

Minutes
Missouri Technology Corporation
Thursday, May 8, 2014

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Thursday, May 8, 2014, beginning at 10:19 a.m. The meeting was held at the Missouri Chamber of Commerce & Industry, 428 East Capitol Avenue, Jefferson City, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Jim Baker	Secretary-Treasurer	Present (left 2:04pm)
Rep. T.J. Berry	Member	Absent
Elizabeth Canuteson	Member	Present
Mike Downing	Member designee-DED	Present (arrived 12:53pm)
Hank Foley	Member designee-MU	Absent
Nicole Galloway	Member	Present
Victoria Gonzalez	Member	Absent
Garry Kemp	Member	Present
David Kerr	Member	Present
Dan Mehan	Vice Chair	Present
Donn Rubin	Member	Present
Sen. Ryan Silvey	Member	Absent
Mike Wetle	Member	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
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel
Dawn Overbey	DED

Guests present:

Scott Uhlmann	Universtiy of Missouri
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WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:19 a.m. and established a quorum with eight members present, including Chair Bannister, Dr. Baker, Ms. Galloway, Mr. Kemp, Mr. Kerr, Mr. Rubin, Ms. Canuteson and Mr. Mehan.

APPROVAL OF MINUTES FROM PRIOR MEETING:

Chair Bannister asked if there were any comments on the draft minutes of the January 31, 2014 Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Dr. Baker, seconded by Mr. Mehan, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on January 31, 2014, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that four IDEA Fund financings closed since the preceding Board, meeting with \$390,000 disbursed alongside more than \$460,000 in leveraged capital. Overall, 53 IDEA Fund financings have closed, totaling \$14.8 million, leveraging private capital of nearly \$100 million. Director Anderson attended the 2014 SSBCI National Conference in Washington DC April 29th – May 1st. He participated in the Venture Capital Best Practices Working Group at the request of the U.S. Department of Treasury. Director Anderson stated that MTC staff continues to work toward fulfillment of Board-approved applications for financial assistance and noted the application period for Q4 funding cycle has opened for TechLaunch and MOBEC, with 17 proposals received. He then reviewed third quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the fourth quarter, including development of the FY15 MTC Operating Plan.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported the Executive Committee met twice since the previous Board meeting and approved IDEA Fund projects and a borrower's request for a modification of one existing loan agreement.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Dr. Baker and Director Anderson to present the Audit and Finance Committee Report. Director Anderson reported the Audit Committee met once since the previous Board meeting, and then presented the FY2014 Third Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. On motion by Ms. Galloway, seconded by Mr. Rubin, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 3rd Quarter FY2014 Treasurer's Report dated May 8, 2014, as submitted.

LEGISLATIVE AND FY2015 BUDGET UPDATE:

Director Anderson gave an update on legislative and budget activities. He stated that the core MTC budget was increased by \$5 million (\$11.4 million total). He also stated that MTC's budget included: \$4.5 million for Early Stage Business Grants; \$1.3 million for soybean research and commercialization; and \$1.2 million for beef/cattle research and commercialization. The budget passed by the General Assembly will be reviewed by the Governor and the final budget will be approved by July 1. After a lengthy discussion by the Board regarding core MTC funding versus special project appropriations, Director Anderson moved on to a discussion of the potential impacts on the FY2015 Operating Plan. Dr. Baker asked Director Anderson to develop a staffing proposal for the next meeting.

INVESTMENT COMMITTEE REPORT:

Chair Bannister asked Mr. Kerr to present the Investment Committee report. Mr. Kerr called the Board's attention to the Investment Committee report which was distributed to the Board prior to the meeting. At the previous Board meeting, Mr. Kerr invited all Board members to sit in on future Investment Committee meetings to observe the process. Ms. Galloway attended the most recent Investment Committee meeting in March and was asked to share her observations. Mr. Kerr reported that during the third quarter of FY2014, funding was made available through three IDEA programs, consisting of Missouri Seed Capital Co-Investment (SEED), Venture Capital Co-Investment (VCCI) and High Tech Industrial Expansion (HTIE) programs. Nineteen applications were received, for a total requested amount of \$13,342,875. Applying MTC's merit-based criteria, MTC staff recommended four SEED applications

and seven VCCI applications be forwarded for further consideration. The Investment Committee met in March to review those applications and interview the applicants. Following presentation and question and answer sessions with the applicants, the Investment Committee recommended eight applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including three SEED applications and five VCCI applications.

