

EMPLOYEE CONFIDENTIALITY, INVENTION ASSIGNMENT AND NON-COMPETE AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY, INVENTION ASSIGNMENT AND NON-COMPETE AGREEMENT ("Agreement") is made as of the date set forth on the signature page below between POZEN Inc. ("POZEN"), and the person whose name is set forth on the signature page below as Employee ("Employee").

In consideration of Employee's employment or continued employment by POZEN, with the intention that this Agreement shall apply to the entire period of Employee's employment with POZEN (including the period prior to the date of this Agreement), Employee hereby agrees as follows:

1. CONFIDENTIAL INFORMATION DEFINED. "Confidential Information" means trade secrets, proprietary information and materials, and confidential knowledge and information which includes, but is not limited to, matters of a technical nature (such as discoveries, ideas, concepts, designs, drawings, specifications, techniques, models, diagrams, test data, scientific methods and know-how, and materials such as reagents, substances, chemical compounds, subcellular constituents, cell or cell lines, organisms and progeny, and mutants, derivatives or replications derived from or relating to any of the foregoing materials), and matters of a business nature (such as the identity of customers and prospective customers, the nature of work being done for or discussed with customers or prospective customers, suppliers, marketing techniques and materials, marketing and development plans, pricing or pricing policies, financial information, plans for further development, and any other information of a similar nature not available to the public).

"Confidential Information" shall not include information that: (a) was in Employee's possession or in the public domain before receipt from the Company, as evidenced by the then existing publication or other public dissemination of such information in written or other documentary form; (b) becomes available to the public through no fault of Employee; (c) is received in good faith by Employee from a third party who is known to Employee to be not subject to an obligation of confidentiality to the Company or any other party; or (d) is required by a judicial or administrative authority or court having competent jurisdiction to be disclosed by Employee, provided that Employee shall promptly notify the Company and not attempt to prevent the Company from opposing or limiting such order.

2. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION OF POZEN. Employee acknowledges that, during the period of Employee's employment with POZEN, Employee has had or will have access to Confidential Information of POZEN. Therefore, Employee agrees that both during and after the period of Employee's employment with POZEN, Employee shall not, without the prior written approval of POZEN, directly or indirectly (a) reveal, report, publish, disclose or transfer any Confidential Information of POZEN to any person or entity; or (b) use any Confidential Information of POZEN for any purpose or for the benefit of any person or entity, except in the good faith performance of Employee's work for POZEN or to comply with an order from any court of competent jurisdiction.

3. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION OF OTHERS. Employee acknowledges that, during the period of Employee's employment with POZEN, Employee may have had or will have access to Confidential Information of third parties who have given POZEN the right to use such Confidential Information, subject to a non-disclosure agreement between POZEN and such third party. Therefore, Employee agrees that both during and after the period of Employee's employment with POZEN, Employee shall not, without the prior written approval of POZEN, directly or indirectly (a) reveal, report, publish, disclose or transfer any Confidential Information of such third parties to any person or entity; or (b) use any Confidential Information of such third parties for any purpose or for the benefit of any person or entity, except in the good faith performance of Employee's work for POZEN or to comply with an order from any court of competent jurisdiction.

- 18 -

4. PROPERTY OF POZEN. Employee acknowledges and agrees that all Confidential Information of POZEN and all reports, drawings, blueprints, materials, data, code, notes and other documents and records (other than Employee's personal address book), whether printed, typed, handwritten, videotaped, transmitted or transcribed on data files or on any other type of media, and whether or not labeled or identified as confidential or proprietary, made or compiled by Employee, or made available to Employee, during the period of Employee employment with POZEN (including the period prior to the date of this Agreement) concerning POZEN's Confidential Information are and shall remain POZEN's property and shall be delivered to POZEN within five (5) business days after the termination of such employment with POZEN or at any earlier time on request of POZEN. Employee shall not retain copies of such Confidential Information, documents and records.

5. PROPRIETARY NOTICES. Employee shall not, and shall not permit any other person to, remove any proprietary or other legends or restrictive notices contained in or included in any Confidential Information.

6. INVENTIONS.

(a) Employee shall promptly, from time to time, fully inform and disclose to POZEN in writing all inventions, copyrightable material, designs, improvements and discoveries of any kind which Employee now has made, conceived or developed (including prior to the date of this Agreement), or which Employee may later make, conceive or develop, during the period of Employee's employment with POZEN, which pertain to or relate to POZEN's business or any of the work or businesses carried on by POZEN ("Inventions"). This covenant applies to all such Inventions, whether or not they are eligible for patent, copyright, trademark, trade secret or other legal protection; and whether or not they are conceived and/or developed by Employee alone or with others; and whether or not they are conceived and/or developed during regular working hours; and whether or not they are conceived and/or developed at POZEN's facility or not.

(b) Inventions shall not include any inventions made, conceived or developed by Employee prior to Employee's employment with POZEN.

(c) All Inventions shall be the sole and exclusive property of POZEN, and shall be deemed part of the Confidential Information of POZEN for purposes of this Agreement, whether or not fixed in a tangible medium of expression. Employee hereby assigns all Employee's rights in all Inventions and in all related patents, copyrights and trademarks, trade secrets and other proprietary rights therein to POZEN. Without limiting the foregoing, Employee agrees that any copyrightable material shall be deemed to be "works made for hire" and that POZEN shall be deemed the author of such works under the United States Copyright Act, provided that in the event and to the extent such works are determined not to constitute "works made for hire", Employee hereby irrevocably assigns and transfers to POZEN all right, title and interest in such works.

