

UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

University of California, Merced
 5200 N. Lake Road
 Merced, CA 95343

October 26, 2018

VICE CHANCELLOR RESEARCH AND ECONOMIC DEVELOPMENT

RE: Delegation of Authority – Execution of Documents, Simple Agreement for Future Equity (SAFE) Type Agreements, Merced Campus Proof of Concept Initiatives, AB 2664 Funds

Business and Finance Bulletin (BFB) G-44 and additional guidelines issued on July 1, 2016 include operational procedures for accepting and managing equity. UC Office of the President (UCOP) AB 2664 funds are California state funds intended to help propel new innovation and entrepreneurship efforts across the University of California (UC). A Simple Agreement for Future Equity (SAFE) type agreement is a simple contract between the UC Regents and a startup company where the UC Regents provide capital and the startup provides a warrant to issue stock to the UC Regents at a later time. The UC Regents on behalf of the UC Merced campus and acting through the UC Merced Venture Lab will enter into SAFE agreements for future equity with entrepreneurs, startup teams and early stage companies.

UC system-wide policies, procedures and guidelines provide authority to campuses for implementing operational procedures and designing appropriate controls that assure equity agreements are carried out properly. Chancellors are responsible for ensuring appropriate reassignment of responsibilities on campus to set up appropriate controls and processes, and coordinate equity agreements with UCOP.

Effective immediately, as Chancellor and pursuant to the authority delegated to me through UC policy and guidelines, I delegate the following to you:

- Execution of documents related to equity agreements properly approved by UC Office of the President (UCOP). This authority is restricted to execution of documents subject to the following requirements:
 - Act as Designated Campus Manager (DCM) to execute documents only after an appropriate campus process with documented internal control points has been verified in deciding on award of equity agreements.
 - Campus process must ensure compliance with system-wide guidelines and policy, separation of duties in award and payment, appropriate coordination and approvals from UCOP, and use of the Approved SAFE template for agreements.
- You may not re-delegate this authority.
- Source of authority: **Business and Finance Bulletin G-44 and additional guidelines issued on accepting and managing equity**

This is a new delegation.

Sincerely,

Dorothy Leland
 Chancellor

cc: Office of General Counsel, UCOP
 Chief Campus Counsel, Elisabeth Gunther
 Director, Policy and Accountability, Sheryl Ireland