CLOSED SESSION:

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

RESOLVED, the Board hereby approves entering into Closed Session at 12:24 p.m. pursuant to Sections 610.021 (1), (12), (14) and (15), RSMo, to review Investment Committee recommendations for potential project investments.

Dr. Baker	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Ms. Galloway	aye	Mr. Kemp	aye
Chair Bannister	aye	Mr. Mehan	aye

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

RESOLVED, the Board hereby approves exiting Closed Session at 1:07 p.m.

Dr. Baker	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Ms. Galloway	aye	Mr. Kemp	aye
Chair Bannister	aye	Mr. Mehan	aye
Mr. Downing	aye		

BOARD ACTIONS:

After discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session. He further stated that the following recusals were made by Board members with potential conflicts of interest as to certain applications, as follows: Mr. Rubin, in light of his relationship with BioGenerator, exited the meeting and recused himself from the discussion on applications SEED-2014-10-003 (Antegrin Therapeutics, LLC), VCCI-2014-10-003 (Vasculox, Inc), VCCI-2014-10-004 (MediBeacon), VCCI-2014-10-007 (EternoGen) and VCCI-2014-10-008 (C2N Diagnostics); and Scott Uhlmann, who was attending the meeting in place of Dr. Foley, in light of his relationship with the University of Missouri System, exited the meeting and recused himself from the discussion on application VCCI-2014-10-007 (EternoGen).

INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Dr. Baker, seconded by Mr. Mehan, the following resolutions were approved by those non-recused members present at the meeting:

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program applications, subject to satisfaction of ordinary program conditions: SEED-2014-10-002 (Katalyst Surgical, LLC) in the amount of up to \$350,000; SEED-2014-10-003 (Antegrin Therapeutics, LLC) in the amount of \$150,000; and SEED-2014-10-005 (ClaimJockey) 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; 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 financings.

On motion by Ms. Canuteson, seconded by Mr. Mehan, the following resolutions were approved by those non-recused members present at the meeting:

RESOLVED, the Board hereby approves the following Venture Capital Co-Investment Program applications, subject to satisfaction of ordinary program conditions and other conditions as noted: VCCI-2014-10-003 (Vasculox, Inc) in the amount of \$500,000, contingent on identification of an appropriate lead investor satisfactory to the MTC; VCCI-2014-10-004 (MediBeacon) in the aggregate amount of \$500,000, consisting of \$150,000 for participation in the applicant's bridge note financing round and \$350,000 for participation in the applicant's Series A Preferred Stock financing round, contingent upon identification of an appropriate lead investor satisfactory to the MTC; VCCI-2014-10-005 (Click with Me Now, Inc) in the amount of \$175,000; VCCI-2014-10-006 (Acera Surgical) in the amount of \$350,000; VCCI-2014-10-007 (EternoGen) in the amount of \$350,000; and VCCI-2014-10-008 (C2N Diagnostics) in the amount of \$325,000; 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; 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 financings.

IDEA FUND POLICY AND GUIDELINE DISCUSSION:

Mr. Kaemmerer presented data on IDEA fund investments and activity by fiscal year. Director Anderson then facilitated a discussion related to various IDEA Fund policies and guidelines, in light of developing experience with the IDEA Fund program. The Board discussed possible modifications to provide applicants more clarity on program expectations and to remove the one-time limitation for allocations from Seed and Venture Capital Co-Investment Programs. After a lengthy discussion, the Board took no action. However, Director Anderson was requested to work with Mr. Litz to develop potential modifications to enhance the effectiveness of the program in further MTC's mission for future consideration by the Board.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

Chair Bannister then asked Mr. Downing to present the Department of Economic Development report. Mr. Downing reported that he expects the unemployment rate in Missouri to drop below 5.0 percent by the end of the year. Mr. Downing stated that he was late to the Board meeting because he was attending a press conference in Columbia announcing the expansion of Northwest Medical Isotopes' new production facility and creation of 68 new jobs. Mr. Downing also stated that Unilever will be expanding in Independence, adding 70 new jobs by its completion date in 2016. Mr. Downing announced that Magna Seating added 166 new jobs and Martinrea Automotive added 278 new jobs. Mr. Downing announced that CEO Magazine recently ranked Missouri 22nd in preference of states for CEOs to do business.

ADJOURNMENT:

Having no further business on the agenda, Chair Bannister adjourned the meeting.

RESOLVED, the Board hereby adjourned the meeting at 2:21 p.m.

MEETING ADJOURNED