

# **GMIT – Campus Company Policy**

**Dated June 20<sup>th</sup>, 2002**

1. A Campus Company is a private limited company with permission from the President to trade in an agreed range of goods and services for a limited period of time (three years, extended to five if mutually agreed). The company is normally promoted or organised by a staff member of the Institute.
2. The process of formation of a campus company authorised by the Institute is summarised in Annex 2 indicating the steps to be taken, the relevant Institute Officers involved in the steps and the general considerations which will arise during the process to obtain the President's permission for a campus company, the outlined procedure must be followed.
3. The company may organise its internal operations as it sees fit, in accordance with its memorandum and articles of association.
4. The company will at all times ensure that those trading with it are aware of its limited status and that the Institute is not in any way responsible for its operations.
5. Any employment agreement that the campus company has with any employee shall specifically state that the contract of employment is not with the Institute. The Company shall be solely responsible for the remuneration, tax, pensions and other obligations to employees.
6. The company shall be responsible for discharging all legal obligations under the Companies Act.
7. The Institute shall have the right to nominate a President of the Board of any campus company, as it sees fit.
8. The Institute may inspect the accounts of any campus company by giving one month's notice.
9. The Institute may request details of any contract entered into by a campus company where a member of the Institute staff is involved, but such information shall be kept confidential.
10. The institute may request any information it deems requisite for a proper annual review of the company's activities in accordance with the declared purposes of the company.
11. If in the view of the Institute the review is unsatisfactory, or if the information or accounts requested have not been supplied, or if the company's activities are judged by the Institute to be prejudicial to the standing of the Institute as an academic institution, the permission to use the designation campus company may be withdrawn on one month's notice, the

company will cease trading on the campus and will vacate any premises on the campus which have been loaned, leased, rented or provided to it by the Institute.

12. Institute staff authorised to engage in campus companies do so subject to the Institute procedures regarding external work and earnings. Involvement of staff with Campus Companies, as is the policy on external work generally, should be such as not to impinge on their ability to carry out their academic duties and their effectiveness in doing same.
13. The Institute shall draw up operational rules for the conduct of business between campus companies and Institute Schools
14. Campus companies may begin operations on a basis authorised by the President and agreed by the Development Sub-Committee, subject to the satisfaction of all these regulations within a three-month period.
15. All employees of campus companies shall accept the enforcement of any and all regulations made by the President as a condition of employment insofar as such regulations govern any access the company or its employees have to Institute buildings, equipment or personnel.
16. The Institute will from time to time issue instructions as to the procedures to be adopted for implementation of these rules
17. The percentage stake held by the institute shall not be diluted by the Company through any share issue or sale or acquisition of capital except where the President is satisfied that an arms length sale of the company to third parties is occurring and that no arrangements exist which would have the effect of ranking the stake in the company at a lower value per share than for those of the other owners. In no circumstances can the President be forced to dispose of the Institute's stake in the company against its wishes. The President may, however with due notice to the company board, dispose of any or all of the Institute's shares in the company as it wishes.

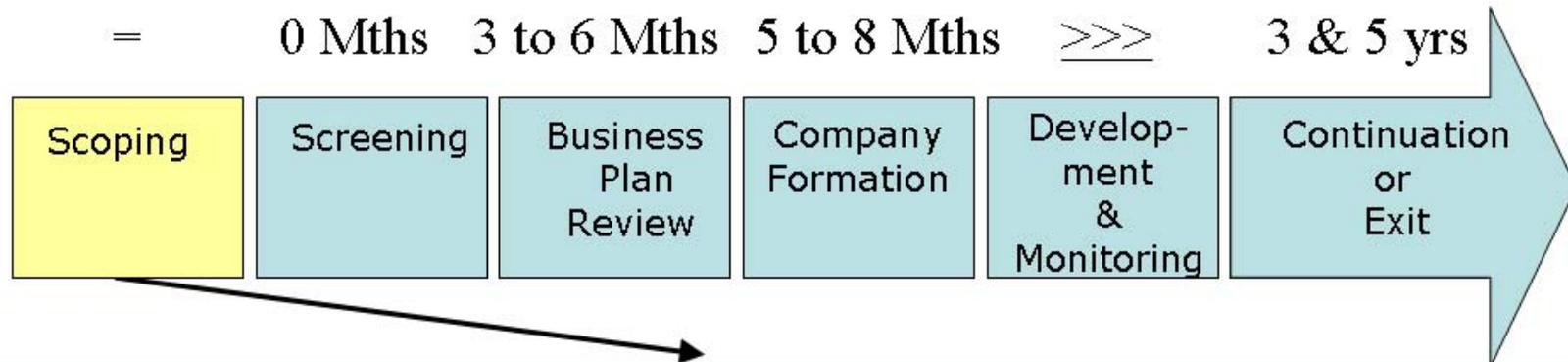
## **Annex 1: Regulations for the Conduct of Business Relations between Campus Companies and the Institute**

