

Minutes
Missouri Technology Corporation
Tuesday, June 28, 2016

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Tuesday, June 28, 2016 beginning at 10:13 a.m. The meeting was held at KC Area Development Council, Union Station, 30 Pershing Street, Suite 200, Kansas City, MO 64108.

Members present or absent:

Joe Bannister	Chair	Present
David Kerr	Member	Present
Mike Downing	Member	Present
Mike O’Connell	Member	Present via phone
Donn Rubin	Member	Present via phone
Rep. TJ Berry	Member	Present
Senator Ryan Silvey	Member	Present
Dr. Robert Schwartz	Member designee-MU	Present
Elizabeth Canuteson	Member	Present
Mike Wetle	Member	Absent
Dr. Jim Baker	Member	Absent
Garry Kemp	Member	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC staff
Tori Benson	MTC staff
Amy Steinman	MTC staff
Dawn Overbey	DED staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:13 a.m. Quorum was established with nine members present including Chair Bannister, Mr. Kerr, Mr. Downing, Mr. O’Connell, Mr. Rubin, Rep. Berry, Senator Silvey, Dr. Schwartz and Ms. Canuteson.

APPROVAL OF MINUTES:

Chair Bannister asked if there were any comments on the draft minutes of the April 24, 2016 Board meeting which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Kerr, seconded by Ms. Canuteson, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the MTC Board meeting held on April 24, 2016, as submitted.

WELCOME FROM KC ANIMAL HEALTH CORRIDOR:

Chair Bannister introduced Kim Young, President, and Emily McVey, Director, of the KC Animal Health Corridor who welcomed the Board to the KC Area Development Council for its meeting. They described the focus of both the KCADC and the Animal Health Corridor and noted that August will be the 8th year for the Animal Health Investment Forum.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that 8 IDEA Fund transactions closed since the preceding Board meeting with \$1.3

million disbursed alongside more than \$1.4 million in leveraged capital. Overall, 124 MTC projects had closed, totaling \$30 million and raising leveraged capital to over \$315 million. Director Anderson stated that MTC staff will continue to work toward fulfillment of Board-approved applications for financial assistance. He advised that Governor Nixon signed the FY17 budget, including \$22 million in MTC funding. Mr. Anderson then reviewed fourth quarter tasks and activities and introduced Amy Steinman (MTC Accountant) and Katy Alexander (MTC Intern). Katy explained that she is travelling around the state to meet with and interview startup companies for content that will be incorporated on MTC's website and into MTC's annual report.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

Director Downing stated that there have been 34 Certified Work Ready communities announced. He advised Centene is planning a 1,000 job expansion in Clayton. He noted he just returned from the Cuba Trade Mission with the Governor where a family from Missouri donated 20 tons of rice to the Cuban government. St. Louis will be host this year to 10 Midwest states for the Midwest US-Japan Association 2016 Conference.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met three times during the fourth quarter FY2016 and approved a \$1.3 million adjustment to the FY2016 MTC Operating Plan to allow for expenditure of funds released from withholding at the end of FY2015.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Director Anderson to present the Audit and Finance Committee report. Director Anderson advised that the Committee met once during the fourth quarter. He then presented the Fourth Quarter FY2016 Treasurer's Report and gave an overview from the update Central Bank gave the Committee on doing a short-term investment. Director Anderson then advised that MTC has never had an outside audit and believes it may be good practice to do so. After discussion of the draft RFP and on motion by Mr. Kerr, seconded by Rep. Berry, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves the draft request for proposals to solicit audit services, and;

FURTHER RESOLVED, the Board hereby delegates to the MTC Audit and Finance 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 request for proposals.

TREASURER'S REPORT:

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

RESOLVED, the Board hereby approves the 4th Quarter FY2016 Treasurer's Report dated June 28, 2016, as submitted.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Mr. Kerr to present the Investment Committee report. Mr. Kerr then asked Mr. Kaemmerer to provide an overview of the Investment Committee's activities for the fourth quarter. Mr. Kaemmerer called the Board's attention to the Investment Committee report which was distributed prior to the meeting. Mr. Kaemmerer reported the MTC received a total of 15 MOBEC Round 19 applications requesting more than \$5.1 million. Thirteen MOBEC applications advanced to the Investment Commitment for further consideration. Following a day of presentations and in-person applicant

interviews on May 19, 2016, the Investment Committee recommended ten applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, for more than \$1.65 million in recommended funding. MTC also received 26 IDEA Fund Round 19 applications requesting more than \$6.8 million total; eight TechLaunch applications requesting nearly \$800,000, and 18 Seed Capital Co-Investment (SEED) applications requesting more than \$6 million. The MTC staff evaluated the applications in accordance with customary practice applying MTC’s Investment Guidelines. Fourteen IDEA Fund applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on June 9, 2016, the Investment Committee recommended twelve applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including ten SEED applications and two TechLaunch applications, for more than \$2.15 million in recommended 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 11:07 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Joe Bannister	aye	David Kerr	aye
Donn Rubin	aye	Mike Downing	aye
Dr. Bob Schwartz	aye	Rep. TJ Berry	aye
Mike O’Connell	aye	Sen. Ryan Silvey	aye
Elizabeth Canuteson	aye		

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

Joe Bannister	aye	David Kerr	aye
Donn Rubin	aye	Mike Downing	aye
Dr. Bob Schwartz	aye	Rep. TJ Berry	aye
Mike O’Connell	aye	Sen. Ryan Silvey	aye
Elizabeth Canuteson	aye		

RESOLVED, the Board hereby approves exiting Closed Session at 11:41 a.m.

