

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 19, 2009

ACTION REQUEST

Subject: Collaboration Agreement between the University of Michigan and Metabolon, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

The Division of Research, Development and Administration (DRDA) identified a statutory conflict of interest while reviewing the Proposal Approval Form. This 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 by this Board and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Christopher Beecher is both an employee of the University of Michigan ("University") and partial owner of Metabolon, Inc. and Dr. Arul Chinnaiyan, is an employee of the University and owns stock options in Metabolon, 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. Christopher Beecher is a Research Professor in the Department of Pathology and is the partial owner of a for-profit company called Metabolon (the "Company"). Dr. Arul Chinnaiyan is a Professor in the Departments of Pathology and Urology, Director of the Michigan Center for Translational Pathology and possesses stock options in Metabolon. The Company desires to fund a project in the Center for Translational Pathology in the Medical School.

Agreement Terms:

The Company wishes to support an effort under the direction of Dr. Thekkelnaycke Rajendiran, in the Department of Pathology to identify and validate candidate metabolomic prostate cancer markers capable of differentiating between early-stage indolent tumors and aggressive tumors. The Company wishes to enter into a Collaboration Agreement with the University to enable Dr. Rajediran to participate in the performance of this funded

collaborative research. The period of performance for the project is twenty-four (24) months and the amount of funding support is \$228,000.

Impact of the Agreement:

The Agreement will support an effort by Dr. Rajendiran, a pathologist and a technician to utilize their collective expertise and a University of Michigan laboratory, as well as other University resources, to build a biomarker model that can be used to reliably characterize prostate cancer and assist in the formulation of diagnostic and therapeutic strategies.

Recommendation:

This matter has been reviewed and approved by the Medical School 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 Metabolon, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a large initial "S" and "F".

Stephen R. Forrest
Vice President for Research

March 2009