

ACTION REQUEST

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

Action Requested: Approval of Amendment

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which 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 the Board and agreed to by the parties involved.

The proposed amendment ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Drs. Marc Lippman, Shaomeng Wang and Dajun Yang are employees of the University of Michigan ("University") and partial owners of a for-profit start-up company called Ascenta Therapeutics, Inc. Drs. Lippman and Wang are also Directors and members of the Company's Scientific Advisory Board. Dr. Yang is also an employee and Officer of the Company. 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:

Drs. Marc Lippman, Professor and Chair of Internal Medicine, Shaomeng Wang, Associate Professor of Internal Medicine and Assistant Professor of Pharmacy, and Dajun Yang, Associate Professor of Internal Medicine, have equity interests and other management positions in Ascenta Therapeutics ("Ascenta"). Ascenta entered into a license agreement with the University September 29, 2003 to commercialize a variety of compounds with anti-cancer applications. Ascenta wishes to add the following technologies from the University to its existing license agreement:

UM File No. 2328p1, entitled: "Small molecule antagonists of BCL-2 family"  
(Wang)

UM File No. 2549, entitled: "Composition and method of use of compounds which inhibit PKC" (Wang)

UM File No. 2682, entitled: "Ellipticin and Ellipticinium derivatives as modulator of protein kinase B/ AKT and methods of use" (Wang and Dajun Yang)

UM File No. 2784, entitled: "Apogossypolone and the uses thereof" (Wang, Yang, Jianyong Chen, Zaneta Nikolovska-Coleska)  
UM File No. 2808, entitled: "Gossypol co-crystals and their use" (Wang, Chen)  
UM File No. 2891, entitled: "Conformationally constrained SMAC mimetics and the uses thereof" (Wang, Chen, Haiying Sun, Nikolovska-Coleska, Naoyuki Saito, Chao-Yie Yang, Liang Xu)  
UM File No. 3017, entitled: "Small molecule inhibitors of MDM2 and the uses thereof" (Wang, Ke Ding, Yipin Lu, Su Qiu, Nikolovska-Coleska)  
UM File No. 3063, entitled: "Small molecule inhibitors of STAT3 and the uses thereof" (Renxiao Wang, Wang, Hui Sung, Jiayuh Lin)  
UM File No. 3147, entitled: "New classes of inhibitors of the P53-MDM2 interaction" (Lu, Ding, Wang, Guoping Wang)

Parties to the Agreement:

The Regents of the University of Michigan and Ascenta Therapeutics.

Amendment Terms Include:

Adding the above-referenced technology files which were developed under a sponsored research agreement with Ascenta. Current license terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales 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 contract may be amended by consent of the parties. Additional review by the Conflict of Interest Board will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Wang, Lippman and Yang arise from their ownership interest in Ascenta.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement for patents related to the UM File numbers listed above in the field of human therapeutics.

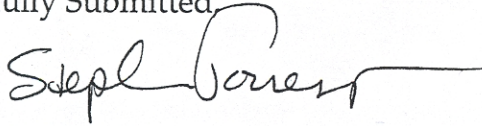
Ascenta will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 License Agreement between the University and Ascenta Therapeutics.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest  
Vice President for Research

March 2006