

Minutes
Missouri Technology Corporation
Audit and Finance Committee
Tuesday, December 23, 2014

The Audit and Finance Committee (the “Audit Committee”) of the Board of Directors of the Missouri Technology Corporation (the “MTC”) met in regular session on Tuesday, December 23, 2014, beginning at 2:00 p.m. The meeting was held by teleconference.

Members Participating:

Dr. Jim Baker	Chair
Joe Bannister	Member
Beth Canuteson	Member
Nicole Galloway	Member

Staff and Legal Counsel Participating:

Bill Anderson	MTC Acting Executive Director
Dan Kaemmerer	MTC Associate
Laura Weiler	MTC Accountant
Tori Benson	DED Staff
Dawn Overbey	DED Staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests Participating:

Emily Kampeter	Central Bank
Les Renn	Central Bank

WELCOME AND CALL TO ORDER:

Chair Baker called the meeting to order at 2:02 p.m. and declared a quorum to be present with four members of the Audit Committee participating, including Mr. Bannister, Ms. Canuteson, Ms. Galloway and Chair Baker.

APPROVAL OF MINUTES:

Chair Baker moved to the first agenda item and asked if there were any comments on the draft minutes of the Audit Committee’s meeting held April 18, 2014, which had been distributed to the Audit Committee prior to the meeting. On motion by Ms Galloway, seconded by Ms. Canuteson, the following resolution was unanimously approved:

RESOLVED, the Audit Committee hereby approves the minutes of its meeting held April 18, 2014, as submitted.

REVIEW SHORT-TERM CASH INVESTMENTS:

Chair Baker then asked Director Anderson to review MTC’s short-term cash investments. Director Anderson stated this meeting served as the regular Audit Committee review of the Short-Term Investment Policy and MTC’s accounts and then asked Ms. Kampeter and Mr. Renn to review the account.

Ms. Kampeter stated that the current Repurchase of Sweep Account held a balance of approximately \$13.3 million and is currently earning interest at a rate of approximately 25 basis points per annum. Ms. Kampeter proposed that MTC invest \$10 million held in the MTC sweep account in Treasury bills until January 2015, which would earn additional interest at an annual rate of 10 basis points during that estimated 15-day period. Director Anderson advised that this will be the third year of purchasing Treasury

bills for cash management purposes. He added that the MTC staff had analyzed expected cash requirements during the contemplated investment period and had concluded that the MTC would have ample cash balances for its requirement to fund planned awards and investments, as well as ordinary course operations. Mr. Renn then reviewed current market conditions and stated that investment terms make it advisable for the MTC to pursue the short-term investment strategy to earn additional interest without incremental investment risk.

On motion by Mr. Bannister, seconded by Ms. Galloway, the following resolution was unanimously approved by those members participating:

RESOLVED, the Audit Committee on behalf of the MTC Board hereby authorizes the purchase by MTC of Treasury Bills through Central Bank in an amount not to exceed \$10,000,000 with funds held by the MTC; and

FURTHER RESOLVED, the Audit Committee hereby authorizes the Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such investments.

REVIEW EXPENSE REPORT FOR APPROVAL:

Chair Baker asked Director Anderson to review Mr. Bannister's November 2014 request for reimbursement of his travel expenses. A copy of the expense report was circulated to the Committee with the pre-read materials for this meeting. Per MTC's Travel Policy, adopted on October 26, 2012, the Audit Committee must approve any expenses claimed that are more than 30 days old. Mr. Bannister's expense account covers the period of July – November, 2014.

On motion by Chair Baker, seconded by Ms. Galloway, the following resolution was unanimously approved by those members participating (Mr. Bannister recused himself):

RESOLVED, the Audit Committee hereby approves the November 2014 expense report for Joe Bannister covering the period of July-November 2014 as submitted, pursuant to the Audit Committee's authority as set forth in the MTC Travel Policy adopted on October 26, 2012.

CLOSED SESSION

On motion by Mr. Bannister, seconded by Ms. Galloway the following resolution was approved by roll call vote as follows:

RESOLVED, the Audit Committee hereby approves entering into Closed Session at 2:17 p.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo, to review a conflict of interest waiver.

Mr. Bannister aye
Ms. Canuteson aye
Ms. Galloway aye
Chair Baker aye

On motion by Mr. Bannister, seconded by Ms. Galloway the following resolution was approved by roll call vote as follows:

RESOLVED, the Audit Committee hereby reconvenes from Closed Session at 2:22 p.m.

Mr. Bannister aye
Ms. Canuteson aye
Ms. Galloway aye
Chair Baker aye

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

On motion by Ms. Galloway, seconded by Ms. Canuteson, the following resolutions were unanimously approved by those members participating:

WHEREAS, Lewis Rice LLC served as counsel to the MTC in connection with its prior investment in Rovertown LLC and the MTC proposes that Lewis Rice serve as the MTC's counsel in connection with a proposed follow-on investment in Rovertown;

WHEREAS, Lewis Rice has advised the MTC that such firm has served as counsel in an unrelated matter to an individual who proposes to make a matching investment in Rovertown on the same terms as the MTC's proposed follow-on investment; and

WHEREAS, In view of Lewis Rice's notification of its unrelated representation of the potential co-investor, the Committee has considered Lewis Rice's financial and other interests pursuant to the MTC's Conflict of Interest Policy (the "Policy") and such other facts and circumstances as the Committee deems advisable to make an informed decision in the matter.

NOW THEREFORE, BE IT RESOLVED, That the Audit Committee hereby determines that Lewis Rice's engagement as counsel to a potential co-investor in an unrelated matter does not constitute a conflict of interest under the Policy because, among things, the co-investor's investment will be on the same terms and conditions as the MTC's investment, such investor's interests are aligned with, and not adverse to, MTC's interests, and Lewis Rice will not represent that individual in connection with his investment in Rovertown; and

FURTHER RESOLVED, That, in light of the foregoing determination, the Audit Committee approves the engagement of Lewis Rice in connection with the MTC's proposed follow-on investment in Rovertown and believes that such engagement is in the best interests of the MTC.

ADJOURNMENT:

As no further business was brought before the Audit Committee, on motion by Chair Baker, seconded by Mr. Bannister, the following resolution was unanimously approved.

RESOLVED, the Audit Committee hereby adjourns the meeting at 2:25 p.m.

MEETING ADJOURNED