use the same licensed subject matter for its own internal programs of research and education, and to any Government rights as may exist due to Federal funding of the MRC.

A Small Company (under \$100 million gross annual sales) may participate in any of the research categories (either the GMP or one of the SMPs) of the MRC. In the case of the GMP, a Small Company can only participate through the sponsorship of a Company Designated Project. The Small Company can also elect a worldwide, non-exclusive, irrevocable, non-transferable, royalty-free license to utilize and practice University inventions arising from any Center Designated Projects within the respective SMP or GMP in which it is a member.

The MRC staff manages research projects, provides direction to academic programs, and presents continuing education workshops while corporate members participate in the MRC at various levels depending on the unit of membership acquired through contributions to the consortium.

2. Industrial Membership

The MRC consortium consists of corporations willing to provide financial, and where appropriate, employee support to the MRC. Membership fees will vary depending on whether the company is eligible to participate as a Large Company or a Small Company (as defined below), and whether the company participates in the GMP, an SMP or both. Each consortium member benefits from the leveraged investment in research and development and has the advantage of access to the research activities at the University through support of graduate students, the opportunity to participate in an annual review of research conducted at the MRC, and receipt of copies of theses and reports. Periodically the MRC, for additional consideration, will sponsor a series of workshops and continuing education seminars in which consortium members can obtain for their staff an update on the latest technologies and findings key to their specific industrial sectors.

2.1 Large Company: A Large Company is a company with annual gross sales over \$100 million. The minimum fee for a Large Company to participate in the GMP is \$50,000 annually over a 2 year minimum commitment. The annual fee and commitment for a Large Company to participate in an SMP will be designated by the requirements for the SMP under consideration. The annual fee and commitment designated by an SMP must also not be less than \$50,000 and 2 years.

The terms and conditions of this revised MRC Master Agreement will not diminish any rights or entitlements granted by the University to Large Companies that joined the MRC prior to April 1, 1991; all rights and entitlements granted to those Large Companies shall survive for the original term of any pre-existing agreements, but shall not be renewed thereafter. In particular, the Large Company members of the MRC are permitted a corporate member on the Board of Governors and the privilege of on-site collaboration with MRC staff as specified for companies that qualify under a pre-existing agreement with the University.

2.2 Small Company: A Small Company is a company with annual gross sales under \$100 million. The minimum fee for a Small Company to participate in the GMP through Company Designated Project(s) is \$20,000 with a 1 year minimum commitment. The annual fee and commitment for a Small Company to participate in an SMP will be

determined by the requirements of the SMP. A Small Company's commitment may be partially supported by funding from external agencies.

3. Use of Funding

Funding specified in Article 2 above will be used to support activities of the MRC as follows:

3.1 MRC Administrative Costs: Up to fifteen percent (15%) of the support from both Large Companies and Small Companies will be used to cover the administrative costs of the Center.

3.2 Large Companies:

3.2.1 Company Designated Projects: Up to forty-two and one-half percent (42.5%) of the support will be allocated for Company-designated research and used to support Proposals on Company-identified topics or problems which are submitted by interested University faculty members or suggested by the Company.

3.2.2 Center Designated Projects: The remaining percentage of the support not committed under Sections 3.1 and 3.2.1 above will be allocated for GMP- or SMP designated research (depending upon whether the company is a GMP or SMP participant) and used to support Proposals submitted by University faculty members. Funding of Center Designated Projects will combine the financial support received from other participants in the GMP or SMP, in addition to that provided by Company. Funding for Center Designated Projects will remain within the respective SMP or GMP for which the company is a member.

3.3 Small Companies: A minimum of eighty-five percent (85%) of the fee paid by a Small Company will be used for Company Designated Project(s) in the GMP. The minimum level of support for Small Company Participation in an SMP will be negotiated when each SMP is formed.

4. Scope of Master Agreement

4.1 Definitions

4.1.1 "Proposal" means a specific plan of proposed research activity to be conducted in the MRC, under the direction of a University Principal Investigator.

