

ACTION REQUEST

Subject: Material Transfer 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 Technology Transfer while reviewing the material transfer agreement that 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 this Board and agreed to by the parties involved in this plan.

This proposed material transfer agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Shaomeng Wang, Ph.D. is both 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") and approved in advance by a 2/3 vote.

Background:

Dr. Shaomeng Wang, a Professor in Internal Medicine, Medical School, is a partial owner of a for-profit company called Ascentage (the "Company"). The Company was formed in 2009 to commercialize a variety of compounds with anti-cancer applications and received a license for several technologies from the University in 2010. Ascentage now wishes to provide Bcl-xL inhibitor AT-101 to Francis Worden, M.D., at the University of Michigan for clinical research in the following study: Concomitant Chemotherapy and Bcl-xL Inhibitor (AT-101) For Bioselection For Organ Preservation In Patients With Advanced Laryngeal Cancer (14-UFA00314/HUM00043975). Dr. Wang is not participating in this research.

Parties to the Agreement:

The Regents of the University of Michigan and Ascentage.

Agreement Terms Include:

Agreement terms include Ascentage providing the study drug (AT 101) to the University group for use in the performance of the clinical research study under clinical protocol UMCC 2010.101. In return, the University will grant Ascentage review and approval of the protocol, access to the data generated from the study, and the right to exercise an exclusive option to inventions generated from the study.

The University will retain ownership of the inventions 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. Additional review by the Medical School Conflict of Interest Board will be done as appropriate.

Pecuniary Interest:

The pecuniary interest of Dr. Wang arises from his ownership interests in Ascentage.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a material transfer agreement for Ascentage to provide AT 101 for use in the clinical research study.

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 Agreement between the University and Ascentage Pharma Group Corporation, Ltd.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

May 2014