1. The normal procedures for placing orders or contracts with any outside company are to be followed where campus companies are concerned, except where an institute employee acts in a dual capacity, or has a dual interest in the business to be transacted...
2. A “dual” interest means that the person commissioning or authorising the work or payment for it or on behalf of the Institute interest is also a member or associate of the company providing the service performed, either as a shareholder, executive, consultant or President, or close associate of such a person.
3. It will be the responsibility of the Institute employee to declare his interest to his Head of School, who will ask the head of Development to provide for both technical and commercial audit of what is proposed and the Financial Controller to authorise financial procedures to be applied to the transaction.
4. The Finance Officer will require registration of an authorised person to countersign orders and requests for payment on such contracts, as nominated by the Financial Controller.
5. The President may waive these requirements on once-off contracts for sums of less than €5,000. No waiver will be made where more than one transaction arises in any twelve month period.
6. The existence of these regulations is intended to protect both the Institute’s interest and those researchers who have a legitimate contribution to make through authorised campus companies. The regulations do not relieve individuals of their responsibility to the Institute which is to clear with the President precise details of any transactions which could be interpreted as giving rise to a conflict of interest which would reflect on the Institute’s good name.

For further information, please contact:

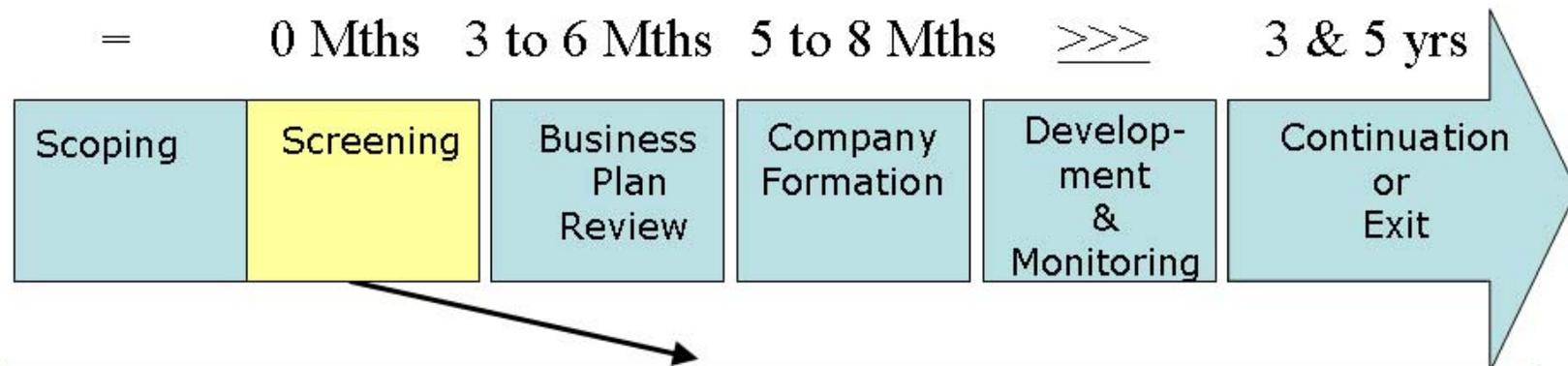
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# Campus Company Formation Process