4.1.2 "Principal Investigator" means a University faculty member who will be in charge of and conduct a particular research project within the MRC, whether a Center Project or a Company Project, in accordance with the accepted operating policies and procedures of the University and who shall be responsible for results obtained from the Work and accountable for funds expended for the project.

4.1.3 The "General Manufacturing Program" is the general subprogram of the Manufacturing Research Center that encompasses the full range of manufacturing expertise of the two campuses. This research category

includes a broad range of projects including those designated by the company as well as those projects designated by the Center.

4.1.4 A "Specific Manufacturing Program" is a subprogram of the Manufacturing Research Center that encompasses a focused research effort on the two campuses aimed at a major manufacturing issue of common interest to a consortium of industrial sponsors.

4.1.5 "Company Designated Project" means a Proposal which has been proposed by the Company or designated as such from a compendium of faculty-submitted projects, and accepted and funded through the share for Company-designated research, and which will be construed and governed by the terms of this Master Agreement.

4.1.6 "Center Designated Project" means a Proposal which has been submitted by a faculty member that has been accepted and funded from the share for MRC-designated research within the respective SMP or GMP, and which will be construed and governed by the terms of this Master Agreement. Funding of Center Designated Projects will be derived from the combined financial support received from other participants in the respective SMP or GMP, in addition to that provided by Company.

4.1.7 The term "Work" in this Agreement shall mean the research activities performed by or with University staff investigators on either a Center Designated Project or a Company Designated Project supported under this Master Agreement.

4.2 Project Selection

4.2.1 Pursuant to Section II.A of the MRC Governance Procedures (APPENDIX A), faculty investigators shall annually compile a list of candidate projects for consideration in the final selection of funded projects.

4.2.2 Center Designated Projects will be selected from the candidate list of Section 4.2.1.

4.2.3 Company Designated Projects will be selected by Company sponsors, either from the candidate list of Section 4.2.1 or from topics or problems proposed by the Company sponsor.

4.2.4 All selected Company Designated Projects and Center Designated Projects shall be authorized for funding by the MRC Director by completion of a written authorization statement which shall give the following information:

- a. Designate whether the Work is a Company Designated Project or Center Project
- b. Identify title of the selected Proposal
- c. Identify the Principal Investigator(s)
- d. Define the research activities (i.e., the Work) to be pursued

- e. Specify the level of effort to be devoted to the Project by the Principal Investigator(s) and other researchers, including a budget
- f. Define the time duration of the Project and such other terms and conditions as may be agreed to and approved among the Principal Investigator(s), the University, and Company consistent with the purposes and conditions of this Master Agreement and with the policies and procedures of the University.

The Director and the MRC staff will compile and maintain this record of authorized projects.

4.2.5 The nomination, selection and authorization of Company Designated Projects and Center Designated Projects shall be subject to the MRC Governance Procedures (APPENDIX A) and shall be construed and governed by the terms of this Master Agreement.

5. Intellectual Property

Unless indicated otherwise, the term Company in Section 5 applies to both Large and Small Companies.

5.1 Company Proprietary Information

5.1.1 For the purposes of this Agreement, "Proprietary Information" shall mean any confidential or proprietary technical information or data (including any in electronic form) disclosed by Company to University staff which is subject to a nondisclosure agreement, except for such information which is already known to the University staff or the general public, or which becomes public knowledge other than by breach of the nondisclosure agreement, or which is properly obtained from a third party not under a confidentiality obligation to Company. All such Proprietary Information shall be marked "Confidential" or "Proprietary" at the time of submission or, if disclosed orally for a Center Project, Company will supply a printed or written summary to confirm its confidential status within thirty (30) days of the oral disclosure. The requirement of reducing oral disclosures to writing shall not apply to Company Designated Projects. The results of any Deliverables under a Company Project shall also be Proprietary Information unless otherwise agreed in writing EXCEPT as provided in Paragraph 5.2.2 below or if the Company chooses a project from those submitted to the MRC for Center sponsorship. Deliverable shall mean all reports, papers, computer codes, and work product generated by University under this agreement and designated as Deliverable work product for a Company-sponsored project.

