

**ILLINOISVENTURES, LLC
BOARD OF MANAGERS
MEETING MINUTES
January 16, 2018
10:00 a.m. – 12:00 p.m. CDT**

VIA TELECONFERENCE

Call to Order

Chair Ed McMillan called the meeting of the IllinoisVENTURES, LLC Board of Managers to order at 10:02 a.m. Secretary Designee Collin Richmond completed the roll call and it was determined that a quorum of the voting managers was present. Present and participating in the meeting were:

Voting Managers

Ed McMillan
Michael Liang
Susan Martinis
Mitra Dutta
Nate Hoffmann
Michael Tokarz (Joined at 10:43am CDT)
Suseelan Pookote
Dennis Hesch
Anthony DiTommaso

Non-voting Managers

Avijit Ghosh
Nancy Sullivan
Ed Seidel (Joined at 10:05am CDT)
Mike Bass

Other Persons

Collin Richmond Christopher Valera
Tom Parkinson Kristie King
Pat Flavin

Prior to the roll call, Chair McMillan introduced to the Board: Susan Martinis, the new interim Vice Chancellor for Research at UIUC (replacing Peter Schiffer), Collin Richmond, the new Secretary Designee (replacing Karen Higgins), and Pat Flavin, the newest member of the IllinoisVENTURES team. Chair McMillan also announced the resignation of Board Member Brendan Fox.

Action Item: Approval of the October 2nd, 2017 Meeting Minutes (Open Session)

No changes or issues were noted regarding the meeting minutes from the Board of Managers open session meeting on October 2nd, 2017. Chair McMillan **accepted a motion from Mitra Dutta to approve the minutes from the October 2nd, 2017 Board of Managers open session meeting as presented, seconded by Susan Martinis, and approved unanimously.**

Discussion Item: FY18 Actual vs Plan Overview

Nancy Sullivan presented the FY18 Actual vs. Plan overview. Ms. Sullivan noted that the first column of the overview titled “FY18 Budget” is what the Board would be voting on in the next item; key thing being that IllinoisVENTURES has received the full University appropriation of \$1.6M.

Ms. Sullivan went on to show that based on the 5 Month Budget vs Actual, there were no red flags, with underspending occurring in most cases. For FY18, the Board can expect to see approximately \$700K in seed investments.

Action Item: Interim FY18 Budget/Actual Budget Resolution

Upon a motion by Dennis Hesch, which was seconded by Anthony DiTommaso, the Board voted to unanimously approve the following resolution regarding the FY18 Budget:

RESOLUTION FOR
MEETING OF IllinoisVENTURES, LLC
BOARD OF MANAGERS
January 16, 2018

WHEREAS, at the October 2, 2017 Board of Managers Meeting, the IllinoisVENTURES Board of Managers approved a motion to operate IllinoisVENTURES under the assumption that its appropriation from the University for Fiscal Year 2018 (“FY18”) will be 55% of the budgeted appropriation for Fiscal Year 2015 (“FY15”) until the earlier of the next IllinoisVENTURES Board of Managers meeting on January 16, 2018 or a budget for FY18 is approved by the IllinoisVENTURES Board of Managers;

WHEREAS, the University of Illinois Board of Trustees has approved an operating budget for fiscal year 2018 at the November 16, 2017 Board of Trustees meeting;

WHEREAS, that operating budget detailed in the Budget Summary for Operations FY 2018 includes funding for IllinoisVENTURES; and

WHEREAS, the Illinois VENTURES Operating Group has submitted the budget proposal for FY18 that is attached as Exhibit A to this resolution to the Illinois VENTURES Board of Managers for approval at the Board's January 16, 2018 meeting;

THEREFORE, BE IT RESOLVED that the proposed FY18 Budget that is attached as Exhibit A to this resolution is hereby adopted by the Illinois VENTURES Board of Managers.

Discussion Item: Final IV Audit Report for FY2017

Ms. Sullivan provided to the Board the final version of the Illinois VENTURES Audit Report for FY2017. Ms. Sullivan noted that nothing was reported that Illinois VENTURES or the Board had not already discussed during the October 2017 Board of Managers Meeting. The full report was sent to the Finance and Audit Committee prior to the Board meeting.

Discussion Item: Appointments to Finance and Audit Committee and Compensation Committee

Chair McMillan thanked Board Members, Michael Tokarz and Anthony DiTommaso, for agreeing to chair the Finance and Audit Committee and the Compensation Committee, respectively. Ms. Sullivan will work with both Chairs to find appropriate times for those committees to meet.

During this discussion, Chair McMillan also brought up that at the next Board meeting, there will be a formal approval of the Secretary position on the Board and an election of a Board Member to the Executive Committee.

Discussion Item: UIC POC Program Update

Ms. Sullivan presented to the Board an update on the Fall 2017 round of the UIC POC Program. The Program awarded \$213,165.00 to five Phase I projects, and \$150,000.00 to one Phase II project. Ms. Sullivan thanked the Office of Technology Management for their continued assistance in managing this program, and gave recognition to the panelist of external reviewers that helped fund these projects. Ms. Sullivan reviewed all 6 of the projects that received funding.

Action Item: Stock Management Update

Thomas Parkinson provided an update on the sale of RespireRX shares. As approved in April 2017, Illinois VENTURES has sold 50% of its shares as of October 16, 2017, at a rate of 500 shares/week. The total proceeds from this sale were \$15,070.00, with the average selling price being \$1.57.

Mr. Parkinson recommended to the Board to recommence sales of 500 shares/week at current market prices until all shares have been sold. Prior to voting, Mr. Parkinson provided background on the history of this investment in response to a question presented by a Board member.

Chair McMillan accepted a motion by Suseelan Pookote, seconded by Mitra Duta, to approve the recommendations as laid out by Mr. Parkinson in regards to the sale of RespireRX shares. This was passed unanimously by the Board.

Motion for Executive Session.

Chair McMillan made a motion to move into Executive Session to: (i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss business, marketing and other confidential financial information and strategies pertaining to IETF Fund III which, if disclosed, would cause competitive harm; and (iii) discuss confidential financial and proprietary information of companies currently in Illinois VENTURES' portfolio, managed by Illinois VENTURES, or in its pipeline which, if disclosed, would cause competitive harm.

Chair McMillan adjourned the Open Session meeting at 10:24 a.m. to move into Execution session which was so moved by Nate Hoffmann, seconded by Anthony DiTommaso, and passed unanimously.

Open Session Reconvened:

The Open Session meeting was reconvened by Chair McMillan at 11:59 a.m. A roll call was taken and a quorum was present.

Action item: Approval of Investments

Upon a motion from Susan Martinis and seconded by Mitra Dutta, the Board unanimously approved an investment of \$40,000 in Sfunga Therapeutics with the advice to seek an outside expert in the anti-fungal field before any additional funding after this investment, and a \$150,000 investment in NetEnergy contingent upon the Company raising a \$1.25M round, Illinois VENTURES having a Board Observer Role at minimum, one voting board seat to be given to an investor in the round, and the company executing a third party licensing agreement.

Adjournment

Having no other old or new business, the meeting adjourned at 12:02 p.m. as moved by Nate Hoffmann and seconded by Suseelan Pookote, the motion having passed unanimously.

Respectfully submitted,
Christopher Valera