

# **University of Cagliari**

## **Spin-off regulation**

*Approval of the Academic Senate of 27/09/2016*

*Opinion of the Board of Directors of 29/09/2016*

*Issued by Rectoral Decree no. 11 of 06/10/2016 University of Cagliari - Spin-off Regulation*

### **TITLE I**

#### **GENERAL RULES AND DEFINITIONS**

##### **Art. 1 - General Principles and Definitions**

1. The University of Cagliari, hereinafter referred to as the 'University', in accordance with its institutional aims and in compliance with the general principles of its Statute, promotes and encourages the establishment of so-called spin-off companies.
2. Spin-offs are companies whose purpose is the entrepreneurial use, development and marketing, in innovative contexts, of the results of scientific research - with particular reference to university research - or of new products and/or services.
3. Spin-offs are generally categorised as follows:
  - a) "University": corporations in which the University participates as a shareholder, and which are established on the initiative of the entities referred to in Article 7 below;
  - b) "academic": newly established joint-stock companies or cooperatives, or companies established for less than 18 months provided that they are registered in the special "Innovative Start Up" section of the companies' register, in which the University has no shareholding, and which are set up on the initiative of the entities referred to in Article 7 below;
  - c) "junior": 'newly established joint-stock companies or cooperatives, or companies established for less than 18 months provided that they are registered in the special "Innovative Start Up" section of the companies' register, in which the University has no shareholding, and which are set up on the initiative of the entities referred to in Article 8 below.
4. The activity carried out by spin-offs must not interfere with the institutional and consultancy and research activities for third parties that the University carries out with public or private entities.
5. These Rules govern the conditions for the establishment, participation and authorisation of the three types of spin-offs.

**Art. 2 - Institutional bodies and service structures within the University responsible for spin-off companies.**

1. The collegial or institutional/governing bodies and service structures of the University involved in the application of these regulations and for all matters concerning spin-offs are as follows: the Board of Directors, the Technical Committee for Patents and Spin-offs and the Unica Liaison Office, hereinafter referred to as the ILO (Industrial liaison office).

**Article 3 - Technical Committee for Patents and Spin Offs. Formation and functioning.**

1. The Committee is appointed by Rectoral Decree and consists of:
  - a delegate of the Rector, who chairs it by right;
  - at least one member qualified in economic and financial matters;
  - at least one member qualified in technology transfer and promotion of innovation;
  - at least one legally qualified member with specific expertise in industrial and commercial law;
  - at least one member qualified in mathematical, computer and physical sciences;
  - at least one member qualified in chemical and/or engineering disciplines;
  - at least one member qualified in life sciences;
  - the head of ILO, who participates without voting rights in the meetings of the Committee, acting as the administrative head of the procedure as well as secretary taking the minutes.
2. The Committee remains in office for three years, renewable from the date issue of the Rectoral Decree.
3. The Committee meets when convened by the President with a list of the items to be discussed. Meetings may also be held using online platforms.
4. The meetings of the Committee are deemed valid if the majority of those entitled to vote participate.
5. The Committee's decisions are taken by a majority of the participants with rights and in the event of a tie, the Chairperson's vote prevails.
6. The Committee shall exercise its functions even if one or more members resign, provided that the majority of the members remain in office. Within three months of the resignation being announced, the resigning members shall be replaced by newly appointed members. The latter shall remain in office for the remainder of the Committee's term of office.
7. In reviewing and evaluating individual spin-off proposals, the Committee may, at its discretion, have recourse to experts in the field relevant to the spin-off, including experts from outside the University.

**Art. 4 - Competences of the Technical Committee for Patents and Spin-offs**

1. The Technical Committee for Patents and Spin-offs:
  - a) coordinates the promotion, information and monitoring activities of the University;
  - b) evaluates the University's spin-off proposals on the basis of the ILO study, verifies the conformity of the relevant draft articles with the provisions of these regulations and shall submit the results to the

- University's Board of Directors for debate and deliberation;
- c) carries out the annual audit of the activities and results of the spin-offs and the assessment of the feasibility of their future business activities, based on the instructions of the ILO, and submits a monitoring report to the University Board of Directors by October 30th of each year;
  - d) assesses, also on the basis of the results of the monitoring activity, the appropriateness of the University's continued presence in university spin-offs, reporting to the Board of Directors any significant circumstances to report in this regard;
  - e) assesses the appropriateness of the continuation of the spin-off status, reporting any significant developments to the University Board of Directors;
  - f) monitors compliance with these rules and the relevant legislation in force;
  - g) carries out the investigative tasks related to the various hypotheses concerning the involvement of personnel in spin-offs and will detect any noteworthy situation related to these subjects, in particular those of incompatibility, by liaising with the academic bodies competent in this matter;
  - h) performs any other tasks relating to spin-offs subject to approval that are not assigned to other bodies by the provisions of the present rules or other provisions of the law or the Articles of the Statute.

