

Minutes
Missouri Technology Corporation
Tuesday, October 30, 2018

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Tuesday, October 30, 2018, beginning at 9:00 a.m. The meeting was held at the Washington University Office of Technology Management (CORTEX), 4240 Duncan Ave, Ste 110, St. Louis, Missouri.

Members present or absent:

Jason Hall	Chair	Present
Dr. Jim Baker	Member	Absent
Rep T.J. Berry	Member	Present
Dr. Dedric Carter	Member	Present
Dan Cobb	Member	Present
Rob Dixon	Member	Present via phone
Sen Dan Hegeman	Member	Present via phone
Jim Heeter	Member	Absent
Garry Kemp	Member	Absent
Dr. Mark McIntosh	Member designee-MU	Present joined via phone at 10:41 a.m.
Lisa Nichols	Member	Present
Michael O’Connell	Member	Present
Donn Rubin	Member	Present
Erv Switzer	Member	Present
Dr. William Weber	Member	Present

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Amy Steinman	MTC staff
Bill Vega	MTC staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guest:

Jim Ferrell of Cortex

WELCOME AND CALL TO ORDER:

Chair Hall called the meeting to order at 9:09 a.m. Quorum was established with eleven members present.

APPROVAL OF MINUTES:

Chair Hall asked if there were any comments on the draft minutes of the June 28, 2018, Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Representative Berry, seconded by Dr. Carter, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on June 28, 2018, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Hall asked Director Anderson to present the MTC Executive Director report. Director Anderson reported the following activities during the first quarter:

- ❖ Missouri IDEA (Innovation, Development, and Entrepreneurship Advancement) Fund:
 - three IDEA Fund transactions closed since the June board meeting totaling \$500,000 disbursed alongside more than \$1.8 million in leveraged private capital;
 - overall, 184 MTC investments have closed, totaling \$44 million in direct investment by the MTC and over \$645 million in leveraged capital;

- Benson Hill Biosystems raised \$60 million in a Series C financing led by Google Ventures;
 - Acera Surgical raised \$5 million of a planned \$10 million raise; and
 - Blue Strata HER was acquired by Mediware Information Systems.
- ❖ The MTC staff review of Quarter 1 Task and Activities was completed.

Director Anderson then closed his report by reviewing activities that the MTC staff planned to undertake in the second quarter of this fiscal year.

ECONOMIC DEVELOPMENT REPORT:

Chair Hall asked the Director of Economic Development, Mr. Rob Dixon, for an update on the Department's activities. Mr. Dixon informed the Board that the Department (a) continues its work on the "Best in the Midwest" initiative, (b) anticipates certain policy changes in January, (c) has initiated an effort to realign internal operations, technological implementations and administrative streamlining, (d) continues to advance on the Work Force Development project, and (e) is continuously evaluating how the Department can be more flexible and impactful.

EXECUTIVE COMMITTEE REPORT:

Chair Hall reported the following actions taken by the Executive Committee during the first quarter:

- ❖ the Committee met three times during the first quarter on July 18, August 23, and October 22, 2018; and
- ❖ the Committee reviewed and approved transaction documents for seven pending IDEA Fund investments.

BOARD GOVERNANCE MATTERS:

Chair Hall stated that it was appropriate at this meeting for the Board to consider certain corporate governance matters.

Vice-Chair

Chair Hall nominated Dr. Carter as Vice Chair of the Board. Dr. Carter accepted the nomination. On motion by Ms. Nichols, seconded by Representative Berry, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the appointment of Dr. Dedric Carter as Vice Chairman of the MTC Board.

Secretary/Treasurer

Chair Hall nominated Dr. Jim Baker as Secretary/Treasurer the MTC Board and noted that Dr. Baker had advised Chair Hall of his acceptance before the meeting. On motion by Representative Berry, seconded by Dr. Carter, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the appointment of Dr. Jim Baker as Secretary/Treasurer of the MTC Board.

MTC Committee Rosters

The Committee ratified the appointment of Dan Cobb as Vice Chair of the Investment Committee by the following resolution which was unanimously approved by those members present:

RESOLVED, the Board hereby approves the MTC Committee rosters, as presented.

MTC Annual Report:

Director Anderson reviewed the draft of the 2018 Annual Report. After discussion and on motion by Dr.

Carter, seconded by Ms. Nichols, the following resolutions were unanimously approved:

RESOLVED, the Board hereby approves the draft 2018 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 and to submit the finalized report to the Governor and General Assembly.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Hall asked Director Anderson to present the Audit and Finance Committee report. Director Anderson gave an update on the progress of the audit of the MTC’s financial statements.

TREASURER’S REPORT: Director Anderson presented the 1st Quarter FY2019 Treasurer’s Report, which had been distributed to the Board prior to the meeting. On motion by Chair Hall, seconded by Mr. Switzer, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 1st Quarter FY2019 Treasurer’s Report dated October 30, 2018, as submitted.

MTC POLICY REVIEW:

Mr. Litz reported that there were no proposed changes to MTC’s current policies, copies of which had been included in the meeting materials. MTC’s practice is for the Board to review MTC’s policies annually to assess whether any changes are advisable. The Board members confirmed their review and no changes were proposed. Annual acknowledgements were circulated for signature.

