

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 21, 2011

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and NextGen Metabolomics, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research, Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Christopher Beecher is an employee of the University of Michigan ("University") and is a partial owner and founder of NextGen Metabolomics, Inc ("Company"). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Christopher Beecher, a Research Professor in the Department of Pathology, is a partial owner of a for-profit company called NextGen Metabolomics, Inc. ("NextGen"). NextGen was founded in 2010 to develop patents owned by Metabolomic Analyses, another company owned by Dr. Beecher. NextGen is engaged in developing advanced metabolomic technology that enables a clear measurement of the biological response of an organism or cell to any physiological change, e.g. disease, environment, drugs, toxins, etc.

Nature of the Agreement:

The Company seeks to enter into a research agreement with the University with the purpose of providing basic metabolomic analyses. The Company wishes to enter into a subcontract with the University to enable Dr. Beecher to assist in the performance of this service.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is three (3) years and the amount of funding support is \$260,000 based on processing of one thousand (1,000) samples.

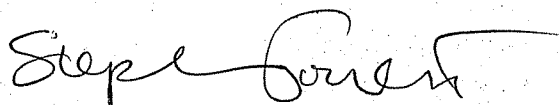
Impact of the Agreement:

The Agreement will support an effort by Dr. Beecher to use his expertise and the resources of his University laboratory, as well as other University resources, and will provide support for the continued development of a promising research tool.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with NextGen Metabolomics, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

April 2011