#### **Art. 5 - Responsibilities of the ILO with regard to spin-offs**

The ILO provides the necessary organisational support for the conduct of spin-off activities, thereby ensuring, among other things:

1. monitoring of University's spin-off activities;
2. updating of lists of university staff participating in spin-offs;
3. carrying out of promotion and information activities;
4. assistance to the applicants in the process of preparing applications for the setting up of spin-offs;
5. preparation of the preliminary investigations in support of the Committee for the effective exercise of the powers set out in Article 4 above;
6. receipt of the statement of remuneration paid for full-time teaching, research and administrative staff referred to in Article 14, letter (b) below.
7. providing information to the Personnel, Organisation, Performance Directorate for appropriate action regarding positions held by faculty teaching staff within spin-offs and any financial rewards received.

#### **Art. 6 - Responsibilities of the University Board of Directors with regard to spin-offs**

The Board of Directors:

1. shall deliberate on the approval of the setting up of spin-offs;
2. with reference to university spin-offs, the board shall:
  - a. decide on the University's participation quota as well as the type of participation;
  - b. nominate university-appointed members to management and supervisory bodies;
  - c. express the University's opinion on changes in the corporate structure;

- d. consider the exercise of pre-emptive rights in the event of transfer of shares;
  - e. deliberates on the possible early disposal of shares in the company;
  - f. deliberates on the need for any changes to the share capital or statutory provisions;
  - g. decides on the allocation of the university's share deriving from positive managerial results, which are not earmarked for other purposes;
3. deliberates on the proposed agreement for the use of space and equipment;
  4. debates on a possible extension of the duration of the spin-off status;
  5. deliberates on a possible revocation of the spin-off status.

#### **Art. 7 - University and academic spin-off proponents**

1. A university or academic spin-off may be proposed by:
  - a. Tenured teaching staff including researchers on fixed-term contracts;
  - b. Technical and administrative staff employed on either a temporary or permanent basis;
  - c. Fixed-term technology experts;
  - d. Personnel referred to in points a, b and c, who are partners in an innovative start-up, registered in the special section of the companies register, which has been in existence for less than 18 months.
2. The direct participation of the proponents in the spin-off constitutes for the University a guarantee for the success of the initiative, for the achievement of its objectives and for the protection of the University's own participation. Accordingly, the proponents of the creation of a spin-off are required to participate in its capital with personal resources and, in the case of university spin-offs, to commit themselves to remain partners in the spin-off for the duration of the University's participation, unless there are legitimate reasons for an earlier termination of their shareholding participation.

#### **Art. 8 - Junior spin-off proposers.**

The creation of a junior spin-off may be proposed by the following persons meeting the requirements of good reputation and moral character:

- a. Students enrolled in a bachelor's or master's degree course at the University;
- b. Students enrolled in a PhD programme at the University;
- c. Students enrolled in a postgraduate or second level master's degree course at the University;
- d. University research assistants;
- e. Holders of post-graduate and post-doctoral fellowships, university scholarships or other grants intended for the benefit of young researchers at the University's research facilities;
- f. Students enrolled in a selective access training course at the University concerning the creation of innovative enterprises;
- g. Graduates, PhDs, specialists, or those who have successfully completed a master's degree at the University no more than 15 months previously or who have completed other similar selective-access training courses relating to the creation of innovative enterprises at the University.

## **Article 9 - Persons allowed to participate in spin-off companies**

In addition to the proponents, natural and legal persons interested in the implementation of the initiative may participate in the share capital of the spin-off. All natural persons who are partners in a spin-off company must be of good moral character. All partners who are legal entities must not for any reason be subject to dissolution, recruitment procedures, or prohibitive sanctions that would result in exclusion from incentives, financing, contributions or subsidies and the possible revocation of those already granted.

