

Minutes
Missouri Technology Corporation
Friday, January 29, 2016

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, January 29, 2016 beginning at 10:00 a.m. The meeting was held at T-Rex, 911 Washington Avenue, St. Louis, MO 63101.

Members present or absent:

Joe Bannister	Chair	Present
Dr. Robert Schwartz	Member designee-MU	Present
Dr. Jim Baker	Member	Present
Mike Wetle	Member	Present
Garry Kemp	Member	Present
David Kerr	Member	Present
Donn Rubin	Member	Present
Mike Downing	Member	Present (left 12:30pm)
Mike O’Connell	Member	Present (left 1:30pm)
Elizabeth Canuteson	Member	Present via phone (left 2:00pm)
Rep. TJ Berry	Member	Absent
Senator Ryan Silvey	Member	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC Staff
Tori Benson	MTC staff
Dawn Overbey	DED staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel (left 2:00pm)

Guests present for a portion of the meeting:

Ginger Imster	Arch Grants Executive Director
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WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:06 a.m. and established quorum with ten members present, including Chair Bannister, Dr. Schwartz, Dr. Baker, Mr. Wetle, Mr. Kemp, Mr. Kerr, Mr. Rubin, Mr. Downing, Mr. O’Connell, and Ms. Canuteson. Chair Bannister welcomed Dr. Robert Schwartz, Interim Vice President of the University of Missouri System, to the Board, replacing Dr. Foley.

APPROVAL OF MINUTES:

Chair Bannister asked if there were any comments on the draft minutes of the October 30, 2015 Board meeting/Public hearing, and the December 29, 2015 Board teleconference, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Dr. Baker, seconded by Mr. Kerr, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the MTC Board meeting and MTC annual public hearing held on October 30, 2015, as submitted.

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 minutes of the MTC Board teleconference held on December 29, 2015, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that 10 IDEA Fund transactions closed since the preceding Board meeting with \$1.5 million disbursed alongside more than \$4.5 million in leveraged capital. Overall, 107 MTC projects had closed, totaling \$27 million raising leveraged capital of over \$283 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 proposed a \$10 million increase in MTC's funding from the State of Missouri for FY17. Mr. Anderson then reviewed second quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the third quarter.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that that Executive Committee met twice during the second quarter. He discussed the current Board and Committee members and asked for any recommendations for additional members. Mr. Rubin spoke about St. Louis Chamber Day at the State Capitol and that group's priority to increase MTC core funding. There was discussion about perceived concerns expressed by some individuals that St. Louis projects are receiving more funding than those located in other parts of the state. Director Anderson explained that a significant percentage of IDEA Fund applications are received from St. Louis and that staff will continue efforts to generate more applications from other parts of the state.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

DED Director Downing advised that data released last fall by the Census Bureau and the Kauffman Foundation shows Missouri leading the nation in business creation. He also noted that in Fiscal Year 2015, Missouri ranked, for the first time, as a top ten state for startup funding, according to Forbes. He stated that the top project for DED is retaining the National Geospatial Intelligence Agency in the City of St. Louis. The agency is looking to relocate their facility and the north St. Louis City site is one of four being considered. A decision is expected by March 25, 2016.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Director Anderson to present the Audit and Finance Committee report. Director Anderson presented the FY2016 Second Quarter Treasurer's Report, which was distributed to the Board.

On motion by Dr. Baker, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 2nd Quarter FY2016 Treasurer's Report dated January 29, 2016, as submitted.

Director Anderson then directed the Board's attention to the proposed engagement letter submitted by Williams Keepers to provide accounting services to the MTC, copies of which had been distributed prior to the meeting. After discussion, Mr. Kerr asked for an amendment be added to include a cap of \$7,500. On motion by Ms. Canuteson, and seconded by Mr. O'Connell, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves the engagement letter submitted by Williams Keepers to provide accounting services the to MTC, as amended;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Director 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 engagement in accordance with the Board's discussion at this meeting; 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 engagement.

