

**ILLINOIS VENTURES, LLC
BOARD OF MANAGERS
MEETING MINUTES
July 12, 2022**

10:01 a.m. – 12:12 p.m. CDT

Via Video Conference

Call to Order/Roll Call

Before calling the meeting to order, Chair Ed McMillan read the following:

“I would like to inform the Board that on June 15, 2020, Governor Pritzker signed a new law amending the Open Meetings Act to allow public bodies to meet via audio or video conference during disasters. This law applies to today’s meeting. The key provisions of the new law are:

- The Governor or the IDPH must have issued a disaster declaration that is in effect at the time of the meeting, and all or part of the public body's jurisdiction must be covered by the disaster area; since Illinois Ventures’ jurisdiction is statewide, a disaster declaration involving Illinois would invoke the law for Illinois Ventures.
- The head of the public body -- for us, myself the Board Chair -- must determine that an in-person meeting is not practical or prudent;
- All votes must be taken by roll call, including procedural votes such as a motion to adjourn; and
- Open sessions will be recorded, and the recordings will be made available to the public”

Chair McMillan called the meeting to order at 10:01 a.m. CDT and asked Secretary Suseelan Pookote to take attendance. Secretary Pookote took the roll call, and confirmed that all members could hear each other and that a quorum of voting committee members was present.

Secretary Pookote also asked that if during the meeting any members could not hear, they note that in the chat¹. Present and participating members included:

Voting Members

Ed McMillan
Dennis Hesch
Guy Padbury
Sarah Phalen (joined at 10:40 a.m. CDT)
Debbie Paul
Jeffrey Brown
Joanna Groden

Susan Martinis
Suseelan Pookote
Nate Hoffmann

Voting Members – Absent

Mike Tokarz
Todd Lillibrige

¹ During the Open Session, no members noted that they could not hear.

Non-voting Members

Nancy Sullivan
Avijit Ghosh
Jay Walsh

Others Present

Paul Ellinger
Andrea Schneider
Tom Parkinson
Nancy Harvey
Patrick Casey
Christopher Valera

Welcome to New Member

Chair McMillan welcomed and introduced Jeffrey Brown, Dean of the Gies College of Business, to the Board. Dr. Brown was appointed by the University of Illinois Board of Trustees as a member during their May 2022 meeting. The Chair allowed Dr. Brown to say a few words to the Board.

Action Item: Approve Minutes of the April 12, 2022 Meeting of the Illinois Ventures, LLC

Board of Managers

No issues or corrections were noted regarding the minutes of the April 12, 2022 meeting of the Illinois Ventures, LLC Board of Managers.

Chair McMillan accepted a motion to approve the minutes of the April 12, 2022 meeting of the Illinois Ventures Board of Managers. This was so moved by Dr. Martinis, seconded by Mr. Hesch, and approved unanimously via a roll call vote.

Discussion Item: Report for the Compensation Committee

Ms. Sullivan, on behalf of the Compensation Committee Chair Todd Lillibridge, informed the Board that the Compensation Committee met on June 14, 2022 to: review the committee charter and compensation policy, review executive session minutes for potential release, approve the 2023 meeting calendar, review/discuss FY22 Incentive Compensation and associated metrics, and approve recommendations regarding FY22 Incentive Compensation.

Discussion Item: Report from the Finance and Audit Committee

Ms. Sullivan, on behalf of the Finance and Audit Committee Chair Mike Tokarz, reminded the Board that the Finance and Audit Committee, per its Charter, must provide the Board with periodic updates. The charter states that the Committee is charged with the responsibility to review a draft operating budget on an annual basis prior to presentation to the Board for approval. The Committee was sent the draft version of the operating budget on June 23, 2022. Ms. Sullivan informed the Board that the FY 23 Operating Budget would not be submitted to them for approval until after the University's Budget is approved by the Trustees which is likely to occur at their September meeting.

Discussion Item: FY22 Actual vs. Plan Overview

Dr. Harvey reviewed the FY22 Actual vs. Plan financials through May 30, 2022. As noted in previous meetings, due to the continuing effects of the pandemic and to timing variances, most line items remain under budget. Insurance costs were higher than budgeted due to greater than planned increases upon renewal.

Mr. Parkinson and Ms. Sullivan noted that an investment and a distribution had been made in June, which were not reflected in the May financials.

Discussion Item: Preliminary FY23 Operating Budget

Dr. Harvey reviewed with the Board the preliminary FY23 Operating Budget. Illinois Ventures' Budget Request to the University included that the FY23 Appropriation be set at the FY22 Appropriation amount plus: 1) a 3.5% raise to be covered by the Office of the Vice President and Chief Financial Officer, 2) a one-time \$150,000 to support the launch of the Angel Network, and 3) a one-time top-off of the Evergreen Fund per the MOU. Dr Harvey then went

into detail on specific aspects of the budget including funding sources (Operational Funds and restricted Evergreen Funds) and major operational expenses.

As the University's Operating Budget will not be approved until September at the earliest, an interim FY23 Budget resolution was proposed.

