

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

Action Requested: Approval of Amendment to License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology 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 amendment to the license 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 Ascenta Therapeutics, Inc. ("Ascenta"). 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. Wang, a Professor of Internal Medicine, Pharmacology, and Medicinal Chemistry in the Medical School, is a partial owner of a for-profit company called Ascenta (the "Company"). The Company was formed to commercialize a variety of compounds with anti-cancer applications and entered into a license agreement with the University on August 26, 2011. The Company desires to add to the license from the University of Michigan, the University's rights associated with the following technology:

UM OTT File No. 5234, entitled: "Biomarkers for small-molecule Smac mimetics" (Shaomeng Wang and Lonchuan Bai)

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Ascenta Therapeutics, Inc.

Agreement Terms Include:

Agreement terms include giving the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales, certain milestone payments, and reimburse patent costs. The University will retain ownership of the licensed technology 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, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

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

Net Effect:

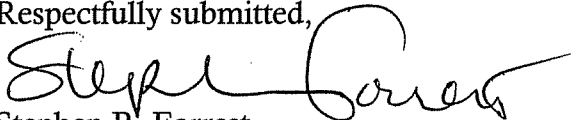
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing worldwide exclusive license agreement for patents related to the UM OTT File No. 5234.

Ascenta will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and a plan has been developed to manage the potential risks associated with the conflict of interest. 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 Amendment to the License Agreement between the University and Ascenta Therapeutics, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

June 2012