

Minutes
Missouri Technology Corporation
Friday, June 19, 2015

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, June 19, 2015 beginning at 10:30 a.m. The meeting was held at the eFactory, 405 N. Jefferson, Springfield, MO 65806.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
David Kerr	Member	Present
Garry Kemp	Member	Present
Mike Wetle	Member	Present
Elizabeth Canuteson	Member	Present
Rep. T.J. Berry	Member	Present
Steve Wyatt for Hank Foley	Member designee-MU	Present
Sen. Ryan Silvey	Member	Present (via phone)
Donn Rubin	Member	Present (via phone)
Mike O’Connell	Member	Absent
Dr. Jim Baker	Secretary-Treasurer	Absent

Honorary (Non-Voting) Members of the Board present or absent:

Colonel Williams	Honorary member-FLW	Absent
Ray Tait	Honorary member-RAM	Absent
Nasser Arshadi	Honorary member-RAM	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Acting Executive Director
Dan Kaemmerer	MTC Associate
Tori Benson	DED staff
Laura Weiler	MTC staff
Dawn Overbey	DED staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel

Guests present (for portions of meeting):

Dr. Clif Smart	Missouri State University
Maria Meyers	University of Missouri – KC
Cody Stringer	Mercy R&D
Lou Steele	Westport Middle School Project
Marc Dangerfield	Evntur
Samir Adrissi	Evntur
Tracie Gildehaus	Maritz
Phyllis Ellison	Cortex

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:33 a.m. and established quorum with nine members present, either in person or by conference call, including Chair Bannister, Mr. Kerr, Mr. Kemp, Mr. Wetle, Rep. Berry, Ms. Canuteson, Mr. Rubin, Senator Silvey and Steve Wyatt for Dr. Foley. Chair Bannister then introduced Dr. Clif Smart, President of Missouri State University, who welcomed the Board to the Robert W. Plaster Center for Free Enterprise and Business Development. Dr. Smart gave the Board background information on IDEA (Innovation, Design, Entrepreneurship and the Arts) Commons and how the eFactory has become the focus of entrepreneurship in Springfield, far exceeding their

expectations.

APPROVAL OF MINUTES:

Chair Bannister asked if there were any comments on the draft minutes of the April 24, 2015 Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Wetle, seconded by Ms. Canuteson, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on April 24, 2015, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. He reported that four IDEA Fund transactions closed since the preceding Board meeting with \$825,000 disbursed alongside more than \$1.8 million in leveraged capital from other sources. Overall, 85 IDEA Fund financings have closed, totaling \$21.7 million of investments alongside leveraged capital from other sources of more than \$182 million. Director Anderson stated that MTC staff will continue to work toward fulfillment of Board-approved applications for financial assistance. Director Anderson then informed the Board that the FY2016 budget passed and has been signed by the Governor, and includes \$15.9 million for core MTC programs. He then reviewed fourth quarter activities and those activities MTC staff plan to undertake in the first quarter of the new fiscal year. Director Anderson gave an update on switching to electronic board books. He met with a company and it appears to be cost effective and will improve efficiency. He gave an update on early-stage business grant funding. Based on recommendations, the RFP was drafted and the first allocations are expected mid-August.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met once during the fourth quarter. The Executive Committee reviewed and approved transaction documents for several IDEA Fund investments that previously had been approved by the Board. He again encouraged all members wishing to stay on the Board to reapply to the Governor's office. He advised that 2010 was the last update of the Strategic Plan. Upon discussion by the Board, they agreed to move forward with assessment and updating. It was suggested that the Board look at the "best practices" of other states and determine a mission and how best to serve the state. Chair Bannister advised of his recent job change to the St. Louis Economic Development Partnership and noted that he had stepped down as a voting member of the MTC Investment Committee but still planned to attend as an ex-officio member.

