



University of Central Florida Research Foundation, Inc.

<u>SUBJECT:</u> Divestment Guidelines	<u>Effective Date:</u> 2020
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STATEMENT AND PURPOSE

Upon certification as a Direct Support Organization of the University of Central Florida (UCF), the UCF Research Foundation (UCFRF) was authorized by the UCF Board of Trustees to operate exclusively to receive, hold, invest in, and administers certain types of property, including intellectual property, for the benefit of UCF. From time to time, UCFRF receives various forms of equity, or opportunities for future equity, related to licensing transactions generated through UCF's Office of Technology Transfer (OTT). These Divestment Guidelines provide the framework for UCFRF's divestment of such equity.

GENERAL INFORMATION

The UCFRF occasionally has the opportunity to accept equity, in the form of stock or the potential for future equity through warrants, as part of the consideration for licensing Intellectual Property invented by UCF employees. Such equity is not taken in preference to cash licensing fees or royalties; however, inclusion of equity in such licensing agreements may be in the best interest of the UCFRF. That is, where it is believed the best terms possible were negotiated, yet cash compensation terms are deemed insufficient consideration by UCF's OTT, stock or warrants are taken as added compensation.

Acceptance of equity by the UCFRF is based upon the principles of legality, openness, objectivity, and fairness in decision-making, and preeminence of the education, research, and public service missions of the UCF and UCFRF over financial gain. All licensing activity is conducted in accordance with the UCF's and UCFRF's policies, procedures, and guidelines on Conflict of Interest and other related UCF and UCFRF policies and guidelines.

All decisions regarding the equity, including whether and when to convert the equity into cash will be made in accordance with these Guidelines, unless expressly approved in writing by the President of the UCFRF.

The following terms used in these Guidelines shall have the same meaning as defined in [UCF Regulation 2.029, Patents, Trademarks and Trade Secret](#):

Invention
Inventor
Works
Creator
Intellectual Property

PROCEDURES

The OTT is the only authorized negotiating representative of UCFRF for any UCFRF owned Invention(s) or Work(s). Accordingly, no Inventor or Creator shall represent, or purport to represent, the UCFRF in licensing negotiations for rights to UCFRF owned Invention(s) or Work(s) with a potential licensee, including without limitation a potential licensee company in which that Inventor or Creator has a personal interest. Also, no UCF employee may negotiate with UCFRF on behalf of a potential licensee company in which that employee has a personal interest if that UCF employee is an Inventor or Creator of the subject Intellectual Property.

The UCFRF shall make decisions regarding the management and disposition of equity it receives pursuant to these Guidelines based upon sound business judgment and publicly available information, to include disposition in relation to mitigation of potential institutional conflict of interest, as applicable, and such decisions shall be made independent of any influence by the Inventors/Creators, OTT, or any other UCF unit or employee. Under no circumstances shall the UCFRF make any direct investment in any licensee in which equity has been accepted by the UCFRF as consideration for a license pursuant to this guideline unless and until the licensee company is publicly traded or until the company's equity is priced by independent means.

Taking into account any obligations, the UCFRF shall divest itself of equity as soon as feasible once that equity is publicly tradable and subject to contractual and other restrictions on such sales and considering typical trading volume. Nothing herein should be construed to restrict the UCFRF from divesting itself of equity that would otherwise be able to be sold. The UCFRF shall distribute cash proceeds, upon conversion of equity to cash, in accordance with [UCF Research Foundation Revenue Distribution Guideline 2017](#), applicable UCF regulations, and the UCF Collective Bargaining Agreement.

RELATED INFORMATION

[UCF Research Foundation Revenue Distribution Guideline 2017](#)

[UCF Regulation 2.029, Patents, Trademarks and Trade Secret](#)

[UCF Regulation 2.033, Copyrights and Works](#)

[UCF Conflict of Interest](#)

[UCF Collective Bargaining Agreement](#)