

Minutes
Missouri Technology Corporation
Friday, April 22, 2016

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, April 22, 2016 beginning at 10:00 a.m. The meeting was held at MU Life Sciences Incubator, 1601 S. Providence, Columbia, MO 65211.

Members present or absent:

Joe Bannister	Chair	Present
Mike Wetle	Member	Present
Garry Kemp	Member	Present
David Kerr	Member	Present
Mike Downing	Member	Present
Mike O’Connell	Member	Present
Dr. Jim Baker	Member	Present via phone (11:40am)
Donn Rubin	Member	Present via phone
Rep. TJ Berry	Member	Absent
Senator Ryan Silvey	Member	Absent
Dr. Robert Schwartz	Member designee-MU	Absent
Elizabeth Canuteson	Member	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC Staff
Tori Benson	MTC staff
Dawn Overbey	DED staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel (left 2:00pm)

Guests present for a portion of the meeting:

Gabe Lozano	LockerDome
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WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:26 a.m. Quorum could not yet be established with only seven members present.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that 9 IDEA Fund transactions closed since the preceding Board meeting with \$2 million disbursed alongside more than \$22 million in leveraged capital. Overall, 116 MTC projects had closed, totaling \$29 million raising leveraged capital of over \$315 million. Director Anderson stated that MTC staff will continue to work toward fulfillment of Board-approved applications for financial assistance. He advised that the General Assembly approved \$4.5 million increase in MTC funding for FY2017. Mr. Anderson then reviewed third quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the fourth quarter.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

DED Director Downing advised that unemployment is at 4.2%, the lowest in 16 years. He stated that there has been 25 Certified Work Ready communities announced, bringing the total number of communities participating – either certified or in progress – to 75 out of the 114 Missouri counties. Directly after this meeting, he departs for Hannover, Germany to lead a Missouri delegation of Economic Development officials attending the Hannover Messe Trade Fair, the largest Industrial Trade Show.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met three times during the third quarter. He discussed the current Board and Committee members and recommended the appointment of Ms. Beth Canuteson to the Investment Committee.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Mr. Kemp to present the Audit and Finance Committee report. Chair Kemp presented the Third Quarter FY2016 Treasurer's Report and gave an update on the IRS Form 990, both of which had been distributed to the Board.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Mr. Kerr to present the Investment Committee report. Mr. Kerr then asked Mr. Kaemmerer to provide an overview of the Investment Committee's activities for the third quarter. Mr. Kaemmerer called the Board's attention to the Investment Committee report which was distributed prior to the meeting. Mr. Kaemmerer reported the MTC received a total of 38 IDEA Fund Round 18 applications requesting more than \$16.2 million total; six Venture Capital Co-Investment (VCCI) applications requesting \$5.25 million, seven TechLaunch applications requesting \$592,000, 24 Seed Capital Co-Investment (SEED) applications requesting more than \$9.9 million, and one High Tech Industrial Expansion (HTIE) application requesting \$400,000. The MTC staff evaluated the applications in accordance with customary practice applying MTC's Investment Guidelines. Thirteen IDEA Fund applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on April 8, 2016, the Investment Committee recommended 12 applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including six SEED applications, three VCCI applications, two TechLaunch applications, and one HTIE application, for more than \$2.675 million in recommended funding. Two Soybean Research and Commercialization proposals were received, requesting more than \$4.2 million and the MTC Investment Committee recommended funding the two applications for more than \$2.5 million.

Quorum was established at 11:40 am with eight members present, including Chair Bannister, Mr. Wetle, Mr. O'Connell, Mr. Kemp, Mr. Kerr, Mr. Downing, Mr. Rubin, and Dr. Baker.

APPROVAL OF MINUTES:

Chair Bannister asked if there were any comments on the draft minutes of the January 29, 2016 Board meeting which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Kerr, seconded by Mr. Downing, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the MTC Board meeting held on January 29, 2016, as submitted.

TREASURER'S REPORT:

On motion by Mr. Wetle, seconded by Mr. Downing, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 3rd Quarter FY2016 Treasurer's Report dated April 22, 2016, as amended.

BOARD GOVERNANCE MATTERS:

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the nomination of Ms. Elizabeth Canuteson as a member of the MTC Investment Committee.

CLOSED SESSION:

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 11:47 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Joe Bannister	aye	David Kerr	aye
Donn Rubin	aye	Mike Downing	aye
Dr. Jim Baker	aye	Mike Wetle	aye
Mike O'Connell	aye	Garry Kemp	aye

On motion by Mr. Downing, seconded by Mr. Wetle, the following resolution was approved by the following roll call vote:

Joe Bannister	aye	David Kerr	aye
Donn Rubin	aye	Mike Downing	aye
Dr. Jim Baker	aye	Mike Wetle	aye
Mike O'Connell	aye	Garry Kemp	aye

RESOLVED, the Board hereby approves exiting Closed Session at 12:12 p.m.