AUDIT AND FINANCE COMMITTEE REPORT:

Director Anderson presented the FY2015 Fourth Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. After discussion, and on motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 4th Quarter FY2015 Treasurer's Report dated June 19, 2015, as submitted.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Mr. Kerr for the Investment Committee report. Mr. Kerr then asked Mr. Kaemmerer to present. Mr. Kaemmerer called the Board's attention to the Investment Committee report which was distributed to the Board prior to the meeting. Mr. Kaemmerer reported the MTC received a

total of 22 IDEA Fund Program and 20 MOBEC Program Round 15 applications requesting more than \$12.8 million of financial assistance in total, as follows: two Venture Capital Co-Investment (VCCI) applications requesting \$825,000; six TechLaunch applications requesting \$540,000; 15 Seed Capital Co-Investment (SEED) applications requesting \$5.5 million; and 20 MOBEC applications requesting \$5.9 million. The MTC staff evaluated the applications in accordance with customary practice applying MTC's Investment Guidelines. Six IDEA Fund applications and seven MOBEC applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on June 15, 2015, the Investment Committee made funding recommendations for one TechLaunch application, two SEED applications, two VCCI applications, and six MOBEC applications. David Kerr reminded the Board that not all applications receive funding.

CLOSED SESSION:

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

RESOLVED, the Board hereby approves entering Closed Session at 11:26 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Rep. Berry	aye	Chair Bannister	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Mr. Kerr	aye	Steve Wyatt for Dr. Foley	aye
Mr. Kemp	aye	Mr. Wetle	aye
Sen. Silvey	aye		

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

RESOLVED, the Board hereby approves exiting Closed Session at 12:20 p.m.

Rep. Berry	aye	Chair Bannister	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Mr. Kerr	aye	Steve Wyatt for Dr. Foley	aye
Mr. Kemp	aye	Mr. Wetle	aye
Sen. Silvey	aye		

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. Wetle, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused himself citing a relationship with the BioGenerator in St. Louis):

RESOLVED, the Board hereby approves the following Missouri TechLaunch Program application, subject to satisfaction of ordinary program conditions: TL-2015-15-002 (EDIS Solutions) in the amount of \$100,000; 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 financings;

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

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 Missouri Seed Capital Co-Investment Program application, subject to satisfaction of ordinary program conditions: SEED-2015-15-005 (Click With Me Now) in the amount of \$200,000; and SEED-2015-15-016 (SmartCare Consultants) 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 financings;

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

On motion by Mr. Kerr, seconded by Ms. Canuteson, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused himself citing a relationship with the BioGenerator in St. Louis):

RESOLVED, the Board hereby approves the following Missouri Venture Capital Co-Investment Program applications, subject to satisfaction of ordinary program conditions: VCCI-2015-15-001 (Gremln) in the amount of \$250,000; and VCCI-2015-15-002 (Confluence Life Sciences) 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 financings;

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

On motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved by those non-recused members present (Mr. Wyatt and Mr. Rubin recused themselves citing their relationships with the University System and the Innovation Center in St. Louis, respectively):

RESOLVED, the Board hereby approves the following Missouri Building Entrepreneurial Capacity Program applications, subject to satisfaction of ordinary program conditions and other conditions as noted: MOBEC-2015-15-006 (Prosper Women Entrepreneurs) in the amount of up to \$150,000; MOBEC-2015-15-008 (Curators of the University of Missouri-ESIP) in the amount of \$145,000; MOBEC-2015-15-009 (T-REX) in the amount of up to \$200,000 contingent upon receipt of U.S. EDA grant funds and full utilization of any tax credits awarded to the project; MOBEC-2015-15-013 (Launch Code Foundation) in the amount of \$250,000; MOBEC-2015-15-014 (BioSTL) in the amount of \$85,000; and MOBEC-2015-15-016 (REDI) in the amount of \$85,000;

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 awards; and

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

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

RESOLVED, the Board hereby rescinds its prior approvals to applications for financial assistance under the IDEA Funds program: Terra4D Systems (SEED-2012-03-018) adopted at its meeting held April 23, 2012; Somametric (TL2013-09-005) adopted at its meeting held January 31, 2013; PulmoCadX (SEED 2013-08-008) adopted at its meeting held January 31, 2013; and Honey Therapeutics (TL-2013-07-003) adopted at its meeting held June 28, 2013; 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.

