

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
July 16, 2015

ACTION REQUEST

Subject: Materials License Agreement between the University of Michigan and Calporta Therapeutics, Inc

Action Requested: Approval of Materials License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that then triggered a review by the UMOR Conflict of Interest Review Committee. A preliminary plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Committee and agreed to by the parties involved in this plan.

This proposed materials license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Haoxing Xu is both an employee of the University of Michigan ("University") and who is, or is planned to be, a partial owner of Calporta Therapeutics, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Xu, an Associate Professor in the Department of Molecular, Cellular and Developmental Biology, LSA, who is, or is planned to be, a partial owner of a for-profit company called Calporta Therapeutics, Inc (the "Company"). The Company was formed recently to commercialize TRPML-1 inhibitor technology and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 5339, entitled: "Compounds for Reducing Lysosome Storage in Lysosome Storage Diseases" (Inventors: Haoxing Xu and Dongbiao Shen)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Calporta Therapeutics, Inc

Agreement Terms Include:

Agreement terms include granting the Company a non-exclusive license without the right to grant sublicenses. The Company will pay a license issue fee and milestone fees.

The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the Agreement may be amended by consent of the parties, such as adding related technology. 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 Dr. Xu arise from his ownership interest in Calporta Therapeutics, Inc.

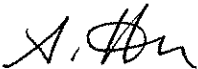
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide non-exclusive license agreement for materials related to UM OTT File No. 5339 for internal research, discovery, and/or development use. Calporta Therapeutics, Inc will obtain use rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the Agreement between the University and Calporta Therapeutics, Inc.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

July 2015