

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
June 17, 2010

ACTION REQUEST

Subject: Research Agreement between the University of Michigan,  
Ascenta Therapeutics, Inc. and Sanofi-Aventis

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 proposed research agreement. This then triggered a review by the Medical School's Conflict of Interest Board. A plan for management of the possible risks associated with the conflicts of interest was then developed and approved by this Board and agreed to by the parties involved.

The proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Drs. Shaomeng Wang and Dajun Yang are both employees of the University of Michigan ("University") and partial owners of Ascenta Therapeutics, Inc. Dr. Wang is a member of the Company's Scientific Advisory Board and Dr. Yang is also an employee and manager of the Company. The law permits such 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. Shaomeng Wang, Associate Professor of Internal Medicine and Assistant Professor of Pharmacy, and Dr. Dajun Yang, Adjunct Associate Professor of Internal Medicine, have equity interests and management positions in Ascenta Therapeutics, Inc. ("Company"). The Company, in conjunction with Sanofi-Aventis, a publicly traded pharmaceutical company, wishes to support a research project for further development of the inventions made by Drs. Wang and Yang and others. A technology license agreement has been disclosed previously under separate Regental Action.

Nature of the Agreement:

The Company has received a license from the University that relates to the subject of the research project. The proposed project involves research and testing to further develop promising small molecule inhibitors for use against various cancers. The proposed project will be fully funded by the Company and Sanofi-Aventis.

Agreement Terms:

The terms of the proposed agreement conform to University policy regarding publication and intellectual property. Dr. Wang will participate in the project as a co-investigator. Dr. Yang will not participate in the project in his University capacity. The contract includes a provision allowing extension and modification of the project upon mutual

agreement of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Shaomeng Wang and Dajun Yang arise from their ownership interests in Ascenta Therapeutics, Inc.

Impact of the Agreement:

This study will provide further information that will assist the Company in developing compounds, obtaining regulatory approvals, and commercializing small molecule technologies as therapeutic agents.

Recommendation:

This matter was reviewed and approved by the Medical School's 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 Ascenta Therapeutics, Inc. and Sanofi-Aventis.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest", with a long horizontal flourish extending to the right.

Stephen R. Forrest  
Vice President for Research

June 2010