

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

(A) Policy statement

The University of Toledo (“UToledo”) 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 UToledo to assign its rights in any such equity interest to a third-party designee. UToledo 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 UToledo through a license agreement.

(C) Procedure

- (1) UToledo 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) UToledo will execute an agreement with rocket innovations before the equity interest is transferred that defines the terms of the equity interest.
- (3) UToledo 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 UToledo has assigned its right in any equity interest, the assignee will have sole discretion and control in the disposition of equity interests assigned by UToledo. 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 to sell the equity in the public market in an orderly fashion at the end of any “lock-up” period.
- (6) Upon completion of the liquidity event, the assignee will transfer the proceeds to UToledo’s Research and Innovation office so it may distribute the funds in accordance with UToledo’s patent policy 3364-70-04.

Approved by: President Date: Review/revision completed by: • Vice President, Research and Innovation • Associate Vice President, Technology Transfer	Policies superseded by this policy: • None Original effective date: <i>June 11, 2009</i> Review/revision date: <i>December 10, 2012</i> <i>February 21, 2017</i> <i>March 16, 2020</i> <i>September 15, 2023</i> <i>September 15, 2026</i>
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	Next review date: <i>September 15, 2029</i>
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