5.1.2 In the course of consultation with University's researchers hereunder, it may become necessary for Company to disclose to a University employee certain Proprietary Information. If there is a need to disclose such Proprietary Information, Company will inform the MRC Director that a nondisclosure agreement must be executed with the University employee recipients. The MRC Director will arrange for the administration of such agreements in the general format of APPENDIX B. NONDISCLOSURE AGREEMENT, attached hereto and incorporated herein. Company will not disclose any of its

Proprietary Information to a University employee until The nondisclosure agreement has been executed.

5.2 Publications

5.2.1 University shall have the right to publish or otherwise disclose the results of Work done on Center Designated Projects under this Master Agreement. For a Company Designated Project, any proposed publication resulting from or based on Work done (a) solely by University employees or (b) jointly by University employees and Company employees will be submitted to both parties for mutual review at least forty-five (45) days prior to submission for publication to protect intellectual property rights. If either party identifies potentially patentable subject matter or disclosure of Company Proprietary Information, the author(s) shall have the alternative of deleting such subject matter or otherwise modifying the manuscript to avoid disclosure and proceeding with publication without delay. If either party identifies potentially patentable subject matter, the author(s) shall withhold publication only so long as is necessary to permit filing for statutory protection, but in no event longer than six (6) months except if extended by mutual consent of the parties.

5.2.2 Neither University nor any of its investigators shall have any right to publish the results of Work done on Company Designated Projects under this Master Agreement without the prior written consent of Company. Company understands that all research performed in the Center has the potential of becoming a Thesis topic for a graduate student. In the event Company funds a Company Designated Project which it does not want to be the subject of thesis research, it is Company's responsibility to notify the University prior to start of The research. All theses are subject to the prepublication review procedures set forth in Section 5.2.1 above. University reserves the right to refuse restricted, proprietary work which it does not feel is appropriate to be conducted in an academic research environment, at its discretion.

5.2.3 Ownership of all copyrightable works resulting from a Center Designated Project will be subject to prior written agreement among the author(s), the University and Company. Absent such prior written agreement, ownership will vest with the author(s), i.e., the University.

5.3 Inventions, Patents and Copyrights

5.3.1 It is understood and agreed that certain Company employees may be accepted as graduate students at University through the University's standard admission procedures. Should such Company employees be employed by the University or assigned as graduate research assistants on any MRC research project, such persons will be considered "University employees" and rights in resulting intellectual property which arise from that MRC research project will be determined in accordance with Article III of University's General Rules Concerning University Organization and Procedure. For purposes of this Agreement, Company Employee [capital "E"] shall mean any or "all persons" employed by the Company except those who are also University graduate students employed on a Center Project. It is further understood that use of University's resources by Company Employees is subject to the policies contained in University's Statutes and General Rules.

5.3.2 Invention Disclosure

Both University (for Center and Company Designated Projects) and Company (for Center and Company Designated Projects) agree to fully disclose to the other party, in writing and in confidence, any invention (including computer software), whether or not patentable or copyrightable, which is conceived or reduced to practice by its own employees while engaged in the activities of the MRC under this Master Agreement. Such mutual disclosure is necessary in order to make a determination of ownership of the invention as described below, and the feasibility and appropriateness of statutory protection. Such disclosure shall be without prejudice to the ownership rights of either party.

5.3.3 Intellectual Property Rights Solely Owned by University

a. For Center Designated Projects all intellectual property rights, including any invention whether or not patentable or copyrightable, which is conceived or reduced to practice solely by University employees while working on a Center Project and any patents or copyrights based on such invention, shall be owned by the University.

b. Subject to the terms of this Agreement, University agrees to and does hereby grant, on an equal basis to all MRC consortium participants (including Company) at the time an invention is made, an option to elect a world-wide, non-exclusive, irrevocable, non-transferable, royalty-free license (without the right to sublicense except as provided herein) to utilize and practice patentable University inventions arising from any Center Project, subject to the following conditions:

- 1) Companies that wish to exercise the option for a royalty-free license agree to pay for the costs of patent application. This license includes the right of Company to sublicense its subsidiaries and affiliates, including the right to sublicense its independent suppliers for the sole purpose of filling orders from Company.
- 2) If only one Company seeks a license, that Company may obtain an exclusive royalty-free license. Company has the right to sublicense its subsidiaries and affiliates, including the right to sublicense its independent suppliers for the sole purpose of filling orders from Company.
- 3) Company's option to elect to license any potentially patentable inventions shall expire unless exercised within six (6) months of Company's receipt of an enabling disclosure of the invention to be licensed.
- 4) All Companies will be sent new MRC invention disclosures for their evaluation at the same time. At the end of the option period, all Companies will be notified of those MRC member Companies which have elected licenses.

- 5) In order to maintain their license rights, Companies electing to license any specific patentable invention arising from any Center Project shall collectively (as they shall agree among themselves) assure University of full reimbursement of all its expenses incurred in the filing, prosecution and maintenance of that patent, subject to full consultation between University and Companies.
- 6) Company acknowledges and agrees that the U.S. Government may have certain rights in such intellectual property by virtue of its research funding and that any license granted herein is subject to any such Governmental rights as may exist. The University agrees to seek title to all MRC inventions subject to such Government rights provided that all filing and prosecution costs so-incurred by the University shall be reimbursed by those MRC Companies which elect to license such inventions. - In the event that an agency of the United States Government may have prior rights in any invention conceived or reduced to practice during the existence of the MRC, University shall use its best efforts to obtain rights from such agency sufficient to meet its obligations to Company under this Agreement.

c. University shall have the right, exercisable in its sole discretion, to seek available statutory protection for University-owned intellectual property arising under this Agreement. Except as provided in 5.3.3.b, Company shall have at least a royalty-free license to use University-owned intellectual property resulting from any Center Project funded under this Agreement. Such licenses shall be nonexclusive, paid-up and irrevocable.

5.3.4 Intellectual Property Rights Resulting from Company Designated Projects

a. Intellectual property rights for inventions and patents resulting from Company Designated Projects in the SMP on Machine Tool Systems will be handled identically to intellectual property rights for Center Designated Projects, in accordance with Article 5.3.3 above. Intellectual property rights for inventions and patents for all other Company Designated Projects will be handled as specified in Article 5.3.4(b) through (e) below.

b. For Company Designated Projects, all intellectual property rights, including any invention which is conceived and reduced to practice solely by University employees (including Company employees who are graduate students) while working on a Company Designated Project, and any patents or copyrights based on such inventions shall be owned by the University. Such inventions conceived or reduced to practice jointly by University employees (including Company employees who are graduate students) and Company employees shall be jointly owned.

University shall grant to Company a worldwide, fully paid-up, exclusive license to use all rights under the University's interest in such inventions, subject to the University's right to use the same licensed subject matter for its own internal programs of research and education. If, after a period of five (5) years from the filing date of the patent application, Company has not utilized the invention, its license shall become non-exclusive. In the case of inventions for which all co-inventors are Company Employees, ownership shall vest with the Company.

c. Subject to any pre-existing third party rights, the University agrees that it will not assert any University-owned background rights against Company that would otherwise prevent Company from practicing the license herein granted. The MRC Director shall inform Company of any pre-existing University patents or other background rights which may apply to results of any proposed Company Designated Projects, if Company so requests.

d. For any jointly owned inventions, University and Company agree to cooperate and furnish to each other information and data in their possession reasonably necessary to obtain and maintain statutory protection for such jointly owned inventions.

e. Two or more Companies may choose to co-sponsor a Company Designated Project in which case the University grants all of the cosponsoring Companies a worldwide, fully paid-up, exclusive [but for the other co-sponsoring Companies] license to use all rights under the University's interest in such inventions, subject to the University's right to use the same licensed subject matter for its own internal programs of research and education. If, after a period of five (5) years from the filing date of the patent application, Companies have not utilized the invention, its license shall become non-exclusive.