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. Downing, seconded by Ms. Canuteson, the following resolutions were unanimously approved by those members present:

TechLaunch

RESOLVED, the Board hereby approves the following Missouri TechLaunch Program application, subject to satisfaction of ordinary program conditions: TL-2016-19-001 (Janus Choice) in the amount of \$100,000; and TL-2016-19-004 (StoryUP) in the amount of \$50,000; 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such financings.

On motion by Mr. Downing, seconded by Ms. Canuteson, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin for SanusEO due to his affiliation with BioGenerator, a non-profit co-investor in the applicant; Dr. Schwartz for EternoGen due to the company's license of intellectual property from the University of Missouri):

Seed Capital

RESOLVED, the Board hereby approves the following Missouri Seed Capital Co-Investment Program application, subject to satisfaction of ordinary program conditions: SEED-2016-19-001 (EternoGen Aesthetics) in the amount of \$200,000; SEED-2016-19-003 (SanusEO) in the amount of \$75,000; SEED-2016-19-007 (CellARide) in the amount of \$175,000; SEED-2016-19-008 (Holganix Ag) in the amount of \$250,000; SEED-2016-19-010 (Sparo Labs) in the amount of \$275,000; SEED-2016-19-012 (BodiTrak Sports) in the amount of \$200,000; SEED-2016-19-013 (PopBookings) in the amount of \$300,000; SEED-2016-19-014 (FinLocker) in the amount of \$300,000; SEED-2016-19-015 (Moblico) in the amount of \$75,000; and SEED-2016-18-008 (LocalRaces) in the amount of \$150,000; 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such financings.

On motion by Ms. Canuteson, seconded by Rep. Berry, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin for BioSTL due to his role as CEO; Dr. Schwartz for projects located at University of Missouri campuses due to his position with the University of Missouri System):

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-2016-19-002 (Prosper Women Entrepreneurs) in the amount of up to \$200,000; MOBEC-2016-19-004 (Curators of the University of Missouri-FlipZone) in the amount of \$50,000; MOBEC-2016-19-005 (Missouri Innovation Corporation) in the amount of \$153,791; MOBEC-2016-19-006 (Curators of the University of Missouri) in the amount of \$100,000; MOBEC-2016-19-007 (BioSTL) in the amount of \$250,000; MOBEC-2016-19-009 (Curators of the University of Missouri – Missouri S&T) in the amount of \$100,000; MOBEC-2016-19-010 (Missouri innovation Center) in the amount of \$165,000; MOBEC-2016-19-011 (KC Social Innovation Center) in the amount of \$200,000; MOBEC-2016-19-014 (Curators of the University of Missouri – UMKC) in the amount of \$300,000; and MOBEC-2016-19-015 (Small Business Synergy Corporation) in the amount of \$140,000; 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 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.

FY2017 OPERATING PLAN REVIEW:

Chair Bannister asked Director Anderson to discuss the FY2017 Operating Plan. Director Anderson first noted the Top Goals and Action Items as well as the anticipated board meeting dates for FY2017. He then discussed the FY2017 Operating Plan sources and budget allocations, the General Agreement between DED and MTC and the Innovation Center allocations. Discussion was held among the Board members.

On motion by Mr. Kerr, seconded by Dr. Schwartz, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby adopts the FY2017 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 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to implementation of the plan.

On motion by Rep. Berry, seconded by Dr. Schwartz, the following resolutions were unanimously approved by those non-recused members present (Mr. Downing for DED):

General Agreement between DED and the MTC:

RESOLVED, the Board hereby approves the FY2017 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. Downing, seconded by Ms. Canuteson, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin):

Core Technology Program:

RESOLVED, the Board hereby approves Innovation Center allocations in amounts not to exceed the amounts presented in the FY2017 Operating Plan Allocations for Core Technology Programs; 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 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 FY2016 program results; 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 projects.

STRATEGIC PLANNING:

Director Anderson noted that the last strategic planning effort took place in October 2010 and he believes that it is appropriate to reevaluate and draft a new plan in anticipation of a new administration commencing in January 2017. Director Anderson discussed the proposed process, timeline and suggested areas of focus. The board suggested topic areas that they would like to discuss during the strategic planning process. Dr. Schwartz requested that the final strategic plan be posted on MTC's website.

ADJOURNMENT:

Having no further business on the agenda, Chair Bannister entertained a motion to adjourn the meeting. On motion by Ms. Canuteson, seconded by Dr. Schwartz, the following motion was unanimously approved:

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

MEETING ADJOURNED