(d) Employee shall assist and cooperate with POZEN, both during and after the period of Employee's employment with POZEN, at POZEN's sole expense, to allow POZEN to obtain, maintain and enforce patent, copyright, trademark, trade secret and other legal protection for the Inventions. Employee shall sign such truthful documents, and do such things necessary, to obtain such protection and to vest POZEN with full and exclusive title in all Inventions against infringement by others. Employee hereby appoints the Secretary of POZEN as Employee's attorney-in-fact to execute any truthful documents on Employee's behalf for this purpose.

- 19 -

(e) Employee shall not be entitled to any additional compensation for any and all Inventions made during the period of Employee's employment with POZEN.

7. COVENANT NOT TO COMPETE. If Employee is, at any time during Employee's period of employment with POZEN, employed in the discovery or development areas of the Company in a non-clerical position, or as a director level or higher level senior manager of the Company, then this Section 7 shall apply. Employee and POZEN agree that the services rendered by Employee are unique and irreplaceable, and that competitive use and knowledge of any Confidential Information would substantially and irreparably injure POZEN's business, prospects and good will. Employee and POZEN also agree that POZEN's business is global in nature due to the type of products and/or services being provided. Therefore, Employee agrees that during the period of Employee's employment with POZEN and for a period of one (1) year thereafter, Employee shall not, directly or indirectly, through any other person, firm, corporation or other entity (whether as an officer, director, employee, partner, consultant, holder of equity or debt investment, lender or in any other manner or capacity):

(a) develop, sell, market, offer to sell products (and/or services anywhere in the world that have the same or similar technological approach or technology platform (e.g., same receptors, same mechanism of action, etc.) and have the same indication as those being developed, offered or sold by POZEN on the date of the termination of Employee's employment with POZEN for any reason, provided that the foregoing shall not be violated by Employee's activities with an entity where the portion of the competitive business involved is less than five percent (5%) of the revenues of the portion of the entity that is under Employee's supervision;

(b) solicit, induce, encourage or attempt to induce or encourage any employee or consultant of POZEN, except Employee's executive assistant, to terminate his or her employment or consulting relationship with POZEN, or to breach any other obligation to POZEN (other than advertising not specifically targeted at the Company's employees and serving as a reference upon request), however, notwithstanding the foregoing, Employee may engage in the activities described in this Section 7(b) with respect to one executive who worked with Employee in the past and joined the Company without it violating this provision; or

(c) interfere with, disrupt, alter or attempt to disrupt or alter the relationship, contractual or otherwise, between POZEN and any consultant, contractor, customer, potential customer, or supplier of POZEN.

Employee acknowledges that the foregoing geographic, activity and time limitations contained in this Section 7 are reasonable and properly required for the adequate protection of POZEN's business. In the event that any such geographic, activity or time limitation is deemed to be unreasonable by a court, Employee shall submit to the reduction of either said activity or time limitation to such activity or period as the court shall deem reasonable. In the event that Employee is in violation of the aforementioned restrictive covenants, then the time limitation thereof shall be extended for a period of time equal to the pendency of such proceedings, including appeals.

8. DISCLOSURE OF THIS AGREEMENT. Employee hereby authorizes POZEN to notify others, including but not limited to customers of POZEN and any of Employee's future employers, of the terms of this Agreement and Employee's responsibilities under this Agreement.

- 20 -

9. SPECIFIC PERFORMANCE. Employee acknowledges that money damages alone would not adequately compensate POZEN in the event of a breach or threatened breach by Employee of this Agreement, and that, in addition to all other remedies available to POZEN at law or in equity, POZEN shall be entitled to injunctive relief for the enforcement of its rights and to an accounting of profits made during the period of such breach.

10. NO RIGHTS GRANTED. Employee understands that nothing in this Agreement shall be deemed to constitute, by implication or otherwise, the grant by POZEN to the employee of any license or other right under any patent, patent application or other intellectual property right or interest belonging to POZEN.

11. SEVERABILITY.

(a) Each of the covenants provided in this Agreement are separate and independent covenants. If any provision of this Agreement shall be determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and any such invalid or unenforceable provision shall be reformed so as to be valid and enforceable to the fullest extent permitted by law.

(b) It is not a defense to the enforcement of any provision of this Agreement that POZEN has breached or failed to perform any obligation or covenant hereunder or under any other agreement or understanding between Employee and POZEN.

12. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to conflict of law rules. All suits and claims shall be made only in state or federal courts located in North Carolina.

13. SUPERSEDES OTHER AGREEMENTS. This Agreement contains the entire agreement of the parties with respect to subject matter hereof and supersedes all previous agreements and understandings between the parties with respect to its subject matter.

14. AMENDMENTS. This Agreement may not be changed, modified, released, discharged, abandoned or otherwise terminated in whole or in part except by an instrument in writing, agreed to and signed by the Employee and a duly authorized officer of POZEN.

15. ACKNOWLEDGEMENTS. THE EMPLOYEE ACKNOWLEDGES THAT (i) THE EMPLOYEE HAS READ AND FULLY UNDERSTANDS THIS AGREEMENT; (ii) THE EMPLOYEE HAS BEEN GIVEN THE OPPORTUNITY TO ASK QUESTIONS; (iii) THE EMPLOYEE HAS RECEIVED A COPY OF THIS AGREEMENT, THE ORIGINAL OF WHICH WILL BE RETAINED IN THE EMPLOYEE'S PERSONNEL FILE; AND (iv) THE EMPLOYEE'S OBLIGATIONS UNDER THIS AGREEMENT SURVIVE THE TERMINATION OF THE EMPLOYEE'S EMPLOYMENT WITH POZEN FOR ANY REASON.

- 21 -

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

POZEN INC.

By:

Title:

EMPLOYEE:

Adrian Adams
(Print Name)

(Signature Here)

Date:

Address:

- 22 -
