

THE UNIVERSITY OF MICHIGAN

Approved by the Regents  
September 15, 2011

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Absolute Nano, 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 which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Anastasios John Hart is both an employee of the University of Michigan ("University") and a partial owner of Absolute Nano, Inc. 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. Anastasios John Hart, an Assistant Professor of Mechanical Engineering in the College of Engineering, is a co-founder and shareholder of Absolute Nano (the "Company"). The Company has submitted a proposal to the Office of Naval Research as an STTR Phase I Project and would like to subcontract a portion of the work under this contract into the University, under the direction of Dr. Hart. As the Principal Investigator of the subcontract at the University, Dr. Hart will be responsible for the overall financial and scientific oversight of the portion of the work to be conducted at the University.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support is anticipated to be \$40,000. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope of the supported projects. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

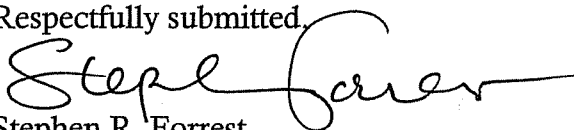
Impact of the Agreement:

The Agreement will enable the University to participate in important research efforts to explore and develop technologies related to deterministic fabrication of aligned carbon nanotube array and device architectures to the University.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 Absolute Nano, Inc.

Respectfully submitted,

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

Stephen R. Forrest  
Vice President for Research

September 2011