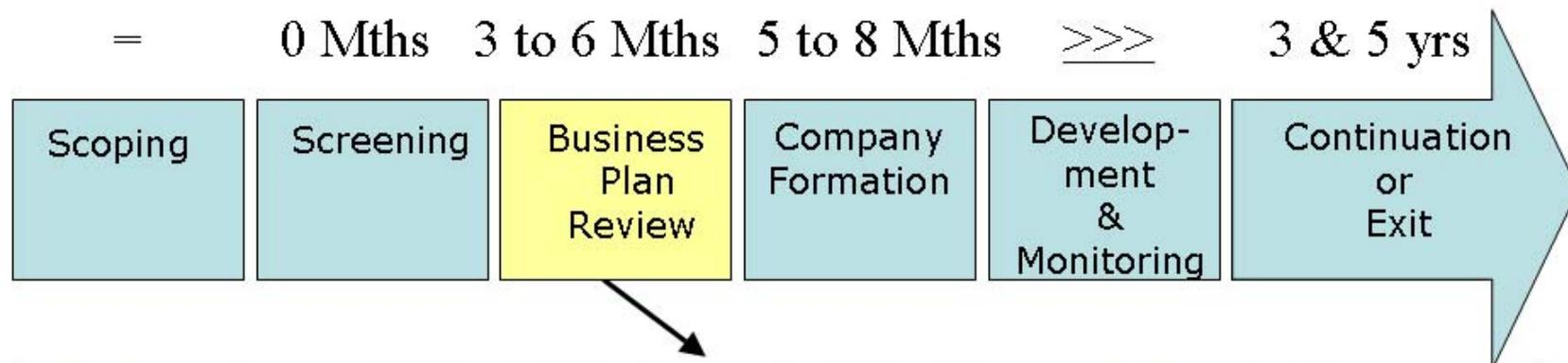
- After initial scoping proposer discusses business case and is pre-screened with Commercial Services Manager and Head of Research
- If pre-screening successful, promoter develops initial proposal on basis of a template integrating any recommendations.

# Campus Company Formation Process



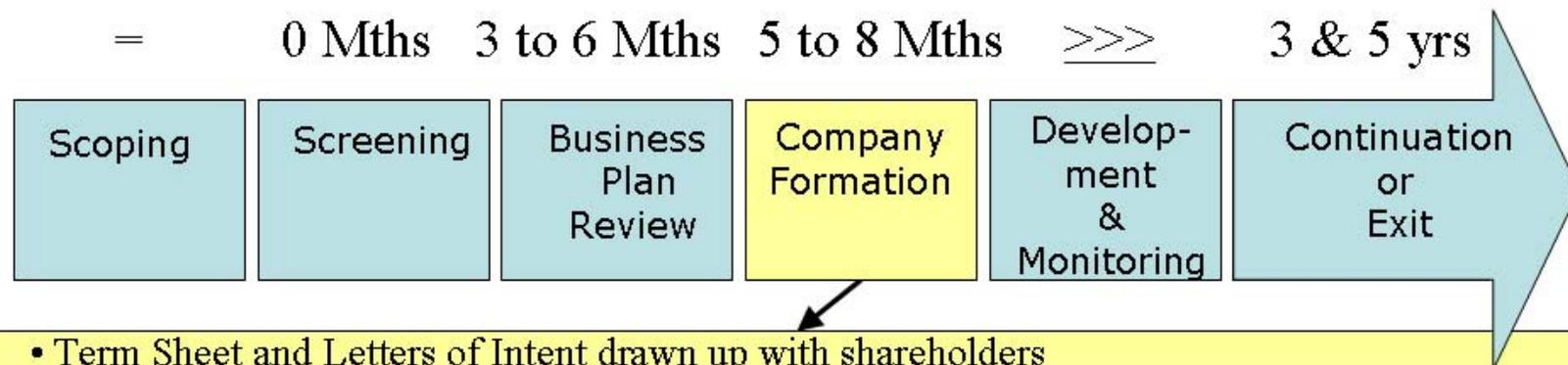
- Template screened by Commercial Services Manager and Head of Research
- Areas of agreement / disagreement with GMIT policies and procedures identified
- Initial views of President, Secretary, HR, Head of School are sought.
- If positive, proposer develops business plan and includes recommendations.
- Further business plan template supplied.

