1. PURPOSE

The purpose of this Policy is to ensure that Battelle Energy Alliance, LLC (BEA) (1) is not biased because of its financial, contractual, organizational, or other interests which relate to the work BEA performs consistent with its Technology Transfer Mission, and (2) does not obtain any unfair competitive advantage over other parties in government procurement during the course of performance of its Technology Transfer Mission under Prime Contract No. DE-AC07-05ID14517 (Prime Contract) with the U.S. Department of Energy (DOE).

This document describes policies regarding *conflict of interest (COI)* (see def.), *organizational conflict of interest (OCI)* (see def.), and *personal conflict of interest (PCOI)* (see def.) in technology transfer activities. OCI and PCOI may be real or perceived. Consistent with requirements in the Prime Contract between BEA and the DOE, it is the policy of BEA to avoid such situations with employees or organizations involved in technology transfer activities. This policy will address those situations and provide a forum for prudent business judgment and management of the OCI/PCOI assessment process.

2. SCOPE/LIMITATIONS

This Policy includes but is not limited to the following aspects of BEA's technology transfer activity where COI may be encountered:

1. Negotiating a Technology Transfer Agreement (see def.) with a current or former BEA employee or one who has taken a leave of absence.

2. Negotiating a Technology Transfer Agreement with Battelle Memorial Institute (BMI), an affiliate of BMI, or a Teaming Subcontractor of BEA.

3. Negotiating a Technology Transfer Agreement with an employee or a *Relation* (see def.) of an employee who holds an interest in the company seeking a Technology Transfer Agreement or who will be conducting some of the scientific work for BEA during the interaction with that company.

4. Distributing income received under a License Agreement or distributing income from the sale of an equity interest arising from a License Agreement with an outside party.

5. Sharing royalty income or income from sales of equity interest with employees under BEA's royalty sharing policy.

6. Working with several industrial clients in a common area or on a common technology with BEA.

3. IMPLEMENTATION

3.1 Identifying Organizational Conflicts of Interest

BEA:

1. BEA is a nonprofit limited liability company in which Battelle Memorial Institute (BMI), an Ohio nonprofit corporation, is the only member company. In order to avoid actual OCI or the appearance of OCI in the conduct of BEA's Technology Transfer Mission, BEA and its employees will comply with the following requirement in response to the requirements in section I.30 of the Prime Contract:

   Any BEA employee who was a BMI employee shall not participate in the preparation, negotiation, or execution of a Technology Transfer Agreement in which BMI is a recipient of rights for at least two years following their termination of employment with BMI.

2. For any Technology Transfer Agreement with any party, BEA shall complete and maintain a record of Form 481.42, "Technology Deployment Fairness of Opportunity Assessment," with the Technology Transfer Agreement file.

3. BEA must perform the work under the Prime Contract without bias due to past, present, or planned interests. This Policy requires all covered employees engaging in technology transfer activities to bring suspected OCI to the attention of management, help to determine if an OCI exists, and, if so, help develop an OCI COI mitigation plan.

3.2 Identifying Personal Conflicts of Interest

1. Each BEA employee who is routinely involved in the preparation, negotiation or execution of a Technology Transfer Agreement shall annually, read, understand, and execute a "Technology Deployment Annual Personal Conflict of Interest Representation," Form 481.43.

   a. Any BEA employee with an interest, or whose Relations have an interest, in any company with whom BEA is negotiating a Technology Transfer Agreement shall disclose the interest to the Director of Technology Deployment of BEA and remove himself from the negotiations unless otherwise resolved in an approved PCOI mitigation plan. BEA employees having latent conflicts that are discovered after negotiations are initiated shall be removed from the negotiations

unless or until otherwise resolved in an approved PCOI mitigation plan.

b. Each BEA employee who will have the primary responsibility for the work to be performed under a User Facility Agreement (UFA), Joint Appointment Agreement (JAA), Work for Others (WFO) Agreement, Technical Services Agreement (TSA), or a Cooperative Research and Development Agreement (CRADA) or who may receive a benefit, e.g. a share of license fees or royalty income, from a Technology Transfer Agreement shall read, understand, and execute "Technology Deployment Personal and Organizational Conflict of Interest (TD-COI) Review and Representation," Form 481.30. Absent an approved mitigation plan, any BEA employee who may benefit directly from royalty or licensing income received under a Technology Transfer Agreement shall not be involved with the negotiation of the terms and conditions or execution of any such Technology Transfer Agreement.

c. If a BEA employee or the employee's Relations have an interest in any company with which BEA is negotiating or has entered into a License Agreement in which the BEA employee may receive a share of royalty income or other income under the Licensing Income Guidelines, that BEA employee shall disclose the interest to their supervisor and the Director of Technology Deployment of BEA and remove himself from any negotiations regarding the Licensing Agreement unless otherwise resolved in an approved PCOI mitigation plan.

d. If a BEA employee or the employee's Relations have an interest in any company with which BEA is negotiating or has entered into a CRADA, WFO Agreement, or TSA in which the BEA employee will have the primary responsibility for the work to be performed, that BEA employee shall disclose the interest to their supervisor and the Director of Technology Deployment of BEA and remove himself from any negotiations or supervision regarding the Technology Transfer Agreement unless otherwise resolved in an approved PCOI mitigation plan.