5.3.5 Intellectual Property Rights for Small Companies

The intellectual property rights for a Small Company are the same as for a Large Company, except that a Small Company gets rights to inventions resulting from Center Designated Projects in the GMP or a specific SMP, if they have membership in the GMP or the specific SMP.

6. Term

The term of this Agreement will commence as of the date first entered above, and will continue until _____. Further extensions of the term will be mutually negotiated by both parties.

7. Payment

For membership in the MRC research program(s) of interest to Company, Company agrees to execute an Amendment in the form of Exhibit A (attached hereto and incorporated

herein) for each such MRC research program, which specifies the amount of annual funding to be paid to the University, the period of such funding, and the GMP or SMPs which Company is joining. After the initial period designated in the Amendment, the cost of membership in the MRC consortium will be renegotiated. Payments are to be made annually, with the first payment due upon execution of the Amendment by Company.

Payments shall be by check, payable to the University of Illinois, and mailed to:

University of Illinois at Chicago
Attn: Director, Office of Grants and Contracts
MB 502, M/C 551
809 S. Marshfield Avenue
Chicago, Illinois 60612-7205

8. Fiscal Management

University shall maintain complete and accurate accounting records for the MRC, in accordance with accepted accounting practices for institutions of higher education. These records shall be available for inspection, review, and audit at reasonable times by the Company, or its duly authorized representative, at Company's expense, for three (3) years following the end of the University's fiscal year (July 1 - June 30) in which such costs are incurred.

9. Warranties

University warrants that it has the right to establish and conduct the MRC, and that the activities hereunder do not conflict with any duties or obligations of University to the State of Illinois, other participants, or any third party. **THE UNIVERSITY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, REGARDING ITS PERFORMANCE UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE MARKETABILITY, USE OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE RESEARCH RESULTS DEVELOPED UNDER THIS WORK.** It is understood that neither party to this Agreement shall be liable for special, consequential, or incidental damages, as a result of the other party's use of reports or other technical information acquired from the first party with respect to this Agreement.

10. Termination

10.1 Termination of Master Agreement

10.1.1 This Master Agreement may be terminated on each anniversary date by either party giving the other a minimum of six (6) months prior written notice.

10.1.2 If either University or Company terminates the Master Agreement, the uncommitted balance of any prepaid annual fee paid by Company for participation in the consortium will be prorated up to the date of termination of this Master Agreement, and shall be reimbursed to Company within thirty (30) days of termination. In addition, Company will pay for all direct costs incurred for all Center Designated Projects or Company Designated Projects,

up to and including the effective date of termination of each specific Project, as detailed in Section 10.2 below, and for all non-cancelable obligations made before receipt of notice of termination for each Project, even though they may extend beyond such termination date.

10.2 Termination of Specific Projects

10.2.1 Termination of a specific Project funded under the Master Agreement will not affect the funding of other individual Projects funded under the Master Agreement. A specific Company Designated Project may be terminated by Company giving to University a minimum of sixty (60) days prior written notice. A Company Designated Project may be terminated by University if the Principal Investigator is no longer able to perform (e.g., illness, death or relocation) or for force majeure.

10.2.2 If Company terminates support for a specific Company Designated Project, Company shall pay for all direct costs incurred, and for all noncancellable obligations made before receipt of notice of termination, even though they may extend beyond such termination date, from the share of the Unit(s) of Participation allocated for Company-designated research.

10.2.3 If the University terminates support for a specific Center Designated Project, University shall pay for all direct costs incurred, and for all noncancellable obligations made before the decision to terminate, even though they may extend beyond the termination date.

10.3 Survival of Obligations

The rights and obligations of the parties under Section 5, Intellectual Property, shall survive termination of this Agreement.

11. Amendments

This Agreement may only be amended by written mutual agreement of the University and Company.

12. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other, except that Company may assign its right, or any of them, along with assets to which the right relates.

