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CHANCELLOR – LOS ANGELES CAMPUS

Delegation of Authority to Appoint and Dissolve Newco's Board of Directors and Approve Newco's Budget and Management Plan

Standing Order of The Regents 100.4(oo) provides that:

The President is authorized to administer University participation in corporations, companies, and partnerships, provided that such participations have been approved by the Board for University-related purposes, and to execute all documents in connection therewith on behalf of the University. The President shall be the custodian of all documents related to such participations.

On May 15, 2013, The Regents approved Regents' Item F5, entitled "Authorization to create a separate 501(c)(3) nonprofit corporation to oversee the management of intellectual property and industry-sponsored research contracting, Los Angeles campus." This Item authorizes the President to approve the formation of and participation in a separate § 501(c)(3) nonprofit corporation (Newco), and to manage the types of intellectual property (IP) including technology transfer and industry-sponsored research contracting (ISR) at UCLA, currently managed by UCLA's Office of Intellectual Property and Industry Sponsored Research. I hereby delegate to you the authority granted to me by the action of The Regents, to approve: (i) the composition of Newco's Board, (ii) the annual budget and management plan, and any augmentation to the budget or significant change in management plan, and (iii) the continued existence of Newco (with authority to terminate at any time for any reason), subject to the following conditions:

1. Newco shall be governed by a Board of Directors (Newco Board) comprised primarily of individuals possessing extensive experience in the business of commercializing research. The Newco Board shall include at least one (1) person who is a UCLA Academic Senate member, and such officers as required by State and/or federal law, as applicable. The UCLA Chancellor

shall have the authority to appoint initial members of the Newco Board. Thereafter, any new members of the Newco Board and replacement members of the Newco Board shall be nominated by the Newco Board, subject to the review and approval of the UCLA Chancellor. The Regents, the President, and the UCLA Chancellor shall each hold the absolute right to dissolve Newco and/or dismiss its Newco Board at any time with or without cause.

2. Directors shall not receive compensation for their services to Newco; however, they may receive reimbursements or advancements of expenses related to their service as Newco Board members.
3. Newco and its Board of Directors, including its prospective and incumbent Directors, shall abide by all applicable conflict of interest and ethics laws, policies of the University, and policies of UCLA. Newco shall comply with all laws applicable to the University and (unless otherwise authorized by the President following consultation with the General Counsel), Newco shall comply with all University policies, and any policies adopted by Newco shall be consistent with applicable University policies and published University practices. Applicable laws and University policies shall include, without limitation, those relating to IP and ISR, including, without limitation, policies relating to restrictions on publication and laws relating to procurement and public records. Any exceptions to such policies must be approved according to the relevant delegated authority.
4. Royalty income, licensing income, licensing equity and ISR funds will continue to flow directly to the University and UCLA. The University and UCLA Chancellor will make mandatory distributions as required under University policy, including to the inventor(s), the research share and payments to joint-holders. Annually, through approval of a budget and management plan, the UCLA Chancellor will have the authority to allocate the remaining IP/ISR Proceeds that are within his or her spending discretion to fund the activities of Newco, in consultation with Newco's Board, the UCLA Oversight Committee and UCLA OIP-ISR leadership and staff. No University funds will go to Newco-controlled accounts (Newco will not have accounts or funds separate from University accounts and funds). The annual budget as approved by the UCLA Chancellor will be funded by the same sources that at present support OIP/ISR and by other fund sources that are or may become available to Newco or the UCLA Chancellor, and will encompass all contemplated operational expenses of Newco and its Board. Prior to exceeding the approved budget, the Board will be required to request an augmentation from the UCLA Chancellor.

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5. The President will retain the authority, after consultation with the General Counsel, to execute and approve Newco's Articles of Incorporation, the initial Bylaws, and any amendments thereto. The President may not delegate this authority.

This authority may not be redelegated.



Janet Napolitano
President

cc: Members, President's Cabinet
General Counsel Robinson
Interim Secretary and Chief of Staff Shaw
Director Smith, UCLA Research/OIP
Universitywide Policy Office