


<p><b>Name of Policy:</b> <u>Disposition of start-up equity.</u></p> <p><b>Policy Number:</b> 3364-70-13</p> <p><b>Approving Officer:</b> President</p> <p><b>Responsible Agent:</b> Vice President of Research Development</p> <p><b>Scope:</b> all University of Toledo campuses</p>	 <p><b>Original Effective date:</b> June 11, 2009</p>				
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(A) Policy statement

In an effort to encourage regional economic development, the University of Toledo (“University”) may assist with the establishment of start-up companies based on technology licensed from the university. Accordingly, the university may assign any rights to equity interests obtained in consideration of licensing intellectual property pursuant to a licensing agreement. The University may designate the Science, Technology, and Innovation Enterprises or a direct or indirect affiliate of the Science Technology and Innovation Enterprises to receive a specified portion of an equity interest or warrants in a start-up company, subject to acceptance and approval of the assignee.

(B) Purpose of policy

Provide a procedure for the liquidity event of equity interests obtained by the university through a license agreement and assigned to the assignee.

(C) Procedure

- (1) The university or its office of research development shall promptly notify, in writing, the assignee as soon as it receives notice from its licensee that the licensee is planning a liquidity event. Liquidity event includes, but is not limited to, an initial public offering, purchase and sale of an ownership interest, merger, and any other type of exit strategy or liquidation used by the licensee.
- (2) The assignee shall have sole discretion and control in the disposition of equity interests assigned to the assignee by the university. The assignee shall exercise independent judgment in evaluating, negotiating, and accepting the terms and conditions of any liquidity event.

- (3) If the liquidity event is a sale of equity in the public market, the assignee shall make arrangements for the sale of the equity in the public market in an orderly fashion at the end of any “lock-up” period.
- (4) Upon completion of the liquidation event, the assignee shall transfer the proceeds to the office of research development so it may distribute the funds in accordance with the university’s patent policy.

<p>Approved by:</p> <p><u>/s/ laj</u> Lloyd A. Jacobs, M.D. President</p> <p><u>June 11, 2009</u> Date</p> <p><i>Review/Revision Completed by: Vice President for Research Development; Director, Licensing and Contracts</i></p>	<p><b>Policies Superseded by This Policy:</b></p> <ul style="list-style-type: none"> <li>• <i>None</i></li> </ul> <p>Original effective date: June 11, 2009 Review/Revision Date: Next review date: June 11, 2009</p>
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