13. Representatives and Successors Bound

This Agreement shall be binding and inure to the benefit of the parties hereto, their legal representatives, successors, and assigns.

14. Governing Law

This Agreement is to be governed by and construed in accordance with the laws of the State of Illinois and all applicable Federal statutes and regulations.

15. Most Favored Terms

Company shall be entitled to receive the most favorable terms which the University extends to any other Industrial Member participating in the specific MRC program (i.e. the GMP or one of the SMPs).

16. Notices

All notices shall be in writing and effective upon receipt. Notices shall be sent to the following addresses:

University: University of Illinois at Chicago
Attn: Director, Grants and Contracts Administration
MB 502, M/C 551
809 S. Marshfield Ave.
Chicago, IL 60612-7205

With a copy to: University of Illinois at Chicago
Manufacturing Research Center
Attn: MRC-UIC Director
842 W. Taylor Street (M/C 251)
Chicago, IL 60607-7022

Company:

With a copy to:

17. Entire Agreement

This Agreement embodies the entire understanding of the parties and shall supersede all previous communications, either verbal or written, between the parties relating to this Agreement.

THE BOARD OF TRUSTEES AS OF
THE University OF ILLINOIS

COMPANY

Craig S. Bazzani, Comptroller

ATTEST:

Michele M. Thompson, Secretary

APPENDIX A

Governance Procedures of the Manufacturing Research Center

- I. Administration and Committee Structure of the MRC.
- A. The MRC Director. The Director of the MRC is appointed by and reports to the Deans of the Colleges of Engineering at Chicago and Urbana-Champaign. The normal appointment is three years. Appointments are renewable. Performance of the Director is reviewed annually by the Deans. The Director is responsible for overall program direction, the management of the administrative and fiscal aspects of the MRC and the broadening of industrial participation in the MRC.
- B. GMP Directors (formerly Faculty Campus Coordinators). The GMP will have a separate Program Director for each campus appointed by the Deans in concurrence with the Director. The normal appointment is three years. Appointments are renewable. Each GMP Director is responsible for providing the internal leadership in the faculty-based research efforts of the GMP at their respective campuses.
- C. SMP Directors. Each SMP will have a Program Director reporting to and appointed by the MRC Director with concurrence by the Deans for a renewable term of three years. The Program Director is empowered with the full responsibility for developing the Work Plan of the SMP and for directing and managing the administrative and fiscal aspects of the SMP.
- D. GMP and SMP Directors. The GMP and SMP Directors will assist the Director in:
1. Formulation and direction of the long-range objectives of the MRC.
 2. The administrative and fiscal aspects of the MRC.
- E. Faculty Advisory Committees.
1. The GMP Faculty Advisory Committee will consist of a minimum of six faculty members from a wide range of manufacturing areas. The members, divided equally between the two campuses, will provide advice to the two GMP Directors in the overall policy and operation of the GMP as well as disbursement of all GMP funds. Faculty members to the GMP Advisory Committee are appointed by the Deans with the concurrence of the appropriate GMP Director for each campus. Department heads or deans may not be appointed to serve. The two-year appointments to the Committees will be staggered.
 2. Each SMP will have a separate SMP Faculty Advisory Committee. The membership, representing both campuses, will consist of a minimum four faculty who have expertise in the specific area of the program. It will provide advice in the overall policy and operation of the respective SMP as well as disbursement of its research funds. Faculty members to each SMP Advisory Committee

are appointed by the appropriate SMP Director with the concurrence of the MRC Director. Department heads or deans may not be appointed to serve. The two-year appointments to the Committees will be staggered.

3. The Committees will meet at least once each academic year to review proposals and all funding aspects of the Programs. At these meetings the MRC Director, GMP Directors and SMP Directors (as appropriate) will, as required, provide reports of the MRC operations.
4. With the concurrence of the MRC Director, the Chairperson of each SMP Faculty Advisory Committee will be appointed by the appropriate Program Director. With the concurrence of the Deans, the Chairperson of the GMP Faculty Advisory Committee will be appointed by the MRC Director.

