

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Ascentage Pharma Group Corporation, Ltd.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which 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 and approved by the Board and agreed to by the parties involved.

The proposed research agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Shaomeng Wang is an employee of the University of Michigan (“University”), and a partial owner of Ascentage Pharma Group Corporation, Ltd. (“Ascentage”). 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:

Shaomeng Wang, PhD, a Professor in the Department of Internal Medicine – Hematology/Oncology, is the partial owner of a for-profit company called Ascentage (the “Company”). The Company wishes to fund a project entitled “Design and Development of New Anticancer Drugs” (ORSP #18-PAF00630) in the Department of Internal Medicine – Hematology/Oncology under the direction of Dr. Shaomeng Wang. The purpose of this project is to support the Company and the University in optimizing small molecule (low molecular weight) inhibitors which can then alter biological processes in cancer cells.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately three (3) years. The amount of funding support will not exceed \$3,418,327. Since research projects are often amended, this agreement includes a provision for changes in time and scope. 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 support an effort by Dr. Wang to use his expertise and University laboratory, as well as other University resources, to further study, develop, and test the most promising small molecule inhibitors discovered in Dr. Wang’s laboratory, which will further advance cancer treatment and therapies.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 University's entering into this Agreement with Ascentage Pharma Group Corporation, Ltd.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Hu', is positioned above the printed name.

S. Jack Hu
Vice President for Research

December 2017