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 second 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 35 IDEA Fund Round 17 applications requesting more than \$13.3 million total; three Venture Capital Co-Investment (VCCI) applications requesting \$4.25 million, eight TechLaunch applications requesting \$650,000, 23 Seed Capital Co-Investment (SEED) applications requesting more than \$8 million, and one High Tech Industrial Expansion (HTIE) application requesting \$250,000. 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 January 15, 2016, the Investment Committee recommended 11 applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including ten SEED applications, and one TechLaunch application, for more than \$1.9 million in recommended funding. The MTC also received 19 Missouri Building Entrepreneurial Capacity Program (MOBEC) Round 17 applications requesting \$4.9 million, and one Early Stage Business Grant (ESBG) application requesting \$500,000. The Investment Committee recommended for funding 11 MOBEC applications for funding, totaling nearly \$1.3 million and 1 ESBG application, totaling \$350,000.

CLOSED SESSION:

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

RESOLVED, the Board hereby approves entering Closed Session at 11:29 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. Jim Baker	aye	Dr. Robert Schwartz	aye
Mike Wetle	aye	Mike O’Connell	aye
Garry Kemp	aye	Elizabeth Canuteson	aye

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

Joe Bannister	aye	David Kerr	aye
Donn Rubin	aye	Mike Downing	aye
Dr. Jim Baker	aye	Dr. Robert Schwartz	aye
Mike Wetle	aye	Mike O’Connell	aye
Garry Kemp	aye	Elizabeth Canuteson	aye

RESOLVED, the Board hereby approves exiting Closed Session at 12:00 p.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:

TechLaunch:

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin recused due to his affiliation with BioGenerator):

RESOLVED, the Board hereby approves the following TechLaunch Program award, subject to satisfying the ordinary program conditions: TL-2015-17-003 (Hemadvance) in the amount of \$100,000, subject to participation by BioGenerator; 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 award; 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 award.

SEED Capital Co-Investment:

On motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused from consideration of and action on the following applications due to his affiliation with BioGenerator: SEED-2015-16-018 (MagBiosense); SEED-2015-16-025 (S4 USA); SEED-2015-17-001 (Euclises); SEED-2015-17-014 (Antegrin); SEED-2015-17-010 (SynerZ Medical); and SEED-2015-17-011 (MedAware)):

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: SEED-2015-16-020 (Eighty4, LLC) in the amount of \$225,000; SEED-2015-16-018 (MagBiosense) in the amount of \$150,000; SEED-2015-16-025 (S4 USA) in the amount of \$200,000; SEED-2015-17-001 (Euclises) in the amount of \$200,000; SEED-2015-17-003 (Scopio) in the amount of \$100,000 subject, in addition, to an analysis of the relevant competitive landscape; SEED-2015-17-004 (Antegrin) in the amount of \$175,000; SEED-2015-17-005 (Deck Commerce) in the amount of \$200,000; SEED-2015-17-008 (Ultradia) in the amount of \$200,000; SEED-2015-17-010 (SynerZ Medical) in the amount of \$175,000; and SEED-2015-17-011 (MedAware) 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 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.

MOBEC:

On motion by Mr. Kerr, seconded by Mr. Downing, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused from consideration of and action on the applications of CET Square and ITEN due to his relationship with BioStl; Dr. Baker recused from consideration of and action on the applications of Mercy R&D due to his relationship with Missouri State University; Chair Bannister recused from consideration of and action on the application of Helix Center due to his relationship with St. Louis County government; and Dr. Schwartz recused from consideration of and action on the applications of MU Coulter Program, MU Legal Entrepreneurship Clinic and UMKC Whiteboard to Boardroom due to his relationship with the University of Missouri):

RESOLVED, the Board hereby approves the following Missouri Building Entrepreneurial Capacity Program applications, subject to satisfaction of ordinary program conditions: MOBEC-2015-17-001 (MU Coulter Program) in the amount of \$100,000; MOBEC-2015-17-002 (STL Venture Works Helix Center)

in the amount of \$175,000; MOBEC-2015-17-003 (CET Square 1) in the amount of \$85,000; MOBEC-2015-17-005 (ITEN) in the amount of \$245,000; MOBEC-2015-17-006 (The Bunker KC) in the amount of \$100,000; MOBEC-2015-17-008 (LaunchCode) in the amount of \$250,000; MOBEC-2015-17-009 (Venture Cafe) in the amount of \$85,000 MOBEC-2015-17-011 (T-Rex) in the amount of \$100,000; MOBEC-2015-17-015 (Global Hack) in the amount of \$75,000; MOBEC-2015-17-016 (Mercy R&D) in the amount of \$125,000; MOBEC-2015-17-017 (UMKC WhiteBoard to Boardroom) in the amount of \$130,000; and MOBEC-2015-17-018 (MU Legal Entrepreneurship Clinic) in the amount of \$70,000;

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.

