

National Yang Ming Chiao Tung University

Guidelines for Equity Disposition Management of Research and Development Results

Approved at the 4th Administrative Meeting of the University
for the 2020 Academic Year on April 28, 2021

Approved by the National Yang Ming Chiao Tung University Endowment Fund Management Committee
at the 2nd Meeting for the 2020 Academic Year on May 11, 2021

1. Purpose and Basis

The National Yang Ming Chiao Tung University (hereinafter referred to as the University) has established these guidelines in accordance with the governmental decree in order to manage the technology stock acquired through the use of the University's research and development results.

2. Definition of Terms

The term "Technology Stock" is used in this document to refer to the equity acquired by the University as a result of technology transfer licensing or transfer of research and development results developed through subsidies, commissions, or funding from government agencies.

3. Management Unit

The technology stock held by the University is included in the revenue and expenditure of the University's endowment fund and kept in accordance with Article 9 of the "National University Endowment Fund Establishment Act". The Office of Research and Development of the University is responsible for the management and utilization of the fund. The University will hold a meeting at least once a year to evaluate the value of the technology stock held by the University and propose a plan to the disposition of the stock in a timely manner.

4. Evaluation Procedures

The R & D Department shall plan the equity disposition plan and conduct price and timing evaluation:

- a. Disposal of listed technology stock: The disposition of marketable securities traded on the centralized trading market or over-the-counter (OTC) trading center shall be based on the current trading price for at least the last three months and shall take into consideration the net value per share, technology and profitability.
- b. The disposition plan for unlisted (over-the-counter) technology stock: It shall include, at a minimum, the target, the number of shares at the base price and the time period for the proposed sale.

5. Review Procedures and Principles

The review of the stock disposition plan is divided into two stages: preliminary review and second review:

- a. Preliminary review: The Office of Research and Development invites faculty members or accountants with professional or financial backgrounds to serve as preliminary reviewers to conduct a substantive review of the disposition proposal and to prepare a preliminary review opinion to be sent to the University's investment management team for review.
- b. Second review: The University's investment management team will conduct a second review and examine the disposition plan with reference to the preliminary review. If necessary, external professionals may be hired to serve as reviewers.

The selection of reviewers shall take into account expertise, experience, objectivity and fairness, and the principle of conflict of interest avoidance.

6. Disposition Procedures

In accordance with the resolution of the University's investment management team and after approval by the President, the unit responsible for the disposition of shares of listed (over-the-counter) technology stock shall apply for the disposition of shares, while the non-listed (over-the-counter) technology stock shall be disposed of by the Office of Research and Development, and depending on the nature of the shareholding, in accordance with the relevant internal procedures of the unit. Documents related to the disposition of shares shall be kept in a safe place.

7. Exemption from Liability for Changes in Stock Price

Except for the illegal cases, the staffs related to the stock disposition shall be exempted from the responsibility of performing their duties and the impairment of the property accounts arising from the price change after pricing in accordance with the University's internal operation procedures for the stock disposition.

8. Regular Announcement

The Office of Research and Development shall regularly compile and announce the management of technology investment and report to the Ministry of Education and the central science and technology authorities.

9. Any matters not covered in these guidelines shall be handled in accordance with the relevant governmental regulations and the regulations related to the University's endowment fund.

10. These guidelines shall be implemented after being approved in the Administrative Meeting and by the Endowment Fund Management Committee, and shall be amended in the same manner.