INVESTMENT COMMITTEE REPORT:

Chair Hall called on Director Anderson to present the Investment Committee report. Director Anderson provided an overview of the Investment Committee’s activities for the first quarter. He called the Board’s attention to the Investment Committee report which was distributed to the Board prior to the meeting. Director Anderson reported the MTC received 17 MOBEC applications, requesting more than \$4 million in financial assistance. The MTC staff evaluated the applications in accordance with its customary practice applying the MTC’s Investment Guidelines. Eleven applications received during the first quarter advanced to the Investment Committee for further consideration. The applicants gave presentations and the Investment Committee conducted in-person applicant interviews on October 22, 2018. The Investment Committee recommended ten applications for total funding of \$2 million, subject to further due diligence and the preparation and execution of definitive transaction documents.

CLOSED SESSION:

On motion by Chair Hall, seconded by Mr. Cobb, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 10:00 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Jason Hall	aye	Dan Cobb	aye	Dr. William Weber	aye
Rep TJ Berry	aye	Erv Switzer	aye	Rob Dixon	aye
Lisa Nichols	aye	Dr. Dedric Carter	aye	Donn Rubin	aye
Sen Dan Hegeman	aye	Michael O’Connell III	aye		

Mr. Donn Rubin temporarily left the meeting from 10:14 a.m. until 10:17 a.m. due to information being discussed that would have presented a potential conflict of interest as a result of his position as an executive officer of BioGenerator.

Dr. Mark McIntosh joined the meeting via phone at 10:41 a.m.

On motion by Chair Hall, seconded by Mr. Heeter, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 11:02 a.m.

Jason Hall	aye	Dan Cobb	aye	Dr. William Weber	aye
Rep TJ Berry	aye	Erv Switzer	aye	Rob Dixon	aye
Lisa Nichols	aye	Dr. Dedric Carter	aye	Donn Rubin	aye
Sen Dan Hegeman	aye	Michael O'Connell III	aye	Dr. Mark McIntosh	aye

Chair Hall 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 Representative Berry, seconded by Mr. Cobb, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin recused from the vote on MOBEC 2018-24-002 and MOBEC 2018-24-003 due to his status as an executive officer of BioGenerator and his membership on the CORTEX Board of Directors, Dr. Carter recused from the vote on MOBEC 2018-24-002, MOBEC 2017-23-006 and MOBEC 2017-23-021 due to Washington University's relationship with BioGenerator and his memberships on the CORTEX Board of Directors and the Arch Grant Competition Committee, although these recused Board members had no financial interests in the matters acted on by the Board):

MOBEC

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-2018-24-002 (BioSTL) in the amount of up to \$196,350; MOBEC-2018-24-003 (Center For Emerging Technologies) in the amount of \$73,000, contingent upon 100% cash match; MOBEC-2018-24-004 (LaunchKC) in the amount of up to \$167,250; MOBEC-2018-24-007 (Leanlab KC) in the amount of \$150,000; MOBEC-2018-24-008 (Marquette Tech District Foundation) in the amount of \$200,000; MOBEC-2018-24-009 (Missouri Rural Enterprise and Innovation Center) in the amount of \$38,400; MOBEC-2018-24-010 (MSU eFactory) in the amount of \$350,000; MOBEC-2018-24-012 (T-REX) in the amount of up to \$225,000; MOBEC-2018-24-015 (UCM Summit Innovation Alliance) in the amount of up to \$50,000, contingent upon the 50% of cash match is met before the first draw; and MOBEC-2018-24-016 (Curators of the University of Missouri-UMKC) in the amount of \$500,000;

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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

Rescission of IDEA Fund Approvals:

On a motion by Mr. Hall and seconded by Representative Berry, the following resolution was unanimously approved.

RESOLVED, the Board hereby rescinds its prior approvals to the applications for financial assistance under the IDEA Funds program: Acera Surgical Inc. (VCCI 2015-14-001) in the amount of \$150,000

adopted at its meeting held April 24, 2015; Hemadvance Inc. (TL 2015-17-003) in the amount of \$100,000 adopted at its meeting held January 29, 2016; Impress Software (TL 2017-22-002) in the amount of \$75,000 adopted at its meeting held July 6, 2017; and Mobility Designed (TL 2015-14-006) in the amount of \$85,000 adopted at its meeting held April 24, 2015, and, accordingly, the reservations of funds for such proposed financing and all prior authorizations related to such applications submitted for such proposed financing hereby are revoked and the reserved funds shall be available for other use under the IDEA Funds program.

Rescission of Grant Funding Approvals:

On a motion by Representative Berry and seconded by Dr. Weber, the following resolution was unanimously approved.

RESOLVED, the Board hereby rescinds its prior approval to the application for financial assistance under the MOBEC program for Mercy Research (MOBEC 2016-21-009) in the remaining amount of \$7,499.33 adopted at its meeting held January 26, 2017, and, accordingly, the reservation of funds for such proposed grant and all prior authorizations related to such application submitted for such proposed financing hereby are revoked and the reserved funds shall be available for other use under MTC programs.

NEW BUSINESS: No matters were raised.

2018 MEETING SCHEDULE

January 24, 2019 – Jefferson City

ADJOURNMENT:

Having no further business on the agenda, and on motion by Chair Hall, seconded by Mr. Rubin, the meeting adjourned at 11:19 a.m.

MEETING ADJOURNED