## **Art. 10 - Characteristics of the proposed business project**

Pursuant to Article 3, para. (2) of MIUR Ministerial Decree No. 168 of 10 August 2011, as amended, the proposal must be accompanied by a business plan containing:

- a) objectives;
- b) the financial plan;
- c) the economic outlook and the target market;
- d) the innovative character of the project;
- e) the technological and scientific qualities and features of the project;
- f) a description of the roles and duties of the professors and researchers involved, with an indication of the commitment required of each of them to carry out the spin-off activities, in accordance with the model provided by the ILO. This description is necessary to enable the University's Board of Directors to assess compatibility with the discipline specifically defined by the University pursuant to paragraph 9 of Article 6 of Law No. 240 dated 30 December 2010;
- g) the details of participation in the capital and the definition of the required shareholding;
- h) aspects of intellectual property regulation, made compatible with the university's regulations on the subject.

## **Art. 11 - Participation of the University as a partner in the spin-off**

1. This Article applies to university spin-offs in which the University is a shareholder.
2. The University's participation in the university spin-off shall normally not exceed five years from the date of the company's creation;
3. The University's participation in the spin-off, subject to available resources, shall normally not exceed 15% (fifteen percent) of the share capital of the investee company, and in no case an absolute majority. Exceptionally, these limits may be exceeded by reasoned decision of the University's Board of Directors for particular reasons of convenience or opportunity, or in consideration of specific legal provisions or financing instruments.
4. The University's contribution to the capital of the spin-off should ideally comprise tangible and intangible assets transferred in usufruct. In certain cases, the contribution of money may also be permitted, in an amount not exceeding 15% (fifteen per cent) of the share capital, the contribution of owned assets and credits, and any other entity that may be conferred, depending on the type of company selected by the spin-

off.

5. In each spin-off, with specific clauses contained in the statute or in shareholder agreements, the University must in all cases be guaranteed:

- a. the right to subject to its own consent any variation, even indirect, of the entity of its participation or of the rights attributed to it or connected to it;
- b. the right of first refusal in the event of a transfer of the shares of other shareholders;
- c. the right to express approval of changes in the corporate structure;
- d. the right to appoint, irrespective of the size of the shareholding, its own representatives in the administrative bodies of the spin-off;
- e. the possibility of easily divesting, even in advance, its participation in the spin-off.

6. Consequently, the articles of association and shareholders' agreements of the spin-off must be drafted in accordance with the "Corporate and Shareholder Provisions for University Spin-off Companies" outlined in Annex A of these regulations, which are an integral component of them.

#### **Article 12 - Procedure authorising the setting up of junior spin-offs**

The authorisation procedure for setting up a spin-off comprises the following steps:

- a) The proposal for incorporation and authorisations, if applicable, must be presented in accordance with the Committee's prescribed scheme and must be signed by one or more of the designated individuals outlined in the preceding articles 7 and 8 with the mandatory and non-binding opinion of the Department Council attached, regarding the presence or absence of a potential conflict of interest between the business activities of the future spin-off company and the services provided by the Department.
- b) The ILO will conduct the necessary documentary checks on the application and, if it is found to be in order, it will be forwarded to the Committee for consideration. In the event of a request for the use of University premises and equipment, the proposal must be accompanied by a mandatory, reasoned opinion issued by the relevant body of the structure concerned.
- c) Evaluation of the proposal by the Committee, which, in addition to any other aspect relevant to the appreciation of the validity of the initiative, will consider all the elements indicated below:
  1. origin or development of the innovative idea in the field of scientific research, with particular reference to that of the University;
  2. business idea and innovative character of the project;
  3. technological and scientific qualities of the project;
  4. corporate structure and share capital;
  5. commitment required of the University;
  6. business plan and income forecasts.
- d) The Committee may ask the applicant to supplement the submitted documentation with any other documentation it deems useful for a more thorough evaluation of the project.

- e) Drafting by the ILO of the preliminary report on spin-off proposals, to be submitted to the University's Board of Directors, based on the opinion expressed by the Committee.
- f) Decision of the Board of Directors on the proposal submitted.

