

**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 to transact with Heat2Power, Inc. (University of Michigan Employees, Andrej Lenert, owner and director; and Stephen Forrest, stockholder, owner, partner, and director).

Background:

The University of Michigan Aerospace Engineering department seeks approval to transact with Heat2Power, Inc. to purchase 1 kW of Air-bridge TPV Modules Cells.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Andrej Lenert and Stephen Forrest are employed by the University as Associate Professor and Professor with Chemical Engineering and Electrical and Computer Engineering, respectively, and would be a party to the contract as Andrej Lenert is owner and director and Stephen Forrest is stockholder, owner, partner, and director of Heat2Power, Inc.

However, the Statute allows the university to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 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 contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

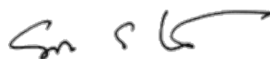
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Aerospace Engineering department and Heat2Power, Inc.
- ii) The transaction is a one-time purchase not to exceed \$120,061. Heat2Power, Inc. will supply the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Andrej Lenert is owner and director and Stephen Forrest is stockholder, owner, partner and director of Heat2Power, Inc.

Andrej Lenert and Stephen Forrest have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Andrej Lenert and Stephen Forrest under the Aerospace Engineering or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the contract between the University of Michigan and Heat2Power, Inc. subject to requirements, if any, that the supervisors of Andrej Lenert and Stephen Forrest or the Aerospace Engineering or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

October 2025