Action Item: FY23 Budget Resolution

Chair McMillan accepted a motion to approve the FY23 Budget resolution as presented. This was so moved by Dr. Padbury, seconded by Mr. Hoffmann, and approved unanimously via a roll call vote.

The approved resolution is as follows:

RESOLUTION FOR
MEETING OF ILLINOIS VENTURES, LLC
BOARD OF MANAGERS
July 12, 2022

WHEREAS, the University of Illinois Board of Trustees has not approved a budget for FY23;

WHEREAS, one source of funding for Illinois Ventures is an appropriation from the University;

WHEREAS, Illinois Ventures expects the base appropriation for FY23 to be the same as the FY22 appropriation;

WHEREAS, the University has informed Illinois Ventures of the authorization of a 3.5% merit-based salary program that will be covered by the Office of the Vice President and Chief Financial Officer;

WHEREAS, Illinois Ventures has requested and received approval for an additional \$150,000 one-time funding from the University to support the launch of the Angel Network;

WHEREAS, the Illinois Ventures Board of Managers will not approve a budget for FY23 until the total amount of FY23 funding from the University is approved;

THEREFORE, BE IT RESOLVED that Illinois Ventures will operate its business at the FY22 University Appropriation plus the increase for the merit-based salary program and the one-time funding request to support the launch of the Angel Network until the earlier of the next Illinois Ventures Board of Managers meeting on October 11, 2022 or a FY23 budget is approved by the Illinois Ventures Board of Managers.

Action Item: Approval of 2023 Meeting Dates

Prior to voting, Ms. Sullivan reminded the Board that the longer, 3-hour meetings (April and October) are done in-person with the entire Board in one location. For the shorter, 2-hour meetings (January and July) Board Members are asked to join in-person at one of three locations to participate in a video conference, so that the meeting will be Open Meetings Act compliant.

Chair McMillan accepted a motion to approve the 2023 schedule of Board of Managers meetings as presented. This was so moved by Dr. Paul, seconded by Dr. Martinis, and approved unanimously via a roll call vote.

The Board Meeting dates for 2023 are as follows:

- Tuesday, January 31, 2023 from 10:00 a.m. - 12:00 p.m. CT (In-person, via video conference at public locations in Chicago, Champaign, and Springfield)
- Tuesday, April 4, 2023 from 11:00 a.m. - 2:00 p.m. CT (In-person, Chicago)
- Tuesday, July 11, 2023 from 10:00 a.m. - 12:00 p.m. CT (In-person, via video conference at public locations in Chicago, Champaign, and Springfield)
- Tuesday, October 10, 2023 from 11:00 a.m. - 2:00 p.m. CT (In-person, Champaign)

Executive Session

Chair McMillan accepted a motion to move into Executive Session to: (i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss investment, business, marketing and other confidential financial information and strategies pertaining to the Illinois Frontier Health Fund and the Illini Angel Network which, if disclosed, would cause competitive harm; (iii) discuss matters pertaining to the sale or purchase of securities, investments or investment contracts and confidential financial and proprietary information of companies currently in Illinois Ventures's portfolio, managed by Illinois Ventures, or in its pipeline which, if disclosed, would cause competitive harm, and (iv) to discuss and

consider information regarding compensation of specific individual employees. In addition, only the members and officers of Illinois Ventures and others who are directly involved in the matter which is the basis for the closed meeting attended the meeting.

This was so moved by Dr. Padbury, seconded by Dr. Martinis, and approved unanimously via a roll call vote.

Chair McMillan suspended the meeting at 10:27 a.m. CDT to move into Executive Session.

Reconvene/Roll call

Open Session was reconvened at 12:04 p.m. CDT. Secretary Pookote took attendance and confirmed that there was a quorum.

Discussion Item: Magelli Prize Announcement

Mr. Parkinson announced that the Dr. Paul Magelli Innovation Prize for 2022 was awarded to Ferritiva, a student startup that is developing a quick, non-invasive, saliva-based diagnosis for iron deficiency anemia.

Action Item: Approval of Incentive Compensation Awards

Chair McMillan accepted a motion to approve awarding \$65,450 in Incentive Compensation to the Illinois Ventures team. This was so moved by Dr. Padbury, seconded by Mr. Hoffmann, and approved unanimously via a roll call vote.

Public Comment

The Board allows for a public comment session during each meeting. Requests to appear before the Board to make comments must be received by the Secretary no later than three

business days before the Board meeting at which the individual wishes to speak. The Secretary received no requests for this meeting.

New/Old Business

Chair McMillan informed the Board that Dr. Ghosh will be stepping down from the Board, and that this would be his last meeting. Dr. Ellinger will take over as Treasurer of Illinois Ventures.

Chair McMillan thanked Dr. Ghosh for his service to the University and to Illinois Ventures, and allowed for Dr. Ghosh to make some remarks.

Adjourn

There being no further new or old business, Chair McMillan accepted a motion to adjourn the meeting of the Illinois Ventures, LLC Board of Managers. It was so moved by Dr. Padbury, seconded by Mr. Hesch, and approved unanimously via a roll call vote.

The meeting was adjourned at 12:12 p.m. CDT.

Respectfully submitted,

Christopher Valera

On behalf of Suseelan Pookote, Board Secretary