The proposing parties are required to set up the spin-off company no later than six months after the date of approval by the University Board of Directors. If start-up companies have already been established, they must adapt their statutes within six months of the date of approval by the University Board of Directors.

### **Art. 13 - Rules on authorisations for spin-off proposers**

1. A full-time lecturer and/or researcher proposing the establishment of a spin-off:
  - a. will automatically be authorised to carry out the activities for the spin-off and to receive any remuneration, with the right to retain employment, as a result of the granting of authorisation to establish the spin-off by the University Board of Directors;
  - b. may be appointed as a member of the Board of Directors of the spin-off, except in the cases of incompatibility set forth in Article 16 and must in any case be in compliance with the conditions set forth in Article 15.
2. Teaching and/or research staff on a part-time basis do not need any authorisation to carry out the activities and take up the positions referred to in point 1 of this Article.
3. After hearing the opinion of the Director of the relevant structure and subject to authorisation by the Director General, any technical-administrative staff proposing the setting up of a spin-off:
  - a. may engage in work activities in favour of the spin-off outside working hours and receive any remuneration, with the right to retain employment, as a result of the granting of the authorisation to set up the spin-off by the University Board of Directors;
  - b. may be appointed as a member of the Board of Directors of the spin-off, except in the cases of incompatibility as set forth in Article 16 and in any case must be in compliance with the conditions set forth in Article 15.
4. Research fellowship holders and PhD students may carry out paid work activities for the spin-off, subject to the opinion of the scientific/academic head, and upon authorisation by the Department Council and the PhD Academic Board respectively, who shall verify the compatibility of such activity with the institutional functions of the fellow and/or PhD student.

The termination of the spin-off status entails the revocation of the above-mentioned authorisations.

### **Art. 14 – Duties and obligations of the proposing parties and university staff in relation to the spin-off company.**

1. Full-time university staff members who are spin-off partners are required to:
  - a. not engage in activities that are in conflict with the regular and diligent performance of teaching and research duties;

- b. declare to the ILO by 30 April each year any profits, dividends and, in general, any remuneration received from the spin-off for any reason whatsoever. If the documentation is not received, the ILO will report the matter to the Committee, which, after considering the matter in all its aspects, will forward the list of non-compliant staff to the University's Board of Directors;
  - c. take into account the fact that the remuneration of the partners for their activities in any capacity in favour of the spin-off must in no case exceed what is customary on the market in similar situations, and must not be an instrument for the attribution to the partner of the direct or indirect benefits deriving from the control of the company, or in any case an instrument for discrimination or prejudice against the other partners;
  - d. not carry out activities in competition with those of the University pursuant to article 5 of the MIUR Ministerial Decree No.168 of August 10, 2011.
2. University staff with fixed term contracts who are partners in spin-off companies must not:
- a. engage in any activities in conflict with the regular and diligent performance of teaching and research duties;
  - b. carry out activities in competition with those of the University pursuant to article 5 of the Ministerial Decree of the MIUR No. 168 of 10 August 2011.

**Art. 15 - Fulfilment of paid institutional and management appointments in governing and supervisory bodies of spin-offs for full-time teaching, research and technical-administrative staff**

Taking on paid institutional and managerial roles in governing and supervisory bodies of spin-offs is permitted for a maximum duration of 5 years from the setting up of the spin-off. Authorization is issued by Rector's decree for teaching and research staff and by decree of the Director General, after consulting with the head of the relevant structure, for technical and administrative staff.

Teaching, research and technical-administrative staff who take on these roles without the required authorization will be automatically placed on unpaid leave of absence for the entire duration of the role, starting from the date on which the activity began.

**Article 16 - Regulation of incompatibility**

1. The performance activities in favour of spin-off companies must not be in conflict with the regular and diligent performance of the functions associated with any employment contract with the University.
2. As provided for in article 4 para. (1) of MIUR Decree No. 168 of 10 August 2011, the following may not hold management or administrative positions in spin-offs:
  - a. The Rector;
  - b. Members of the University Board of Directors;
  - c. Members of the Academic Senate;
  - d. Professors and researchers who are members of university Committees on research and technology

transfer;

e. Department Heads unless they have been appointed to the Board of Directors of the spin-off.

