

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action

Requested: Authorization for the University of Michigan to enter into a License Agreement with NX Fuels, Inc. (University of Michigan Employee, Dr. Zetian Mi, Professor, Electrical Engineering and Computer Science, partial owner of NX Fuels, Inc.)

Background:

The University of Michigan seeks approval to transact with NX Fuels, Inc. (“NX Fuels”) for a license agreement for use of a garage bay and adjacent outdoor space located at Mcity Storage, 2905 Baxter Road, Ann Arbor, Michigan. The space will be utilized by NX Fuels for the advancement of artificial photosynthesis technology developed at the University of Michigan through prototype assembly, testing, and evaluation.

The proposed lease agreement falls under the State of Michigan conflict of interest statute as Dr. Zetian Mi is a University of Michigan employee and would be a party to the license agreement by virtue of his being a partial owner of NX Fuels. However, the statute allows university employees to participate in such license agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than two-thirds of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
  - i) The name of each party involved in the license agreement.
  - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
  - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreement are the Regents of the University of Michigan and NX Fuels, Inc.
- ii) The service to be provided is the licensed use of a garage bay at Mcity Storage for 1 year, beginning November 1, 2025 through October 31, 2026, for a license fee of \$9,570.00.
- iii) The pecuniary interest arises from the fact that Dr. Zetian Mi, a University of Michigan employee, is a partial owner of NX Fuels, Inc.

Dr. Zetian Mi has met state law requirements with the disclosure of his pecuniary interest and his formal appointment arrangements with the University of Michigan.

We recommend that the Board of Regents approve the license agreement between the University of Michigan and NX Fuels, Inc., subject to the requirements, if any, of a conflict management plan required by the respective employees' supervisor, and any requirements imposed by the conflict of interest committees of the College of Engineering or the Office of the Vice President for Research.

Respectfully submitted,



Robert A. Hewlett III  
Interim Executive Vice President  
and Chief Financial Officer

February 2026