

Campus Company Policy

The formation of a Campus Company is one of the mechanisms that can be employed for the commercial exploitation of the intellectual property created through scholarship at NUI Maynooth. NUI Maynooth will encourage and support the location and operation of Campus Companies, either on or close to the University campus, if it is satisfied that there is a strong potential for synergy between the company's activities and the teaching and/or research mission of the University.

The objective of this policy document is to provide a framework for the establishment and support of Campus Company enterprise while not conflicting with the *Universities Act 1997*. The basic procedures and guidelines for the formation, structure and operation of Campus Companies and their on-going relationship with NUI Maynooth are set out below.

1. Definitions

Campus Companies are private limited liability companies that operate on or close to the University campus. They are usually highly knowledge/skill intensive enterprises that are established by University staff and/or students to commercialise innovative ideas arising from scholarly activity at the University.

Campus Companies are mostly envisaged as being independent "spin-off" enterprises that will move off the campus after a period of business incubation. They are under the control of their shareholders and directors. In contrast *Subsidiary Companies* may be established by and would remain under the control of the University in order to commercialise a particular University service or for other university purposes, and may remain on campus as long as the service is relevant and viable.

2. Evaluation of Business Proposals

University staff or students seeking to promote a business idea should contact the Commercialisation Office. General advice on commercialisation will be available in this office.

Those wishing to establish a Campus Company will be required to prepare an outline proposal of their business plan for submission to the Commercialisation Office. The plan should establish proof of concept along with details on: capital/financial arrangements; proposed management structure and staffing arrangements; projected requirements for space and facilities; strategy for the protection and exploitation of existing or future intellectual property; and relevance to NUI Maynooth activities. In addition the plan should explain why the Campus Company option is being pursued rather than other options for commercialisation.

The Commercialisation Office may reject a submission outright or move to *full examination* of the concept. Such examination will normally require further information and, if appropriate, a period of negotiation on the detailed arrangements for the company's establishment and operation on or near campus, including the terms on which any University and external services may be provided to the Company. Following *full examination* the Commercialisation Office may recommend either approval or rejection of the proposal to establish a Campus Company.

The Commercialisation Office's recommendation will require the endorsement of the Governing Authority via an appropriate sub-committee. A condition for approval will be an assurance that appropriate health and safety standards can be met and that there is adequate indemnity for the University against third party action.

3. Establishment

Following approval by the University authorities of a full business plan and agreement on detailed terms of establishment, a memorandum and articles of association of the company can be drawn up and the company may then be formally incorporated and registered for trading. In certain cases, it may be necessary for a Campus Company to be registered before the University has approved the full business plan, for example to avail of a particular funding or business opportunity. The University will aim to be flexible in these circumstances. In such circumstances the founder(s) will be asked to note that early registration does not automatically mean approval to proceed to campus company status. In addition the agreement of the Dean of Research and the Bursar is required before early registration is allowed.

4. Equity

A share of the equity in a start-up campus company will normally be set aside for external seed capital investment and the remaining share capital will be divided between the founder(s) and the university in the ratio 85:15. Any conditions attaching to the University's shareholding must be agreed prior to the company's establishment.

The actual percentage of the initial equity to be made available for seed capital will be decided based on commercial considerations in the best interests of the start-up company, but typically a realistic minimum for this purpose will be 20% of the equity. This investment will facilitate growth of the company by providing essential seed finance and management experience. The approval of the university (not to be unreasonably withheld) would be required for the identity of any seed capital investor.

Any subsequent dilutions of existing shareholdings will be based on commercial considerations in the best interests of the campus company.

In any cases where the University's approval is requested and given for an existing external company to establish a presence on the campus, negotiations on the University's shareholding will be concluded before any occupancy agreement is signed and before it takes up residence on campus.

NUI Maynooth may dispose of its shareholding with due notice to the company's directors, subject to and in accordance with the terms of any existing investment or shareholders' agreement and the company's articles of association.