D. Industrial Advisory Boards. The Industrial Advisory Boards consists of representatives from the sponsoring companies.

1. The GMP Industrial Advisory Board consists of one representative from each industrial member (large and small company) of the GMP.
2. The Industrial Advisory Boards for each SMP will consists of one representative from each industrial member (large and small company) of the SMP.
3. The GMP Industrial Advisory Board will assist the GMP Faculty Advisory Board and the campus Program Directors in their review and funding of research proposals and in the identification of specific research needs of the industrial community.
4. Each Industrial Advisory Board for a SMP will assist the responsible SMP Director in the review and funding of research proposals of the SMP and the identification of specific research needs for the SMP.
5. The individual Boards will meet at least twice each academic year. The Chairperson of each Board is elected by the members of the respective Board.
6. Each active Center Designated Project in each program (GMP and SMPs) will be reviewed at least once each year for the benefit of the industrial participants in the MRC (both large and small company). The times and locations of these reviews will be set by the MRC Director in concert with the respective Program Directors and the members of the Industrial Advisory Boards.

E. Board of Governors.

1. The Board of Governors will consist of one industrial member representative from the GMP (duly elected by the GMPs Industrial Advisory Board) and one industrial member representative from each SMP (duly elected by the SMPs Industrial Advisory Board). The SMP Directors and the two GMP Directors will be non-voting members of the Board of Governors.
2. The Board of Governors serves as the Director's principal advisory body for the Center's long-range objectives and industrial research agenda.

3. The Director will serve as Chairperson of the Board. The Board will meet at least once each academic year.

II. Research Proposals.

A. Solicitation Process.

1. The MRC will conduct an annual faculty meeting on each campus to review the on-going activities of the Center and apprise the faculty of its research opportunities.
2. The Program Directors will solicit proposals from faculty across the desired manufacturing research agenda, usually in the Spring term of each academic year.

B. Review and Selection Process.

1. Company Designated projects in GMP: The member either suggests a project for funding which is then developed by the Center in conjunction with faculty with expertise in the area or the member selects a research project(s) from those that have already been submitted and approved by the GMP Faculty Advisory Committee. In all cases, final project selection is contingent upon faculty availability and acceptance and upon final approval of the MRC Director.
2. Company Designated Projects in SMP: The member develops a project with the assistance of the SMP Faculty Advisory Committee and the Program Director that is in keeping with the interests of the company and the work plan of the SMP. In all cases, final project selection is contingent upon faculty availability and acceptance and upon final approval of the SMP and MRC Directors.
3. Center Designated Projects in GMP. Research proposals solicited by the MRC Director will be reviewed and ranked by the GMP Faculty Advisory Committee. The GMP Industrial Advisory Board will also independently review and rank the proposals and provide input to the decision-making process. The final approval of proposals and funding rests with the MRC Director.
4. Center Designated Projects in SMP. Research proposals solicited by each SMP Program Director will be reviewed and ranked by the responsible SMP Programs Faculty Advisory Committee as to the merits and responsiveness of the proposals to the Work Plan of the Program. The SMP Programs Industrial Advisory Boards will also independently review and rank the proposals and provide input to the decision-making process. In all cases, final project selection is contingent upon faculty availability and final approval of proposals and funding rests with the SMP and MRC Directors.
5. MRC Project Guidelines for Participating Faculty. Requirements for the awarding of funds.

1. Upon agreement for funding a project the Principal Investigator must submit a proposed project work plan and budget forecast. This should have the signed approval of the Principal Investigator's Department Head.
2. The reporting of the status of Company Designated Projects should be made at least twice yearly at a time and place mutually agreed to by the faculty member and the sponsoring company.
3. At the end of the award period, the faculty member must submit a final report and a summary of expenses incurred.

III. Funding Guidelines.

There are five possible types of funding:

1. Standard GMP research proposals (in approximately \$20,000 increments), principally for the support of graduate students. Funding for SMP projects will vary depending on the needs of the specific Program and its Work Plan.
2. Funding for Small Company projects will generally be in the \$10,000 to \$20,000 range and may be partially supported by funding from an agency or co-sponsored by two or more Small Companies.
3. Grants for equipment.
4. Summer support for faculty (generally for 1 month).