Chair Bannister reported that the Board took no action in the Closed Session after a discussion confined to the matters stated above. The Board continued its discussion in Open Session.

INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Mr. Kerr, seconded by Mr. Downing, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin for Katalyst Surgical and Kypha).

TechLaunch Program

RESOLVED, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program conditions: TL-2016-18-002 (Babyation) in the amount of \$100,000; and TL-2016-18-005 (Eureka Analytics) in the amount of \$75,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

SEED Capital Co-Investment Program

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: SEED-2016-18-003 (Mazen Animal Health) in the amount of \$200,000; SEED-2016-18-025 (Kypha) in the amount of \$350,000; SEED-2016-18-015 (Digital Legacy) in the amount of \$150,000; SEED-2016-18-007 (SafeTrek) in the amount of \$300,000; SEED-2016-18-011 (Juristat) in the amount of \$300,000; and SEED-2016-18-019 (Tensive Controls) in the amount of \$200,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

Venture Capital Co-Investment Program

RESOLVED, the Board hereby approves the following Missouri Venture Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: VCCI-2016-18-001 (Hatchback) in the amount of \$250,000; VCCI-2016-18-006 (Appistry) in the amount of \$250,000; and VCCI-2016-18-004 (Magnomics) in the amount of \$350,000 subject to participation of a strategic investor in the sole discretion of MTC and \$100,000 absent the strategic investor; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

High-Tech Industrial Expansion Program

RESOLVED, the Board hereby approves the following Missouri High-Tech Industrial Expansion Program award, subject to satisfying the ordinary program conditions: HTIE-2016-18-001 (Katalyst Surgical) in the amount of \$150,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

Soybean Research and Commercialization Grants

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present.

RESOLVED, the Board hereby approves the following award for responses to the FY2016 Soybean Research and Commercialization Grants Request for Proposals, subject to satisfaction of ordinary program conditions and other conditions as noted: SOY-2016-01-001 (Missouri Soybean Association) in the amount of up to \$1,552,000; and SOY-2016-01-002 (MARDI) in the amount of up to \$970,000.

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such award; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

RESCISSION OF IDEA FUND APPROVALS:

Director Anderson reviewed with the Board six prior applications for financial assistance that are now being recommended for rescission.

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present.

RESOLVED, the Board hereby rescinds its prior approvals to the applications for financial assistance under the IDEA Funds program: NovaFix (TL 2013-09-007) in the amount of \$100,000 adopted at its meeting held January 31, 2014; MediBeacon (VCCI 2014-10-004) in the amount of \$350,000 adopted at its meeting held May 8, 2014; Companion PBX (SEED 2014-13-002) in the amount of \$125,000 adopted at its meeting held January 30, 2015; Genneo (TL 2014-11-001) in the amount of \$100,000 adopted at its meeting held June 19, 2014; Orion Biosciences (TL 2014-11-004) in the amount of \$100,000 adopted at its meeting held June 19, 2014; Talariant (SEED 2015-14-007) in the amount of \$100,000 adopted at its meeting held April 24, 2015 and, accordingly, the reservation of funds for such proposed financing and all prior authorizations related to such applications submitted for such proposed financing hereby is revoked and the reserved funds shall be available for other use under the IDEA Funds program.

DED STRATEGIC INITIATIVE AND MTC:

Mr. Kerr advised that he would like MTC to focus on the seven target clusters identified during the Department of Economic Development's Strategic Initiative for Economic Growth Study in 2011, when considering applications for funding. Those seven targets are: Advanced Manufacturing; Energy Solutions; Biosciences; Healthcare; Information Technology; Transportation and Logistics; and Financial and Professional Services. Director Anderson stated they do take those factors into consideration but will look into expanding their criteria.

ST. LOUIS ECOSYSTEM UPDATE:

Chair Bannister welcomed Gabe Lozano, CEO/Co-founder of LockerDome, and Co-founder of GlobalHack, who spoke on creating a basic heuristic for the future to become a leader. He spoke on his belief that St. Louis can improve its odds of building a Fortune 500 company by focusing on people, not projects.

NEW BUSINESS:

Director Anderson advised that the next MTC Board meeting would be held June 24th in Kansas City.

ADJOURNMENT:

Having no further business on the agenda, Chair Bannister entertained a motion to adjourn the meeting. On motion by Mr. Wetle, seconded by Mr. Kemp, the following motion was unanimously approved:

RESOLVED, the Board hereby adjourns the meeting at 2:18 p.m.

MEETING ADJOURNED