3. If any BEA employee knows of or has reason to believe that another BEA employee or the other employee's Relations, has an interest in the other party to the Technology Transfer Agreement, the first BEA employee shall advise their supervisor or the Director of Technology Deployment of the interest of the other BEA employee; and the employee's supervisor will bring it to the attention of the Technology Deployment Director who shall take appropriate action, including referral to the BEA Conflict of Interest Coordinator and General Counsel if necessary.

4. If an actual or perceived PCOI issue is identified, it shall immediately be brought to the attention of your supervisor and referred to BEA's Technology Deployment Director for resolution.

3.3 Addressing/Mitigating Organizational or Personal Conflict of Interest

1. BEA's Technology Deployment Director will work with other BEA functional groups and Directorates on an as needed basis to resolve the actual or perceived OCI or PCOI issue. These functional groups and Directorates may include without limitation: the Office of General Counsel, the BEA Conflict of Interest Coordinator, the directorates involving affected INL personnel, and the Technology Deployment Ombudsman.

2. Decisions and actions taken to resolve or mitigate an actual or perceived conflict of interest shall be documented and maintained with the Technology Transfer transaction file in a COI mitigation plan. These plans will describe who participated in the decision process, any mitigating actions or decisions, and be approved by a Line Manager, Technology Deployment Director, COI Coordinator, and Legal Counsel as appropriate for the specific issue.

3. The DOE must approve the agreements described below in response to the requirements in section I.30.d.7 & 8 of the Prime Contract:

   a. Any license, option or assignment of title (of INL government funded technology) to BMI or any BMI affiliate.

   b. Any exclusive license, any option for exclusive license, or any assignment of title of INL government funded technology to any current BEA employee or anyone who has been a BEA employee during the previous two years or to the company in which he has an interest or in which his Relations have an interest.

4. In each transaction or agreement file maintained by Technology Deployment, the following COI documents for Principle Investigators, and all other Non-TD and Legal employees having a substantial role in the negotiating and approval of the agreement will be placed, prior to finalizing the transaction:

   - Form 481.30, Technology Deployment Personal and Organizational Conflict of Interest Review and Representation

   - Form 481.42, Technology Deployment Fairness of Opportunity Assessment

- As necessary, PCOI mitigation plans.

5. Form 481.43, Technology Deployment Annual Personal Conflict of Interest Representations will be maintained in a central file maintained by Technology Deployment. Form 481.43 is not required in each individual transaction file.

3.4 Conflict of Interests Requirements

1. BEA will conduct DOE-funded projects and programs so as to avoid the appearance of conflicts of interest or actual conflicts of interest with non-Government funded work.

2. Ownership (equity) interests in outside entities taken by BEA in consideration of the granting of license rights shall be managed and administered in accordance with the Licensing Income Guidelines and BEA upper management.

3. In the event multiple outside entities work in a common location and/or in a common technology with INL, Technology Deployment, Conflict of Interest Coordinator, and General Counsel staff if necessary will endeavor to manage potential COI considerations to the extent they are known.

4. In addition to complying with the requirements of this procedure, all covered employees shall comply with the requirements of Section I.9 DEAR 952.209-72—*Organization Conflicts of Interest. (JUN 1997) Alternate I (JAN 1997*) of the Prime Contract.

4. DEFINITIONS

Conflict of Interest. The term Conflict of Interest (COI) encompasses conflicts of interest whether Personal or Organizational as defined below.

Organizational Conflict of Interest. Because of other activities or relationships with other persons:

- An individual (or group of individuals) employed by BEA or BEA as a company, is unable or potentially unable to render impartial assistance or advice to the government (or non-federal work for others sponsor), or to maintain objectivity in performing government contract work

- BEA has an unfair competitive advantage.

Personal Conflict of Interest. This occurs when an employee's outside financial, business, or personal relationships are or appear to be inconsistent with the interests of

INL or the Government and, as a result, that employee's duty of loyalty to BEA and independent judgment related to INL matters might potentially be compromised.

Relation. A BEA employee's parents (and in-laws), spouse, children (including adopted, step-children and in-laws), and brothers and sisters (and in-laws) and members of the employee's household.

Technology Transfer Agreement. Any agreement that establishes the business and technology parameters for a business arrangement between a third party and BEA, e.g., User Facility Agreement (UFA), Joint Appointment Agreement (JAA), Cooperative Research and Development Agreement (CRADA), License Agreement, Technical Assistance Agreement, Technical Service Agreement (TSA), Work for Others (WFO) Agreement, and other agreements of like nature consistent with applicable law and the Prime Contract.

5. REFERENCES

Form 481.30, "Technology Deployment Personal and Organizational Conflict of Interest (TD-COI) Review and Representation"

Form 481.42, "Technology Deployment Fairness of Opportunity Assessment"

Form 481.43, "Technology Deployment Annual Personal Conflict of Interest Representation"

Guidelines for Utilization of INEEL Licensing Income and Inventor Recognition (Licensing Income Guidelines).

Prime Contract, sections H.8 and I.30.

This Policy falls under the exclusion in LWP-1603, "Conflict of Interest Compliance Plan," Section 2 that states "For unique INL activities with special conflict of interest challenges, such as technology transfer, mission development, or procurement-related conflicts, specific guidance is maintained by the applicable BEA business function."