Approved by the Board of Trustees

September 22, 2022

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Board Meeting

September 22, 2022

# AUTHORIZE EXPANSION OF SHIELD T3, LLC BUSINESS PURPOSE AND DELEGATE CERTAIN ACTIONS TO THE COMPTROLLER

**Action:** Authorize Expansion of Shield T3, LLC Business Purpose and Delegate

Certain Actions to the Comptroller

**Funding:** Shield T3 Operational Funds

On August 10, 2020, the Executive Committee of the Board of Trustees approved the formation of Shield T3, LLC (“Shield T3”), a University-related organization (“URO”), for the limited and express purpose of promoting the use of saliva-based COVID-19 testing protocols by organizations outside the University of Illinois System and the State of Illinois. The Board of Trustees is the sole member of Shield T3 and possesses various reserved powers related to Shield T3’s governance, finances, and operations, including appointing voting members to the Shield T3 Board of Managers and approving amendments to Shield T3’s organizational scope and purpose. Pursuant to the Operating Agreement entered into between Shield T3 and the Board of Trustees and consistent with similar agreements with other UROs, the University has designated a University employee as “Principal Officer” to serve as the University’s primary liaison to the URO. In accordance with its August 10, 2020, action and consistent with the governing documents related to Shield T3’s operations and applicable fiduciary regulations, the Board of Trustees as sole member of Shield T3 and the company’s Board of Managers each must approve activities undertaken by Shield T3 that exceed its organizational purposes as set forth in the Operating Agreement.

On September 23, 2021, the Board of Trustees as sole member approved a recommendation from the Board of Managers for the formation of a “science committee” within Shield T3 to study the potential development and expanded use of saliva-based testing methodologies beyond COVID-19 testing. In this action, the Board of Trustees stated clearly that the scope and purpose of Shield T3’s commercial activities would, at that time, remain focused on facilitating effective and efficient dissemination of the University-developed, saliva-based COVID-19 testing method. As previously stated by the Board of Trustees in prior actions, Shield T3 is not intended to supplant existing University operations such as the Office of Technology Management (OTM) or research and development efforts currently underway or yet to be realized at universities within the System.

The Principal Officer in consultation with the Shield T3 leadership recommends that it is now prudent to build on the work of the science committee and accelerate exploration of potential additional commercial activities, including activities that may extend beyond the narrow scope for which Shield T3 was initially formed. The President of the University of Illinois System concurs with this recommendation.

The current scope and purpose of Shield T3’s research, development, and commercial activities will remain primarily focused on facilitating effective and efficient dissemination of the University-developed, saliva-based COVID-19 test methodologies. The purpose of this action by the Board of Trustees as sole member is to expressly authorize the Board of Managers to engage in activities and make expenditures related to the potential application and commercialization of University-developed testing methodologies *beyond* COVID-19. These activities may include wastewater epidemiology, home-based personal health testing, and other activities related thereto. Any expenditure that would be considered investment in a specific company, rather than an exploratory expenditure or related commercial activity, shall be communicated to and evaluated by appropriate University personnel for consideration of applicable investment policies and other regulations. Further, in accordance with Shield T3’s governing documents, any investment expenditures must be approved by a majority of the voting members of the Board of Managers.

Accordingly, the President of the University recommends that the Comptroller of the Board be delegated authority to take the following actions:

1. Review and, if necessary, amend the Shield T3 Articles of Organization and Operating Agreement between the Board of Trustees and Shield T3 to effectuate the Board of Trustees’ endorsement of further exploration of potential broader application of saliva-based testing methodologies beyond those associated with COVID-19;
2. Review and, if necessary, amend the Services and Management Agreement between the University and Shield T3 to effectuate the Board of Trustees’ endorsement of further exploration of potential broader application of saliva-based testing methodologies beyond those associated with COVID-19; and,
3. Execute any and all other documents and take any other actions as may be necessary to establish and organize Shield T3 to effectuate the Board of Trustees’ endorsement to allow Shield T3 to carry out its functions and purposes as set forth herein.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.