CHOOSE BETWEEN TWO MODELS DEPENDING UPON INVENTOR INVOLVEMENT:

1) Traditional Model also known as the 1/3rd, 1/3rd, 1/3rd model
2) Spin-Out Model

TRADITIONAL MODEL
This will be for staff who have no interest in being actively involved in commercialising their IP, or with the agreement of the inventor IP that is a marginal improvement and more suitable for licensing or leveraging with contract research.

The proceeds from successful commercialisation are dealt with as follows:

1) Out-of-pocket expenses incurred in commercialisation are recovered.
2) The remaining proceeds are shared 1/3rd to the Inventors, 1/3rd to the inventors’ department and 1/3rd to the University.

SPIN-OUT MODEL
This is for staff and student inventors (founders) who wish to be much more involved in the development of the start-up company and/or seek leave to work in the company and drive its direction.

This model ensures a simple, clear and fast process to give our inventors more control and enable the exploration of different commercial opportunities and realise the potential of intellectual property (whether patentable or not).

The process is as follows:

1) Inventor drives business plan and roadmap and builds team with assistance from UniServices.
2) A company is usually formed together with the founders.
3) A template royalty bearing license is executed with UniServices for any IP that is owned by the university and UniServices for a small portion of equity.
4) Founders and UniServices prepare investment memorandum to UoAIF and work together with external investors that the UoAIF has relationships with.
5) UniServices provides template application for UoAIF investment and works with company to prepare investment memorandum.
6) Investment memorandum is refined and goes to an investment committee for approval.
7) Can take 3-6 months dependent on quantum of money.
8) UoAIF partner external investors’ value company with or if UoAIF is the only investor capital is provided to the company as a convertible note.
9) Founders start the company with over 85% of equity. The remainder is shared with the department and the university.
10) The royalties from the license are shared 1/3, 1/3, 1/3.
11) Equity that is given for capital invested by the UoAIF and other investors goes back to investors and UoAIF. The UoAIF portion goes back into the fund for re-investment and ecosystem development.

UNIVERSITY OF AUCKLAND INVENTORS’ FUND
• Designed for really early stage proof of concept, pre-seed, seed, ‘grub funding’ – we are the ‘family and friends’ stage.
• The fund can invest up to $2million in any one company (no more than 20% of the total fund can be in one asset).
• Provides founders with early stage “friendly” investment choices.
• Focused only on the University of Auckland and streamlined to work in our environment.
• There is no other similar scheme like this in other New Zealand or Australian universities which provides this model complete with funding opportunities.

For more information, refer to:
http://tiny.cc/uoaif
http://tiny.cc/aulguide
and to the University of Auckland IP policy at http://tiny.cc/uoaip
### An overview of the UoAIF

<table>
<thead>
<tr>
<th>Fund</th>
<th>University of Auckland Inventors’ Fund (UoAIF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Open</td>
</tr>
<tr>
<td>Size of the fund</td>
<td>$10m</td>
</tr>
<tr>
<td>Ownership of the fund</td>
<td>Auckland UniServices Limited</td>
</tr>
<tr>
<td>Management of fund</td>
<td>Auckland UniServices Limited</td>
</tr>
<tr>
<td>Investment policies</td>
<td>Designed to establish a sustainable fund</td>
</tr>
</tbody>
</table>
| Level of funding                               | • No more than 20% of fund size on any one project  
|                                                | • Up to $500k per application                |
| Restriction on funding                         | • Not to replace or subsidise research grants |
| Can invest in existing companies               | Yes                                           |
| Investment criteria                            | • Innovation of science                        
|                                                | • IP                                          |
|                                                | • Key people                                  
|                                                | • Commercial opportunity                     |
| Monitoring and reporting                       | Appropriate progress report schedules will be agreed between the researcher(s) and their UniServices commercialisation manager |
| Investment returns                             | UoAIF funding is expected to produce a return from equity |
| Investment decisions                           | Made by UniServices on the recommendation of the Return On Science investment committees |

### Fund application process flowchart

1. **Investment application form**
   - UniServices commercialisation manager
   - Researcher(s)

2. **Return On Science Investment Committee**
   - Yes

3. **Offer letter**

4. **Project approval and code supplied**

5. **Reporting**
   - Commercialisation manager and Researcher(s)

### Applications

Applications are managed by our commercialisation managers together with staff and students and are presented to the relevant Return On Science investment committees (returnonscience.co.nz). The investment committees will recommend whether an application will be funded by the UoAIF.

### Auckland UniServices Limited

Auckland UniServices Limited is the University of Auckland’s wholly owned technology transfer company.

Established in 1987, we manage the University’s IP portfolio, working with University researchers on identifying, protecting, investing in and marketing technologies through licensing, spin-out company formation, consulting, contract research and material sales.

We provide staff and students with commercial advice, fund patent applications and legal costs, negotiate licence and spin-out company agreements, and identify and manage consultancy and contract research opportunities.