Early-Stage Business Grants:

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolution was unanimously approved by those non-recused members present (Mr. Rubin recused from consideration of and action on the application of BioGenerator due to his affiliation with BioGenerator):

RESOLVED, the Board hereby approves the following award for responses to the FY2015 Early-Stage Business Grant Request for Proposals, subject to satisfaction of ordinary program conditions: ESBG-2015-02-001 (BioGenerator) in the amount of up to \$350,000;

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 award; 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 award.

BEEF CATTLE RESEARCH AND COMMERCIALIZATION PROJECT:

Director Anderson advised that the National Council for Beef Excellence (the "NCBE") has requested \$1.2 million in funding under the Beef Cattle Research and Commercialization Project to create increased value for commercial producers in the beef supply chain by increasing production efficiency and supporting new and specialized market development. The project would create 41 new jobs with an average wage of \$50,000. This is the second project to be funded under this allocation and MTC will oversee the contract.

On motion by Mr. Kemp, seconded by Mr. O'Connell, the following resolution was unanimously approved by those non-recused members present (Mr. Wetle recused from consideration of and action on the application of the NCBE to his relationship with the NCBE):

RESOLVED, the Board hereby approves a grant to the NCBE in the amount of \$1,164,000 pursuant to the proposal submitted pursuant to the the FY2016 Beef Cattle Research and Commercialization line-item appropriation;

FURTHER RESOLVED, the Board hereby approves the FY2016 Beef Cattle Research and Commercialization Agreement between the NCBE and the MTC in substantially the form presented; 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 agreement; 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 agreement.

REVIEW DRAFT RFP FOR SOYBEAN RESEARCH AND COMMERCIALIZATION GRANTS:
Director Anderson advised that there is \$2.6 million to allocate for the program. The intent of the RFP is to identify and select qualified organizations to receive grant funding for soybean production research and for commercialization of high-yield and/or high oleic soybeans. The release of the RFP will be February 1, 2016 and proposals will be due no later than 4:30pm on March 2, 2016.

On motion by Dr. Baker, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present:

RESOLVED, the MTC Board hereby approves the Request for Proposals for the Soybean Research and Commercialization Grants appropriation in substantially the form presented; and

FURTHER RESOLVED, the MTC Board hereby authorizes the MTC Executive Director on behalf of the MTC 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 project.

REVIEW PROPOSED MODIFICATIONS TO MOBEC GRANT PROGRAM:
Director Anderson proposed modifications to the Missouri Building Entrepreneurial Capacity (“MOBEC”) program in order to: provide more clarity to the types of projects eligible to receive funding; tighten matching funds requirement to a \$1:\$1 cost share requirement with some flexibility to recognize credit for in-kind matching support; and limit indirect cost recovery funded by MOBEC grants.

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

RESOLVED, the Board hereby approves modification of the MTC MOBEC Program policies as discussed by the Board at this meeting; and

RESOLVED, the MTC Board hereby authorizes the MTC Executive Director on behalf of the MTC 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 modification.

ARCH GRANTS UPDATE:

Chair Bannister welcomed Ginger Imster, Executive Director of the Arch Grants program to provide an update on that program. Ms. Imster noted that 91% of Arch Grants recipients are still in business. She also noted that the Arch Grants Board was rebuilt during 2015 and she is excited about the new direction they are headed. Arch Grants is looking forward to a continued relationship with MTC and assisting other Missouri communities who want to replicate their program across the state .

FY17 BUDGET PRIORITIES:

Director Anderson noted that budget priorities for the \$10 million the Governor proposed in the FY2017 budget included increased funding for the MOBEC and IDEA Funds programs, as well as for Innovation Centers, and Administrative costs. He asked if there were other initiatives they should be considering for next year. Mr. Kerr suggested looking into programs similar to the Pipeline entrepreneurs program based in KC. After discussion, the Board indicated that the proposed allocation and other ideas discussed would

be subject to further consideration.

ADJOURNMENT:

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

RESOLVED, the Board hereby adjourns the meeting at 2:48 p.m.

MEETING ADJOURNED