MEDIBEACON LLC CONVERSION

On motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused himself citing a relationship with the BioGenerator in St. Louis):

RESOLVED, the MTC Board hereby approves the conversion of the principal and accrued interest of the convertible debt financing previously provided to MediBeacon LLC into Series 1 Preferred Shares in MediBeacon Inc., including the related forms of agreements and instruments as presented; and

FURTHER RESOLVED, the MTC Board hereby authorizes the MTC Acting Executive Director on behalf of 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 conversion; and

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

REVIEW OF BEEF CATTLE RESEARCH AND COMMERCIALIZATION AGREEMENT:

Director Anderson was asked to give an update on the Beef Cattle Agreement. Director Anderson advised that he has had conversations with the Missouri Ag Foundation regarding the funding allocations. Representative Berry and Senator Silvey were asked for their input. After other Board comments and recommendations, Director Anderson agreed to continue to work on the agreement.

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

RESOLVED, the Board hereby approves the Beef Cattle Research and Commercialization Agreement between the Missouri Agricultural Foundation and the MTC, as amended by Board discussion.

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 agreement; and

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

FY2016 OPERATING PLAN:

Director Anderson discussed the top FY2015 and FY2016 goals, action plan items and budget. There was a brief discussion. On motion by Mr. Wetle, seconded by Mr. Kemp, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby adopts the FY2016 Operating Plan as presented, including the MOTIF, LCDI and SSBCI program allocations set forth therein; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to modify, amend and approve the Operating Plan and 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 plan; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to transfer funds between administrative budget categories in an amount not to exceed 10% of the total administrative budget; and

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

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

RESOLVED, the Board hereby approves the FY2016 General Agreement between the Department of Economic Development and the MTC in substantially the form presented; and

FURTHER RESOLVED, the Board authorizes the MTC Chairperson to further negotiate, execute and deliver the General Agreement on behalf of the MTC.

On motion by Mr. Wetle, seconded by Mr. Kemp, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin and Mr. Wyatt recused):

RESOLVED, the Board hereby approves Innovation Center allocations in amounts not to exceed the amounts presented in the FY2016 Operating Plan Allocations for Core Technology Programs;

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 necessary or advisable in connection with, or in furtherance of the related projects and the MTC staff hereby is directed to provide a year-end report to the MTC Investment Committee about the FY2015 program results; and

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

KC - WE CREATE CAPITAL REPORT:

Chair Bannister introduced guest Maria Meyers from UMKC to talk about the KC – We Create Capital Report, which was included in the Board packet and distributed prior to the meeting. Ms. Meyers talked about the initial need to improve the environment in Kansas City to attract early-stage companies and entrepreneurs. To accomplish that, they need to increase the formation of new microloan programs and angel investor groups, and increase seed and venture capital funding. She reminded the Board that TechWeek is in September in Kansas City. She advised that LaunchKC will continue to take applications until July 2, 2015.

MERCY RESEARCH AND DEVELOPMENT:

Chair Bannister introduced Cody Stringer who provided an update on the Mercy Research and Development project. Mercy Research and Development offers internal product development services through contract agreements, meeting with clients on an individual basis to create a custom plan to meet their needs. Contract research services offered include device design, testing and consultation. He stated that they currently have seven licensed products to date and only accept 25-30% of the proposals that are submitted.

KANSAS CITY WESTPORT MIDDLE SCHOOL PROJECT:

Chair Bannister introduced Lou Steele who gave an update on the Kansas City Westport Middle School Project. Mr. Steele stated the purpose of purchasing the building is to recruit entrepreneurs to lease space there in an effort to grow their companies and work together.

MARTIZ CORPORATE INNOVATION EVENT

Chair Bannister introduced Marc Dangerfield, Samir Adrissi, Phyllis Ellison and Tracie Gildehaus who gave a briefing on Maritz's Corporate Innovation Event which will take place at Cortex in St. Louis in September. This event will bring corporate innovators together with the entrepreneurial community.

NEW BUSINESS:

Chair Bannister stated that the next in-person Board meeting has been set for October 30, 2015 in Kansas City.

ADJOURNMENT:

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

RESOLVED, the Board hereby adjourns the meeting at 3:42 p.m.

MEETING ADJOURNED