# Campus Company Formation Process



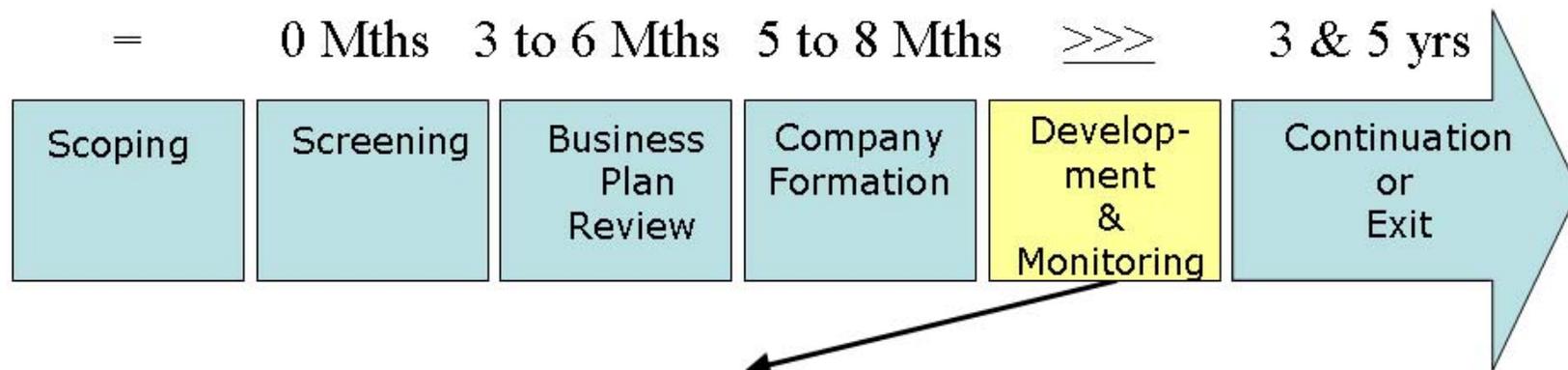
- Business plan completed, submitted and evaluated by Commercial Services Manager and Head of Research.
- Any gaps established in *commercial, financial, technical, legal, procedural and IP* due diligences addressed by promoter.
- Once satisfied with plan, approval from President and Secretary / Financial Controller and views of other key staff as appropriate sought.
- Feasibility of locating in the IiBCs in Galway/Castlebar or in other GMIT facilities examined and / or external locations assessed.

# Campus Company Formation Process



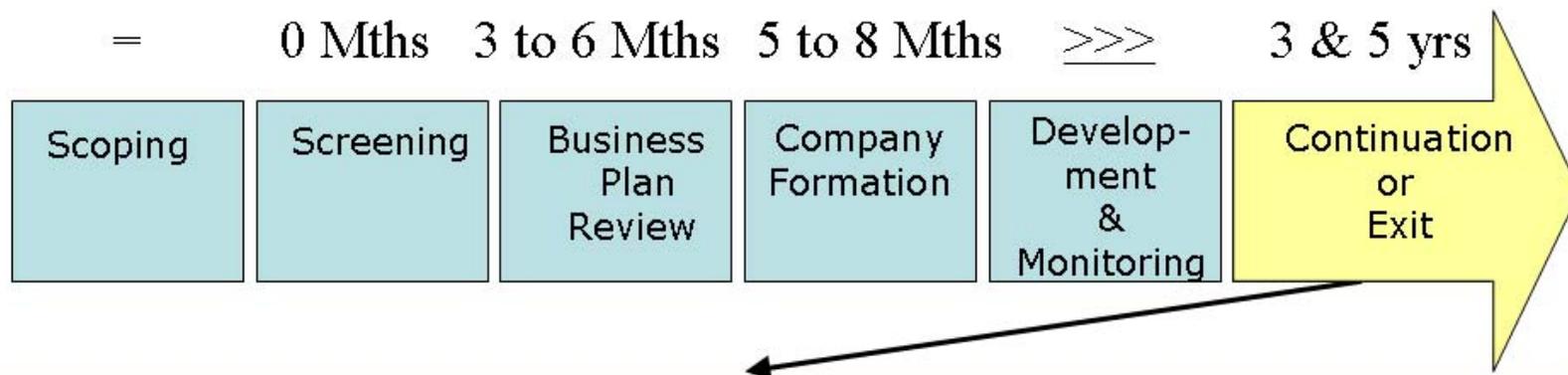
- Term Sheet and Letters of Intent drawn up with shareholders
- Shareholders, equity stakes and capital structure finalised. Institute may hold equity through a holding company
- Memorandum, Articles and Shareholder agreements drafted reflecting any recommendations of senior management.
- Formal legal &/IP agreement between Institute (or holding company) and Company drafted with Institute Secretary / Commercial Services Manager.
- Company registration occurs and formal agreement signed concurrently
- Board of directors meet
- Advisory board formed

# Campus Company Formation Process



- Company begins activities. Appointment of CEO and key officers.
- Monitoring of company activities occur through quarterly and yearly operational and financial reports vs. performance metrics, legal compliance and relevant institute policies and procedures.
- Participation by GMIT representative or director in advisory board and board of director meetings
- Opportunities for further Institute support to support growth identified and acted upon.

# Campus Company Formation Process



- Annual review of progress in achieving business plan goals and review of continued use of Institute staff, students and resources undertaken.
- If enterprise continues as going-concern, support of company by institute where required and appropriate continues.
- Opportunities to maintain, reduce shareholding or dispose of all equity shares examined by Institute formally on annual basis under normal circumstances or as issues arise.