The head of the department of the full-time professor or researcher who is a member of the relevant spin-off shall ensure that the performance of said activity for the benefit of the spin-off is compatible with teaching and research duties and shall report any situations of incompatibility to the Committee. In the event of incompatibility, the professor or researcher partner must, at the request of the Rector, immediately cease the activity for the benefit of the spin-off, unless he/she requests unpaid leave or opts for a part-time contract, without prejudice to the right to retain his/her share in the company.

#### **Art. 17 – Exiting a university spin-off**

1. On the basis of the evaluation carried out by the Committee, the Board of Directors of the University shall decide within the fifth year from the date of the spin-off company's establishment on the appropriateness of maintaining their share participation in the university spin-off in question.

2. The statutes of the university spin-off must provide for a specific right of withdrawal allowing the University to withdraw at the end of the fifth year. The right of withdrawal shall be exercised unless the Board of Directors of the University decides otherwise.

3. Pursuant to the preceding paragraph, at the end of the fifth year, the shareholding held by the University will be redeemed at a value not less than its nominal value and taking into account the ordinary criteria set forth in art. 2473 para. 3 of the C.C.

4. It is understood that after five years from the date of the spin-off company's establishment, the University's Board of Directors may decide:

a. to transfer its stake in the university spin-off to a third party, subject to the right of first refusal;

b. to exercise the right of withdrawal;

c. to extend the tenure of the company for a further period not exceeding five years, which can be extended.

This evaluation will be carried out taking into account the need of the University to increase the contribution made to the spin-off with the development prospects of the spin-off itself.

#### **Article 18 - Duration of spin-off status**

1. A spin-off status cannot normally exceed five years and is in any case subject to the continued fulfilment of the conditions that initially made it permissible.

2. If, on the basis of the information provided by the Committee or based on any other information obtained, the conditions that allowed the authorisation of the spin-off have changed, the University's Board of Directors may decide on the early termination of the spin-off status, with the consequent automatic revocation of all authorisations granted after this recognition.

3. Should an extension to the maximum duration of the status be required, a request may be submitted to the Committee via the ILO no later than six months prior to the expiry of the status. Should the spin-off make

use of University premises or equipment, the request for extension must be accompanied by a mandatory and reasoned opinion issued by the relevant University body. The Committee will assess the presence of specific reasons of convenience or expediency or regulatory or funding constraints and issue an opinion to the Board of Directors, who will decide on the matter.

#### **Art. 19 - Use of the name, logo and distinctive signs owned by the University of Cagliari**

The University of Cagliari grants the spin-off the use of its name, logo, and distinctive signs. The use of these elements is governed by a license agreement that defines the terms of use which must be signed by all spin-offs within 60 days from the date of incorporation.

#### **Art. 20 - Use of University of Cagliari premises and equipment**

Whether in the establishment proposal or at a later stage, the spin-off may submit a request for the use of UNICA space and equipment. The documentation must be supplemented with the mandatory and reasoned opinion issued by the relevant body of the structure concerned.

The use of space and equipment shall be governed by special agreements.

#### **Article 21 - Intellectual and Industrial Property Rights**

1. Intellectual and industrial property rights on the results achieved by the spin-off after its creation, which do not directly derive from the knowledge transferred by the University to the spin-off at the time of its creation, shall belong to the spin-off.

However, the University retains the right to utilize these results for its own institutional purposes, within the limits of intellectual and industrial property rights, free of charge, including through a free and perpetual license, where applicable.

#### **Art. 22 - Costs and charges payable by the University in university spin-offs**

1. When approving the budget, the Board of Directors shall allocate the sums necessary to cover the University's subscribed capital share, as well as additional expenses necessary or otherwise useful for future spin-offs and for ensuring prospective paid capital increases.

2. Expenses for the setting up of individual university spin offs, including any costs incurred directly by the proponent in the development of the project proposal, with particular reference to the drafting of the business plan, will be charged to the company itself as expenses for establishment, in accordance with Art. 2328 C.C.

#### **Article 23 - University Spin-off Fund**

1. The University Spin-off Fund is established for the enhancement and management of spin-offs from the budget of the Directorate for Research and Local Territory, which undertakes its management.

