

Minutes
Missouri Technology Corporation
Friday, October 24, 2014

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, October 24, 2014, beginning at 10:30 a.m. The meeting was held at the @4240 Building, 4240 Duncan Avenue, St. Louis, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Rep. T.J. Berry	Member	Present
Nicole Galloway	Member	Present
Donn Rubin	Member	Present
Mike Downing	Member designee-DED	Present
David Kerr	Member	Present
Sen. Ryan Silvey	Member	Present (via phone)
Elizabeth Canuteson	Member	Present (via phone)
Hank Foley	Member designee-MU	Present (via phone)
Dr. Jim Baker	Secretary-Treasurer	Absent
Garry Kemp	Member	Absent
Mike Wetle	Member	Absent
Dan Mehan	Vice Chair	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
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests present (for portions of meeting):

Dennis Lower	CEO, CORTEX
Mary Louise Helbig	Program Manager, Square One (SQ1) program
Vijay Chauhan	BioSTL
Uri Attir	BioSTL

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:30 a.m. and established a quorum with nine members present, including Chair Bannister, Ms. Galloway, Mr. Downing, Mr. Kerr, Mr. Rubin, Ms. Canuteson, Dr. Foley, Senator Silvey and Rep. Berry. Chair Bannister introduced Dennis Lower from CORTEX who welcomed the Board members to their new facility. Mr. Lower introduced Mary Louise Helbig, Director of Square One (SQ1), a hands-on entrepreneur training program that provides first-time entrepreneurs the fundamentals to succeed. MTC provided grant support to establish the SQ1 program through the Missouri Building Entrepreneurial Capacity (MOBEC) program. SQ1 is an expansion of the very successful Bioscience Entrepreneur Development (BED) program focused on training entrepreneurs in the additional industry sectors of information technology and consumer products. The BED program was

launched with MTC funding support in 2010 as a talent retention effort in response to the reductions of research workforce by several pharmaceutical companies in the St. Louis area.

APPROVAL OF MINUTES FROM PRIOR MEETING:

Chair Bannister asked if there were any comments on the draft minutes of the September 29, 2014 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. Rubin, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the Board meeting held on September 29, 2014, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson first introduced staff members Tori Benson and Laura Weiler to the Board and explained their roles with MTC. Director Anderson then reported that nine IDEA Fund transactions closed since the preceding Board meeting with \$1.8 million disbursed alongside more than \$2.97 million in leveraged capital from other sources. Overall, 67 IDEA Fund financings have closed, totaling \$18 million raising leveraged capital of more than \$117 million. Director Anderson stated that MTC staff continues to work toward fulfillment of Board-approved applications for financial assistance and noted the application period for Q2 funding cycle has opened for the TechLaunch, SEED and MOBEC programs. He then reviewed first quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the second quarter. Director Anderson noted that Yurbuds was acquired by Harman International and SAGE Labs was acquired by Horizon Discovery Group plc.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

Chair Bannister asked Mr. Downing to present the Department of Economic Development report. Mr. Downing reported that he recently attended the IEDC Conference in Texas. He noted that Missouri was named one of the top states for attracting investment projects by Area Development Magazine. Director Downing stated that Boeing announced the creation of up to 700 jobs in St. Louis to build parts for the 777X and Ford and GM announced 3rd shift additions, bringing a total of 4,000 announced jobs to Missouri since the start of the fiscal year. He stated that the Governor issued an Executive Order developing the state's first statewide comprehensive energy plan, with the Division of Energy leading this initiative.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met four times during the first quarter. Chair Bannister then opened for discussion the topic of the 2014 Annual Report. After discussion and on motion by Mr. Kerr, seconded by Ms. Galloway, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the draft 2014 MTC Annual Report in substantially the form presented; and

FURTHER RESOLVED, the Board hereby authorizes the Acting Executive Director to revise the presented draft in such manner as he deems advisable in the best interest of the MTC and to submit the finalized report for submission to the General Assembly.

BOARD GOVERNANCE MATTERS:

Chair Bannister re-nominated Dan Mehan to be Vice-Chair of the MTC Board, re-nominated Dr. Jim Baker to be Secretary/Treasurer of the MTC Board and re-nominated all members and the respective chairs to the Executive Committee, Audit and Finance Committee, and Investment Committee.

On motion by Rep. Berry, seconded by Senator Silvey, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the re-appointment of Mr. Dan Mehan as Vice-Chair of the MTC Board;

FURTHER RESOLVED, the Board hereby ratifies the re-appointment of Dr. Jim Baker as Secretary/Treasurer of the MTC Board; and

FURTHER RESOLVED, the Board hereby ratifies the re-appointment of members and the respective chairs to the Executive Committee, Audit and Finance Committee, and Investment Committee.

UPDATE ON ST. LOUIS-ISRAEL INNOVATION CONNECTION:

Mr. Rubin introduced Mr. Vijay Chauhan and Mr. Uri Attir who are leading BioSTL's initiative to identify companies in Israel to establish a presence in St. Louis. Mr. Rubin and Mr. Chauhan traveled to Israel in May and met with 19 companies. Mr. Attir noted that Missouri has many world class technology assets, including Washington University, the Danforth Plant Science Center Monsanto, Express Scripts, Boeing, and BJC that could attract entrepreneurs from Israel to establish their U.S. presence in St. Louis.

