

<b>Name of Policy:</b> <b>Disposition of start-up equity</b> <b>Policy Number:</b> 3364-70-13 <b>Approving Officer:</b> President <b>Responsible Agent:</b> Vice President, Research <b>Scope:</b> All University of Toledo campuses		 <b>Effective date:</b> September 15, 2023 <b>Original effective date:</b> June 11, 2009	
<b>Keywords:</b>			
	New policy		Minor/technical revision of existing policy
	Major revision of existing policy	X	Reaffirmation of existing policy

(A) Policy statement

The university of Toledo (“university”) may accept equity or warrants in a start-up company as partial consideration for a license agreement. The license agreement will include language that allows the university to assign its rights in any such equity interest to a third party designee. University has designated rocket innovations or a direct or indirect affiliate of rocket innovations to receive equity interests or warrants in start-up companies, subject to acceptance and approval of the assignee.

(B) Purpose of policy

Provide a procedure for the assignment and liquidity of equity interests or warrants obtained by university through a license agreement.

(C) Procedure

- (1) University will promptly notify rocket innovations, in writing, that it is in the process of licensing technology to a start-up company that includes an equity interest.

- (2) University will execute an agreement with rocket innovations before the equity interest is transferred that defines the terms of the equity interest.
- (3) University will promptly notify rocket innovations, in writing, as soon as it receives notice from the licensee that it is planning a liquidity event which may include, 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.
- (4) In the event that university has assigned its right in any equity interest, the assignee will have sole discretion and control in the disposition of equity interests assigned by university. The assignee shall exercise independent judgment in evaluating, negotiating, and accepting the terms and conditions of any liquidity event.
- (5) If the liquidity event is a sale of equity in the public market, the assignee will make arrangements for the sale of the equity in the public market in an orderly fashion at the end of any "lock-up" period.
- (6) Upon completion of the liquidation event, the assignee will transfer the proceeds to the university's office of research so it may distribute the funds in accordance with university's patent rule 3364-70-04.

<p><b>Approved by:</b></p> <p><u>/s/</u></p> <hr/> <p>Gregory Postel, MD President</p> <p><b>Date:</b> September 15, 2023</p> <p><b>Review/revision completed by:</b></p> <ul style="list-style-type: none"> <li>• Vice President, Research</li> <li>• Associate Vice President, Technology Transfer</li> <li>• Senior Leadership Team</li> </ul>	<p><b>Policies superseded by this policy:</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Original effective date:</b> <i>June 11, 2009</i></p> <p><b>Review/revision date:</b> <i>December 10, 2012</i> <i>February 21, 2017</i> <i>March 16, 2020</i> <i>September 15, 2023</i></p> <p><b>Next review date:</b> <i>September 15, 2026</i></p>
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