NONDISCLOSURE AGREEMENT

For Information Disclosed by Company to University Researchers

The Board of Trustees of the University of Illinois (hereinafter "University") has entered into a Research Agreement with _____ (hereinafter "Company") dated _____, 19____, to fund research in the University's Department of _____.

Section 5.1 of the Agreement funding this research contains certain obligations regarding protection of Company's confidential information which must be undertaken by each Researcher participating in the sponsored project. Your signature on this document indicates your agreement to and acceptance of the terms described below.

1. During the term of the Research Agreement, Company and the Researcher may determine and agree that the work of the research project requires access to certain proprietary or confidential information of Company which is related to the project. The terms of this Nondisclosure Agreement shall apply solely to such project-related information disclosed by Company to the Researcher.

2. "Confidential Information" is defined as any device, graphics, written information or information in other tangible forms that is disclosed, for evaluation and/or consulting purposes, to the Researcher by Company that is marked at the time of disclosure as being "Confidential." Information disclosed orally or visually and identified at that time as confidential shall be considered as Confidential Information only if it is summarized in tangible form, marked "Confidential," and transmitted to the Researcher within thirty (30) days after the oral or visual disclosure.

3. Unless otherwise expressly authorized by Company, the Researcher agrees to retain the Confidential Information in confidence for the "Confidential Period" defined below, during which Period the Researcher shall not disclose the Confidential Information to any third party, and shall not use the Confidential Information for any purpose other than the aforesaid evaluation and consulting purposes.

The "Confidential Period" shall mean three (3) years from the date of receipt of the Confidential Information or until such time as the information no longer qualifies as Confidential Information pursuant to Paragraph 4 below.

4. Company acknowledges Researcher shall not have any obligation of confidentiality with respect to information that:

- (a) Was already in Researcher's possession on a non-confidential basis prior to receipt from Company; and/or
- (b) Is in the public domain by public use, general knowledge or the like, or after disclosure hereunder, becomes general or public knowledge through no fault of the party receiving said information or materials hereunder, and/or
- (c) Is properly obtained by the Researcher from a third party not under a confidentiality obligation to Company; and/or

(d) Is explicitly approved for release by written authorization of Company.

5. The Researcher agrees to return to Company, upon request, the devices, graphics, writings, and information in other tangible forms containing any of the Confidential Information referred to in Paragraph 2 above, and any copies of such Confidential Information.

6. No license, express or implied, in the Confidential Information is granted to the Receiving Part other than to use the information in the manner and to the extent authorized by this Agreement.

AGREED AND ACCEPTED THIS _____ DAY OF _____, 19__.

RESEARCHER

COMPANY

Signature

Signature

Name printed or typed

Name printed or typed

Title

Date _____

Date _____

EXHIBIT A

NOTE: Company will execute a separate Amendment for each program.

AMENDMENT NO. _____
to Manufacturing Research Center Master Agreement

In accordance with Article 7, Payment, of the Manufacturing Research Center (MRC) Master Agreement between the parties identified below, this Amendment specifies funding by Company to the University for Company's membership in the MRC and support of She MRC research program(s) as follows.

Company agrees to pay the University the sum of \$ _____ annually for membership in the following MRC research program from _____ until _____. After that period, the cost of membership in the MRC consortium will be renegotiated. Payments will be made in accordance with Article 7 of the MRC Master Agreement.

General Manufacturing Program (GMP)

Specific Manufacturing Program (SMP)

SMP Title:

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

COMPANY: _____

Craig S. Bazzani, Comptroller

Signature

DATE _____

DATE _____

ATTEST:

Name printed or Typed

Michele M. Thompson, Secretary

ACKNOWLEDGED:

Title

Director MRC
(UIC or UIUC Campus Director)
Form approved By University Legal Counsel: 04/29/91