2. A share of the positive management results of university spin-offs shall be annually placed into this Fund in

the amount established by the Board of Directors and in any case will amount to at least 20% (twenty percent)

#### **Article 24 – Duties and responsibilities of spin-off companies**

Spin-off companies are required to:

1. within 60 days from the date of incorporation, submit a copy of the articles of incorporation to the University through the ILO, in accordance with the provisions of these regulations, as well as a copy of these regulations signed for acceptance.
2. sign and deliver to the University through ILO, within 60 days from the date of incorporation, a licence agreement for the use of the University's name and logo;
3. register the licence agreement for the use of the name and logo at the Chamber of Commerce's patent and trademark office within 60 days from the date of signing and notify the University through the ILO;
4. transmit to the University through ILO, by 31 July of each year, a copy of the budget as well as a report on the activities carried out and on the lines of future development based on the template provided by the ILO;
5. by 31 July of each year, submit a copy of active and passive contracts with the University to the ILO.  
These contracts should refer to the financial year preceding the current one;
6. immediately notify the University through ILO of any significant change in the life of the company (change of company structure, corporate purpose, etc.).

Failure to comply with the provisions of this article shall result in the termination of the spin-off status by reasoned decision of the University Board of Directors.

#### **Article 25 - Entry into force and transitional rules**

1. The provisions of these Rules enter into force the day after the Rectoral Decree is issued.

# University of Cagliari Spin-off Regulation

## *Annex "A "*

### *Social and parasocial forecasts of university spin-off companies*

#### **Art. 1 - Scope of application**

This Annex is issued pursuant to Art. 11 para. (6) of the *Spin-off Regulation* and sets out the criteria for the corporate and shareholder regulations of spin-offs in which the University has an interest.

#### **Art. 2 - Corporate and shareholder forecasting**

1. The following provisions shall, to the extent compatible with the type of company chosen, be included in the statute or in the articles of association of public and private limited companies which qualify as spin-offs of the University. Where such provisions cannot be included in the statute or articles of association, special shareholders' agreements shall be made between the University and the other shareholders.

2. Unless otherwise provided for by law, these pacts must be agreed upon for a duration of five years. The agreements are renewable upon expiry in cases where the participation of the University exceptionally exceeds this duration.

#### **Art. 3 -Provisions regarding the company's core purpose and its spin-off activities.**

1. A company clause or shareholders' agreement must ensure that:

- a) the corporate purpose in the articles of association is consistent with the fields of activity set out in Article 1, *Regulation for the establishment of spin-offs*;
- b) with regard to the concrete implementation of the spin-off's operations, any interference with the consulting and research activities conducted by the University for third parties, whether public or private entities, must be strictly prohibited. Therefore, it is imperative that the spin-off refrain from any activity that competes with the consulting and research activities on behalf of third parties, as outlined in the university regulations. These regulations govern the activities of teaching, technical, and administrative personnel funded by external entities. This includes scientific/professional collaboration activities undertaken by the University with public or private entities;
- c) the non-competition clause in the preceding paragraph also applies to university staff who hold, or have held in the preceding two years, corporate offices or executive administrative functions in the spin-off.

#### **Art. 4 – Provisions on contributions and property rights of the University**

1. A corporate clause or shareholders' agreement must ensure that:

- a) where the provision of services to the spin-off company by full-time employees of the University is

foreseen, such services, if compatible with the type of company adopted by the spin-off, shall be capitalized as a contribution of the University or of participatory financial instruments in addition to the attribution of ordinary shares;

- b) the participation of the University may also take the form of a subscription to the share capital, without simultaneous payment of the corresponding capital, by issuing an insurance policy or a guarantee, and the subsequent release, even partial, of the same and its replacement by cash payments, according to the management needs of the spin-off, at the request of the managers, in particular when the spin-off purchases goods and services;
- c) that the University's participation in the spin-off shall be subordinated to its participation in losses, both in the reduction of capital for losses and in liquidation.