5. University Services and Support

NUI Maynooth may enable Campus Companies to receive a range of services and supports, including: incubator space; utilities; business and financial advice; access to specialised equipment and laboratory facilities; high bandwidth Internet connection; meeting and seminar rooms; library services; security and car parking; and catering services. In addition, Campus Companies can benefit from having a prestigious business address and proximity to the broad range of expertise that exists on campus. Appropriate charges for such services will be agreed on the establishment of the company. The university or its employees will not provide any service which requires a licence or is subject to regulation.

6. Location and Support Arrangements

NUI Maynooth will make every effort to find suitable accommodation for approved Campus Companies. Accommodation and support services will be provided on an annual contract basis, with

a normal occupancy limit of 2 years and 11 months. Some flexibility may be possible depending on the type of company and any special circumstances that apply.

The general conditions governing occupancy arrangements will recognize: that the provision of space and services is subject to availability; that the use of space and services is not of a nature or at a level which interferes with the administrative, research or teaching activities in the University; that where the University allows campus companies access to services that are acquired from external suppliers, the campus companies are subject to the same terms and conditions of usage as those pertaining to the University from its purchase of service contract; and that a company's usage of University resources is only incidental to its main business, i.e., University services and resources are not available as principal resources for campus companies.

7. Management and Control

NUI Maynooth will have the option to nominate at least one representative to the board of directors of all Campus Companies. The University will seek to ensure that the composition of the board reflects an appropriate balance of relevant technical and commercial expertise.

Management of the company must be in accordance with its memorandum and articles of association. The company must comply with all filing requirements and other legal obligations of the Companies Acts. Campus Company directors must also ensure and confirm compliance with the filing and other requirements of the Revenue Authorities.

The University will have access to the management accounts of the company and may undertake regular inspection of the accounts subject to the shareholders' agreement. It will be the company's responsibility to ensure that its accounts are externally audited on an annual basis.

Campus Company promoters must provide evidence of adequate personal and professional indemnities, and shall undertake to hold the University harmless from any legal action arising from Campus Company activities and from any disruptions to external services that are beyond the University's direct control.

8. Intellectual Property

Staff or students seeking to exploit existing or future NUI Maynooth intellectual property through a Campus Company will be bound by the terms of the NUI Maynooth Inventions and Patent Policy.

Detailed arrangements for the continued protection and commercialisation of such intellectual property will be agreed at the negotiation stage, i.e. before the company's establishment.

Intellectual property arising from the company's activities and invented solely by company employees will belong to the company. In cases where NUI Maynooth staff and/or students are involved in the creation of new intellectual property in the company, ownership and royalties will be apportioned according to the creative input and commercialization effort of each of the inventors.

In the event of a Campus Company being wound up, any intellectual property that has been assigned to it by the University will revert to University ownership.

9. Staff and Contractual Issues

Campus Companies may employ staff on their own terms and conditions independently of the University. The company and its staff must comply with NUI Maynooth's regulations on health & safety and security.

Employment contracts issued by Campus Companies will state clearly that its staff are not employees of the University, and that the company alone will be responsible for all remuneration, tax, pensions, insurance and all other obligations to its employees.

Similarly, all contracts issued to external suppliers, consultants or any other subcontractors, will be clearly in the name of the company and will exclude NUI Maynooth from any obligation or liability arising from such contracts.

10. Tax Considerations

NUI Maynooth will co-operate with Campus Companies to avail of any tax advantages to the extent allowed by law.

11. Joint Ventures

Commercialisation of University enterprise may also take the form of joint ventures between Campus Companies and appropriate external companies.

12. Dispute Resolution

This policy document is issued for the purpose set out in the introductory paragraphs. No obligations will bind the University arising out of it otherwise than in accordance with the terms and conditions of any agreements negotiated in the manner referred to above and formally accepted by the University. Any such agreement shall be governed by the laws and regulations of Ireland. Any disputes arising out of or in connection with any such agreement which are not resolved through mediation or arbitration shall be settled-by the relevant court in Ireland.

13. Date of Initiation

This policy shall be effective from 1st October 2008 and for all campus companies established after that date.

14. Review of this policy

This policy can be amended by a decision of the Governing Authority at any time. A formal review of the policy and any amendments made will be carried out within five years.