

# Regulations for National Chung Hsing University Spin-Off Companies

Enacted at 396th Administrative Meeting on November 18, 2015  
Amended at 406th Expanded Administrative Meeting on March 22, 2017 (Articles 3, 4 and 11)  
Amended at 414th Expanded Administrative Meeting on April 25, 2018 (Articles 7~15)

Article 1 National Chung Hsing University (hereinafter referred to as the “School”) specially formulates the Regulations in order to encourage faculty, staff and students to devote themselves to the establishment of companies to facilitate the development of Taiwan's science and technology industry and increase the source of the School's fund by using the research and development technology or expertise developed and spun off by the School's resources during their service or studies.

Article 2 The spin-off companies hereof refer to the businesses established by the faculty, the staff and the students of the School by using the resources of the School through the technical value.

Article 3 The matters related to the spin-off companies of the School shall be handled by the General Center for Academia-Industry Collaboration, and the principles are as follows:

1. Teams of spin-off companies shall consult with the School on business plan, shareholding structure, number of directors and supervisors and royalty.
2. The School shall convene a “Spin-Off Company Review Committee” (hereinafter referred to as the “Review Committee”) to determine business authorization requirements.

Article 4 The President of the University shall be the convener of the “Review Committee”; the Dean of Research and Development, the director of the Accounting and Statistics Office, and the Director of the General Center for Academia-Industry Collaboration shall be the ex officio members thereof; and the President of the University may appoint or separately engage 3 to 5 relevant scholars and experts from inside and outside School to jointly participate in the discussion and resolution of the meeting. The relevant sector leaders of the School may be the reporting participants or the members as nonvoting personnel of the meeting.

Article 5 The Regulations shall apply to the School's faculty, staff and students including the following personnel:

1. School President, Full-Time Teachers, Teaching Assistants, Staff, Researchers, Professional and Technical Personnel, Scarce High-Tech Technologist or Rare Technician, Military Training Instructors, Stationed Police, Mechanics, Maintenance Workers.
2. Project Teachers, Project Researchers, Project Teaching Assistants, Postdoctoral Fellows.
3. Contractual Employees and Full-Time Assistants.
4. Trainees and Students (including on the job further study program and continuing education).

The Regulations herein shall apply, mutatis mutandis, to those who use the resources of the School other than the preceding paragraph.

If the faculty, staff and students of the School having already left the school used the resources of the School during their school years shall be subject hereto.

Article 6 Resources of the School

The resources referred to in the Regulations mean the following resources used by the faculty, staff and students of the School:

1. Software.
2. Hardware.
3. Network Resources.
4. Venue.
5. Equipment.
6. Materials.
7. Manpower.
8. Research and development achievements or intellectual property rights derived from government subsidy programs.
9. The tangible assets or intangible rights owned by the School according to the provisions prescribed in relevant academia-industry collaboration.
10. Other resources which are sufficient to be identified as being owned by the School in accordance with the relevant laws and regulations or in practice.

Article 7 Allotment of shares shall be as follows:

The technology stocks obtained through the technical appraisal may be assigned to the inventor. The allotment of shares shall be done after the deduction of the amount paid to the funding agency, and the distribution ratio shall be based on the Article 7 of “Regulations Governing Research and Development Achievement Management and Application” of the School.

If the amount of total allotted shares acquired by the School is lower than the cost of research and development, the proportion given to the School shall be increased.

In case of any special circumstances, the Review Committee may make adjustments to the said allocation ratio.

Article 8 The following items shall be specified in the Articles of Association of a spin-off company:

1. Name of the company, purpose and operating place.
2. Scope of Business.
3. Personnel of management and organizational structure.
4. Rights and Obligations of Personnel.
5. Finance, accounting, surplus distribution and reward system.
6. Injunction of Business Discontinuation.

Article 9 The following items shall be specified in the business plan of a spin-off company:

1. Purpose of applications for establishment.
2. Method of establishment and relevant laws and regulations involved.
3. Establishment, management and supervision rules.
4. Financial and personnel planning.

5. Establishment stage and the matters to be handled.
6. Spin-off companies reward planning.

#### Article 10 Management and Advisory

The incubation and advisory of the School's spin-off companies shall be overall handled by the General Center for Academia-Industry Collaboration. The Center should establish relevant mechanisms to evaluate the value of the School's resources used by the spin-off companies provided to the Review Committee for reference.

Spin-off companies of the School may take priority over all others to settle in the Incubation Center of the School, and enjoy the relevant preferential settle-in conditions and entrepreneurial related advisory, intellectual property related consulting assistance to reduce the risk of entrepreneurship.

Article 11 The School representatives of the spin-off companies shall report the operation status to the Review Committee on a regular basis.

Article 12 Faculty, staff and students who work for such company full-time or part-time shall handle in accordance with relevant laws and regulations suitable for their status.

#### Article 13 Contribution Mechanism

The technical value, calculation of the appropriate equity and methods of contribution to the School and related matters derived from the spin-off companies shall be discussed and determined by the special committee convened by the School depending on a case-by-case basis.

Article 14 In addition to the provisions of these Regulations, the faculty, staff and students of the School shall abide by other regulations related to the spin-off companies and R & D achievements formulated by the government and the School.

Article 15 The Regulations shall be implemented after the adoption of the Administrative Meeting, and the same shall apply as to amendments hereto.