

ACTION REQUEST

Subject: Amendment to Research Agreement between the University of Michigan and 3D Biomatrix, Inc.

Action Requested: Authorization to enter into an Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Nicholas Kotov is an employee of the University of Michigan ("University"), and is a founder, President, Chief Technology Officer and a Member of the Board of Directors of 3D Biomatrix, Inc. and Dr. Shuichi Takayama is an employee of the University, and has stock options in 3D Biomatrix, Inc. (the "Company"). The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Nicholas Kotov, Professor of Chemical Engineering, is the Founder, Chief Technology Officer, and a member of the Board of Directors of the Company, and Dr. Shuichi Takayama, Professor of Biomedical Engineering and Macromolecular Science and Engineering, holds stock options in the Company and will serve as Principal Investigator for the work to be done at the University in support of an NIH funded project under the STTR program entitled: "High Throughput 3D Cell Assay for Metastatic Prostate Cancer" which has recently received a funding supplement ("Proposed Project"). Dr. Kotov has no role in the work being conducted at the University or at the Company under the Proposed Project.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project was previously just under twelve (12) months, with the amount of funding support from the Company not exceeding \$99,946. With the supplement the period of performance for the Proposed Project will be just under eighteen (18) months, with the amount of funding support from the Company not exceeding \$119,104. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each sponsored project.

University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Amendment

The proposed Amendment will enable the University to continue to participate in important research in the area of high throughput metastatic prostate cancer micro tissue engineering to aid drug screening for potential metastatic prostate cancer treatments. It also provides for collaboration between the College of Engineering and a Michigan start-up company.

Recommendation:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of the disclosure made in this document and our findings 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 Amendment with 3D Biomatrix, Inc.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen R. Forrest".

Stephen R. Forrest
Vice President for Research

November 2013