

Minutes
Missouri Technology Corporation
Friday, October 28, 2016

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, October 28, 2016, beginning at 10:16 a.m. Quorum was established at 11:05 a.m. The meeting was held at the Danforth Plant Science Center, 975 N. Warson Road, St. Louis, MO 63132.

Members present or absent:

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

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC staff
Tori Benson	MTC staff
Amy Steinman	MTC staff
Dawn Overbey	DED staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests present for a portion of the meeting:

Ben Johnson	BioSTL
Jim Ferrell	CET/Cortex

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:16 a.m. Only seven Board members were participating in the meeting at that time, so a quorum did not then exist. A quorum later was achieved at 11:04 a.m. when Sen. Silvey joined the meeting.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that 11 IDEA Fund transactions closed since the preceding Board meeting with \$2 million disbursed alongside more than \$2.8 million in leveraged capital. Overall, 133 MTC projects have closed, totaling \$32 million and raising leveraged capital of over \$350 million. Director Anderson stated that MTC staff will continue to work toward funding of Board-approved applications for financial assistance in accordance with the MTC’s standard procedures. Director Anderson advised that Tioma Therapeutics closed a Series A at \$86 million. Director Anderson reported that according to a new Milken Institute report, the State of Missouri advanced from #34 in the 2016 State Science and Technology Index in the Risk Capital and Entrepreneurial Infrastructure category to #7, which was the second-best improvement in all of the states included in the Index. He next reviewed First Quarter FY 2017 tasks and activities, including the preparation of report on MTC projects and the initiation of MTC

strategic planning. Director Anderson then discussed Second Quarter FY2017 tasks and activities, including the review of IDEA and MOBEC applications, working with new administration for a smooth transition, self-audit of SSBCI program, and hiring of additional staff.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met four times during the First Quarter FY2017. Chair Bannister then asked Director Anderson to present the draft of the 2016 MTC Annual Report. Discussion was held on the layout, text placement and visually highlighting the MTC's achievements. Director Anderson will have the DED Marketing team make the suggested edits before having the final report delivered to the Governor, Speaker of the House and President Pro-Tem of the Senate on November 1st.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Mr. Kemp to present the Audit and Finance Committee report. Mr. Kemp advised that the Committee did not meet during the First Quarter FY 2017. He then presented the First Quarter FY2017 Treasurer's Report.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Ms. Benson and Mr. Kaemmerer to provide an overview of the Investment Committee's activities for the First Quarter FY 2017. 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 20 applications requesting more than \$14.2 million total; 11 TechLaunch applications requesting more than \$1 million, 25 Seed Capital Co-Investment (SEED) applications requesting more than \$10.5 million, and two Venture Capital Co-Investment (VCCI) applications requesting more than \$2.6 million. Fourteen IDEA applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on October 7, 2016, the Investment Committee recommended ten applications for funding, including seven SEED applications, two TechLaunch applications, and one VCCI application, totalling approximately \$2.6 million in funding, subject to further due diligence and the preparation and execution of definitive transaction documents.

CLOSED SESSION:

On motion by Chair Bannister, seconded by Rep. Berry, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 11:05 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Joe Bannister	aye	Rep. TJ Berry	aye
David Kerr	aye	Mike Wetle	aye
Garry Kemp	aye	Senator Ryan Silvey	aye
Mike O'Connell	aye	Mike Downing	aye

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

Joe Bannister	aye	Rep. TJ Berry	aye
David Kerr	aye	Mike Wetle	aye
Garry Kemp	aye	Senator Ryan Silvey	aye
Mike O'Connell	aye	Mike Downing	aye

RESOLVED, the Board hereby approves exiting Closed Session at 11:35 a.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 Rep. Berry, the following resolutions were unanimously approved by those members present:

TechLaunch:

RESOLVED, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program conditions: TL-2016-20-002 (AirZaar, Inc.) in the amount of \$75,000; and TL-2016-20-003 (Olio City) in the amount of \$50,000; 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:

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: SEED-2016-20-005 (Square Offs LLC.) in the amount of \$225,000; SEED-2016-20-006 (NexMatix, LLC) in the amount of \$150,000; SEED-2016-20-007 (TopOPPS Inc.) in the amount of \$250,000 subject to additional due diligence; SEED-2016-20-008 (BacterioScan Inc.) in the amount of \$275,000; SEED-2016-20-009 (Recursive Labs Inc.) in the amount of \$250,000; SEED-2016-20-014 (AppBase Inc.) in the amount of \$150,000; and SEED-2016-20-023 (Better Weekdays Inc.) in the amount of \$250,000; 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:

RESOLVED, the Board hereby approves the following Missouri Venture Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: VCCI-2016-20-003 (Benson Hill Biosystems) in the amount of \$925,000; 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 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 award.

RECISSION OF IDEA FUND APPROVALS:

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: NEAT Health Care (SEED 2011-02-010) in the amount of \$250,000 adopted at its meeting held October 24, 2011; Check Cap Ltd. (VCCI 2012-03-001) in the amount of \$500,000 adopted at its meeting held April 23, 2012; Cardioptimus LLC (SEED 2014-12-015) in the amount of \$150,000 adopted at its meeting held October 24, 2014; EndoStim Inc. (VCCI 2015-14-002) in the amount of \$664,077.86 adopted at its meeting held April 24, 2015; and SynerZ Medical(SEED 2015-17-010) in the amount of \$175,000 adopted at its meeting held January 29, 2016 and, accordingly, the reservation of funds for such proposed financings and all prior authorizations related to such applications submitted for such proposed financings hereby are revoked and the reserved funds shall be available for other use under the IDEA Funds program.

IDEA FUND PUT RIGHT CONSIDERATION:

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

RESOLVED, the Board hereby approves the exercise of the MTC's put rights with respect to financial assistance provided pursuant to Missouri Venture Capital Co-Investment Program applications VCCI-2012-04-011 and VCCI-2015-14-002 (EndoStim, Inc.); 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 exercise.

APPROVAL OF MINUTES:

Chair Bannister asked if there were any comments on the draft minutes of the June 28, 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 Rep. Berry, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the MTC Board meeting held on June 28, 2016, as submitted.

MTC ANNUAL REPORT:

On motion by Mr. O'Connell, seconded by Mr. Kemp, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the draft 2016 MTC Annual Report in substantially the form presented; and

FURTHER RESOLVED, the Board hereby authorizes the Executive Director to revise the presented draft in such manner as he deems advisable in the best interest of the MTC to address the input on the draft report discussed by the Board at this meeting and to submit the finalized report for submission to the General Assembly.

TREASURER'S REPORT:

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

RESOLVED, the Board hereby approves the First Quarter FY2017 Treasurer's Report dated October 28, 2016, as submitted.

MTC STRATEGIC PLANNING:

The Strategic Planning discussion was resumed from the session held the day before. The MTC Investment Review Process was outlined and discussed including ideas for process improvement, scalability and better data collection. The Board also discussed the need to support a growing portfolio by adding additional staff members to the team to assist with compliance and sustained high demand for MTC programs. Director Anderson then advised of the next steps regarding the Strategic Plan with Board approval of the final report in January 2017.

ADJOURNMENT:

Director Anderson advised the next meeting was scheduled for January 27, 2017, in Jefferson City. Having no further business on the agenda, the meeting adjourned.

RESOLVED, the Board hereby adjourns the meeting at 1:36 p.m.