#### **Article 5 – Provisions regarding the composition, functioning and duties of the spin-off's corporate bodies**

1. A company clause or shareholders' agreement must ensure that:

- a) the company is managed by a board of several persons;
- b) at least the appointment of an auditor is provided for, even when an internal auditor is not required by law;
- c) the University, in addition to the right to participate in the appointment of the governing bodies on the basis of the number of shares held, the teaching staff shall have the right, pursuant to art. 2449 of the Italian Civil Code, to appoint and remove at least one third of the members of the governing body and at least one third of the members of the supervisory body, where the latter is composed of more than one person, or the right to select the auditor appointed pursuant to art. 2477 of the Italian Civil Code;
- d) the auditor or the member of the supervisory body appointed by the University shall be obliged to submit annual reports to the University on the activities and the management of the spin-off, without prejudice to confidentiality requirements relating to the business of the company, and in any case to report to the competent bodies and structures of the University on the decisions taken or the occurrence of situations relevant to the maintenance of the University's shareholding or to the continuation of the spin-off company within the University's structures;
- e) the taking on of offices, functions and/or executive positions by university-appointed administrators or university-structured personnel is subject to the express authorisation of the competent university bodies;
- f) the University shall be informed annually, within the time limit for the approval of the University budget, of the activities carried out by the spin-off and of the shareholdings of the tenured staff of the University.

#### **Article 6 Provisions relating to the administrative rights of shareholders and the circulation of company shares**

1. A company clause or shareholders' agreement must ensure that:

- a) t  
the shares or quotas of the University confer unrestricted voting rights at both ordinary and special shareholders' meetings;
- b) in the event of the transfer of shares or quotas, for any reason, the shareholders of the spin-off, and

explicitly the University as a shareholder, are granted the right of pre-emption in the event of the transfer of shares or quotas, for whatever reason. This is to be exercised in proportion to the shareholding held, at a price established by one or more valuers specifically appointed from among independent business experts or Court-appointed experts. The right of redemption in favour of the shareholders or the company is provided for in the cases permitted by law.

c) resolutions or decisions amending the legal provisions governing the University's shareholding, in particular those introduced in accordance with the provisions of this Annex. Transactions leading to a reduction in the University's proportional shareholding in the spin-off, including those involving changes in capital and those of an exceptional or anomalous economic or corporate nature, may only be carried out with the express consent of the partner University;

d) in all cases of subjective changes in the structure of the company, for whatever reason - such as the non-exercise by shareholders of their pre-emption rights, the University that is a shareholder shall have the right to approve the new shareholder;

e) the University is in all cases permitted, whatever the share of capital held, to challenge decisions that can be annulled, pursuant to and for the purposes of art. 2377, paragraph 2, of the Italian Civil Code, and to proceed with the denunciation to the Court pursuant to art. 2409 of the Italian Civil Code.

#### **Art. 7 - Provisions relating to the unilateral termination of the employment contract by the university and the liquidation of shares or quotas**

1. A company clause or shareholders' agreement must ensure that:

a) the statutory grounds for withdrawal include the possibility of modifying the provisions indicated in this Annex and, in general, the failure to meet the conditions required by law, regulations or statutes for maintaining participation in spin-offs;

b) an option to sell its shares or quotas, exercisable vis-à-vis the other shareholders or the spin-off company, shall be provided for in favour of the University after five years from the setting up of the spin-off company or from the acquisition of the shareholding, if this occurred after its establishment;

c) the University shall have an option to sell its shares or quotas, exercisable with respect to the other shareholders or the spin-off, in the event that the proposer's participation ceases or in the event that the University does not intend to subscribe to a capital increase;

d) in the event the University exercises its right to rescind the spin-off or exercises the sell option to which it is entitled under these provisions, the University shall be paid, within six months of the declaration of rescission or exercise of the sell option, a sum of money which in any case shall not be less than the nominal value of the investment and shall be equal to the amount resulting from the valuation of all the assets of the spin-off, even if not shown in the financial statement, at market value, carried out by one or more specially appointed valuers from among independent business experts or court experts.

**Art. 8 - Other provisions concerning economic conditions**

1. A company clause or other agreement must ensure that:
  - a) the remuneration for the activity carried out in any capacity by the members in favour of the spin-off does not in any case exceed what is usually practised on the market in similar situations, nor can it constitute an instrument for the attribution to a member of the advantages, direct or indirect, deriving from the control of the company or, in any case, an instrument of discrimination or prejudice against the other members;
  - b) the spin-off company assumes explicit obligations for the maintenance and depreciation of the assets granted on loan or for use by the University.

**Art. 9 - Final Provisions**

1. When authorising the spin-off, the University Board of Directors may establish further conditions or modify the previous ones if this is more advantageous for the University or if it is consistent with legal or financial constraints.