



## The Office of Industry Engagement & Conflicts of Interest

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### Guidelines for Faculty Requesting Executive Leadership (C-suite) Positions with Outside Commercial Entities

#### Purpose:

The Icahn School of Medicine at Mount Sinai (“Mount Sinai”) supports successful academia-industry collaborations and encourages innovation and career growth. Mount Sinai has adopted a comprehensive set of policies governing these potential collaborations and has established the *Office of Industry Engagement and Conflicts of Interest* (“COI Office”) to facilitate the review, management and oversight of the conflicts of interest that often flow from such relationships. **Mount Sinai policies include a prohibition on full-time faculty serving in an executive or managerial position for an outside commercial entity without review by the Faculty Business Conflicts Committee and written approval from the Dean.** An executive/managerial leadership role entails any C-Suite position (CEO, CSO, CMO, CFO, etc.) or President of an external entity.

#### Criteria for Dean’s Exception Approval:

- The request must not present an unmanageable conflict of interest or conflict of commitment with the faculty member’s role and responsibilities at Mount Sinai. This assessment will be made by the Faculty Business Conflicts Committee (FBCC). The FBCC includes representation from COI, MSIP, Legal, and Compliance.
- The mission of the Company must be consistent with Mount Sinai’s institutional missions and core values.
- The faculty member must be able to recuse himself/herself from any activities at Mount Sinai related to the Company including research oversight and any purchasing decisions.
- The faculty member must have a clearly defined scope of work for the Company and be able to maintain a clear separation of work performed by the faculty member at Mount Sinai and the services provided to the company.
- The faculty member must agree to abide by all provisions of any business conflicts management plan issued by the FBCC including research restrictions. The faculty member (as well as the junior faculty and students/trainees they supervise) cannot be engaged in sponsored research with the Company unless this is part of a separate co-development agreement with Mount Sinai negotiated by MSIP with appropriate oversight to ensure the scientific integrity of the research.
- The faculty member must agree to abide by all other requested agreements, such as the IP Management Agreement or the Director or Officer Agreement described in detail below.

#### Limitations for Faculty Executive Leadership Positions with Outside Companies:

- The FBCC approval will specifically stipulate whether the faculty member’s executive leadership role with the Company can be conducted as a full-time Mount Sinai faculty member (with an approved

consulting agreement) or should be conducted as an employee of the Company (with an accompanying reduction in Mount Sinai percent effort). **Absent extraordinary circumstances, a full-time Mount Sinai faculty member seeking approval to serve as the Chief Executive Officer of an outside commercial entity will be required to reduce their percent effort at Mount Sinai.**

- For all full-time faculty, the FBCC approval for an executive leadership position with an outside entity will be time limited (typically not to exceed two years) and will require an annual review. The purpose of the time limited role is to support the development of a commercially viable entity.
- Full-time faculty seeking to continue the executive leadership role beyond the approved two year time period will be required to reduce his/her percent effort at Mount Sinai.
- Other factors to be considered when recommending whether the faculty member reduce percent effort at Mount Sinai in order to assume/maintain the executive leadership role with the company include but are not limited to (i) time commitment and compensation, (ii) financial state of the company, and (iii) whether the company is publically traded.

### **Requesting a Dean's Exception: Step-by-Step**

1. Faculty members should contact the Office of Industry Engagement and Conflicts of Interest "COI Office" ([Conflicts.of.Interest@mssm.edu](mailto:Conflicts.of.Interest@mssm.edu)) with their request.
2. The review/approval process will require approval by the faculty member's direct supervisor/Chair and also review/approval by the Faculty Business Conflicts Committee (FBCC). The FBCC will make a recommendation to the Dean to either approve or deny a request.
3. Faculty members will be asked to complete the questionnaire in Appendix A which provides details about the Company as well as the faculty member's proposed role, scope of work, and compensation.
4. All requests will be presented by the faculty member to the Faculty Business Conflicts Committee (FBCC).
5. If the FBCC recommends approval for a Dean's Exception, the faculty member will receive an e-mail from the COI Office detailing "next steps" and delineating all required agreements. The approval will be contingent upon completing all requirements.
6. All C-suite position approvals will require that the faculty member agree to a business conflicts management plan. This is a written document issued by the COI Office and signed by the faculty member. The management plan will outline specific disclosure requirements, limitations on business/research activities here at Mount Sinai, and reinforce existing Mount Sinai policies governing faculty conduct with outside commercial entities.
7. An approval may also require that the faculty member, Mount Sinai, and the Company negotiate and sign a separate Intellectual Property Management Agreement. This is a contract that will describe the rights and responsibilities related to the use and exploitation of intellectual property.
8. In addition, the faculty member may be required to sign an *Agreement for Faculty to Serve as Director or Officer*; this is a three party agreement between the faculty member, the Company, and Mount Sinai that further clarifies the limitations of the faculty member's role within the Company and provides protections/indemnifications for Mount Sinai.
9. There may be additional requirements if a faculty member is also requesting other activities with the company such as a Board of Director position or a consulting agreement.

## Appendix A: Questionnaire for BOD/C-Suite Request

### Questions about the Company:

1. What is the full legal name of the company?
2. What type of entity is it (corporation, LLC, partnership, etc.)?
3. In which jurisdiction is the company registered / formed?
4. Where is the company geographically located? Identify the location of its offices, labs, etc.
5. Describe the business aim(s) of the company (its products and services, markets served, etc.)
6. Is the company publicly traded on any securities exchange? If not, is there any intention to register the company for public trading in the next 12 months?
7. Who is the legal signator for the company?
8. Who are its current officers – names and titles?
9. Who are its current directors?
10. Are any of the officers or directors related parties to you? (related parties = spouse, domestic partner, children)
11. Please identify all investors with 5%+ interest in the company.
12. What was the valuation of the company as of its last round of financing? When was that financing? If no financing has occurred, what is the current estimate of the company's valuation?
13. Is your founder's equity based on your personal investment in the company or awarded to you for services to the company?
14. Describe any IP licensed to the company. Have you been involved in the development of this IP?
15. Does the company seek to license any additional IP from Mount Sinai? Please describe.
16. Does Mount Sinai have any ownership interest in the company?
17. Is Mount Sinai an actual or potential customer / user of the company's products or services? Is Mount Sinai an actual or potential source of referrals to the company?
18. Is there any existing or potential research relationship between Mount Sinai and the company – e.g., sponsored research or sub-award under a small business grant?

### Questions about the Position:

1. What is your current position with the company?
2. What is your proposed position at the company?
3. For how long do you seek to serve in this position?
4. If officer position, please provide a description of the principal functions and duties you will be expected to perform.
5. Will you be receiving any compensation for the position?
6. What is your current equity in the company? Will you receive additional equity, including options, for serving in the position?
7. How many hours a week do you expect to spend on activities in this position?
8. To your knowledge, does any other Mount Sinai faculty member or member of Mount Sinai management hold any position at the company?