AUDIT AND FINANCE COMMITTEE REPORT:

In the absence of Dr. Baker, Chair Bannister asked Director Anderson to present the Audit and Finance Committee report. Director Anderson presented the FY2015 First Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. After a detailed discussion, and on motion by Rep. Berry, seconded by Mr. Kerr, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 1st Quarter FY2015 Treasurer's Report dated October 24, 2014, as submitted.

Director Anderson then directed the Board's attention to the MTC policies that were distributed prior to the meeting. Director Anderson requested that each member review the policies and sign an acknowledgement form.

Director Anderson then reviewed the new SSBCI Conflict of Interest Policy developed by the U.S. Department of Treasury, which became effective July 1, 2014. He discussed the terms and differences in state funding vs. SSBCI funding, highlighting key SSBCI definitions including "SSBCI Insider" and "Personal Financial Interest." Mr. Anderson noted that any questions Board Members may have should be directed to MTC staff or MTC legal counsel.

Director Anderson then reviewed the proposal for the annual renewal of MTC's Directors' and Officers' Insurance policy which was distributed to the Board prior to the meeting. He stated that the policy is with Allied World National Assurance Group through broker AHM Financial for a premium of \$9,500. After a discussion, and on motion by Mr. Downing, seconded by Ms. Galloway, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby authorizes the renewal of the Directors' & Officers' Insurance Policy for 2015 with Allied World National Assurance Group through broker AHM Financial for a premium not to exceed \$9,500; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Acting Executive Director the full power and authority on behalf of the MTC Board to complete any remaining due diligence and to review, negotiate, and approve any and all agreements, documents, or instruments as may be required or desirable in connection with, or in furtherance of, the foregoing insurance renewal.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Mr. Kerr to present the Investment Committee report, which 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 29 IDEA Fund Round 12 applications requesting approximately \$12 million total; two Venture Capital Co-Investment (VCCI) applications requesting \$5 million, six TechLaunch applications requesting \$540,000, and 21 Seed Capital Co-Investment (SEED) applications requesting nearly \$7 million. The MTC staff evaluated the applications in accordance with customary practice applying MTC's Investment Guidelines. Thirteen applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on October 6, 2014, the Investment Committee recommended nine applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including six SEED applications, two VCCI applications, and one TechLaunch application for a total of \$2.8 million in recommended funding.

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 12:16 p.m. pursuant to Sections 610.021 (1), (12), and (17) RSMo, relating to review Investment Committee recommendations and pending IDEA fund authorizations.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Ms. Galloway	aye
Chair Bannister	aye	Rep. Silvey	aye
Dr. Foley	aye		

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

RESOLVED, the Board hereby approves exiting Closed Session at 12:44 p.m.

Rep. Berry	aye	Mr. Kerr	aye
Ms. Canuteson	aye	Mr. Rubin	aye
Mr. Downing	aye	Ms. Galloway	aye
Chair Bannister	aye	Rep. Silvey	aye
Dr. Foley	aye		

BOARD ACTIONS:

After a detailed 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, in light of his relationship with BioGenerator and BioSTL, Mr. Rubin exited the meeting and recused himself from the discussion on applications SEED-2014-12-005, SEED-2014-12-002 and VCCI-2014-12-001.

INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Mr. Kerr, seconded by Rep. Berry, the following resolutions were approved by those members present:

RESOLVED, the Board hereby approves the Missouri TechLaunch Program application, subject to satisfaction of ordinary program conditions, of TL-2014-12-002 (Big Bang IO) 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 financing; 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 financing.

On motion by Chair Bannister, seconded by Ms. Canuteson, the following resolutions were approved by those members present:

RESOLVED, the Board hereby approves the following Missouri Seed Capital Co-Investment Program applications, subject to satisfaction of ordinary program conditions and other conditions as noted: SEED-2014-12-001 (RoverTown) in the amount of \$275,000; SEED-2014-12-002 (SynerZ Medical) in the amount of \$350,000; SEED-2014-12-003 (Orange EV) in the amount of \$150,000, subject to successful first sale of a vehicle; SEED-2014-12-005 (Apse, Inc.) in the amount of \$450,000; SEED-2014-12-006 (Digital Legacy, LLC) in the amount of \$200,000; and SEED-2014-12-015 (Cardioptimus) in the amount of \$150,000, subject to positive results from the initial pig feasibility study satisfactory to the MTC; 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 Mr. Kerr, seconded by Mr. Downing, the following resolutions were approved by those members present:

RESOLVED, the Board hereby approves the following Missouri Venture Capital Co-Investment Program applications, subject to satisfaction of ordinary program conditions and subject to identifying an appropriate lead investor satisfactory to the MTC: VCCI-2014-12-001 (GeneriCo) in the amount of \$750,000; and VCCI-2014-12-002 (Lumate) in the amount of \$500,000; 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.

STATE NEW ECONOMY INDEX:

Chair Bannister asked Mr. Downing to give a report on the 2014 State New Economy Index. Mr. Downing reported that Missouri ranked #33, mainly based on lack of venture capital and lack of top level talent. Mr. Downing believes that the most significant issue for companies is recruiting talent. He believes STEM talent is crucial and needs to begin with steering elementary-age students (3rd grade) into science and technology-related fields.

ADJOURNMENT:

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

RESOLVED, the Board hereby adjourned the meeting at 1:01 p.m.

MEETING ADJOURNED