

**ILLINOIS VENTURES, LLC
BOARD OF MANAGERS
MEETING MINUTES
July 11, 2023
10:05 a.m. – 11:44 a.m. CDT**

**Discovery Partners Institute
Conference Room 2005
200 S Wacker Drive, 20th Floor
Chicago, IL 60606**

**EnterpriseWorks
McMillan Meeting Room
60 Hazelwood Drive
Champaign, IL 61820**

**Innovate Springfield Conference Room
15 S Old State Capitol Plaza, 2nd Floor
Springfield, IL 62701**

**Bothell City Hall Conference Room
18415 101st Avenue NE
Bothell, WA 98011**

Call to Order

Chair Mike Tokarz called the meeting to order at 10:05 a.m. CDT and asked Secretary Suseelan Pookote to take attendance. Secretary Pookote took roll and confirmed that there was a quorum of voting members physically present. Present and participating were:

Voting Members – In Chicago

Debbie Paul
Todd Lillibridge
Joanna Groden
Suseelan Pookote

Non-Voting Members – In Chicago

Jay Walsh
Nancy Sullivan

Voting Members – In Champaign

Dennis Hesch
Nate Hoffmann

Non-Voting Members – In Champaign

Paul Ellinger

Voting Member – In Springfield

Sarah Phalen

Others Present – In Chicago

Paul Magelli Jr
Mark O'Connor
Christopher Valera

Voting Member – In Bothell

Guy Padbury

Others Present – In Champaign

Andrea Schneider
Tom Parkinson

Voting Member – Via Zoom

Mike Tokarz

Voting Members – Absent

Ed McMillan
Susan Martinis
Jeffrey Brown

Welcome to New Team Members

Chair Tokarz took a moment to welcome the newest member of the Illinois Ventures team, Paul Magelli Jr, who joins the team as their new Director of Illini Angels. Mr. Magelli said a few words to the Board.

Ms. Sullivan also welcomed Mark O'Connor, who would be joining the Illinois Ventures team as their new Visiting Associate, splitting his time between Illinois Ventures and Illini Angels.

Discussion Item: Report from the Compensation Committee

Compensation Committee Chair Todd Lillibridge informed the Board that the Compensation Committee met on June 13, 2023 and reviewed the Compensation Committee Charter and Illinois Ventures Compensation Policy for which there were no material changes, and the FY23 Incentive Compensation and the associated metrics/goals. Approved during the meeting were the open and executive session minutes from the September 13, 2022 meeting, to continue to withhold executive session minutes not released to date, the CY24 meeting dates, and the FY23 Incentive Compensation recommendation to the Board.

Discussion Item: Report from the Finance and Audit Committee

Compensation Committee Chair Mike Tokarz informed the Board that the Finance and Audit Committee met on June 21, 2023 and reviewed the FY23 actual vs. budget financials through May, the FY24 Illinois Ventures budget, and FY23 audit process. Approved during the meeting were the open and executive session minutes from the September 13, 2022 meeting, releasing the September 14, 2021 executive session minutes, and the CY24 meeting dates.

Discussion Item: FY23 Actual vs Budget

Ms. Sullivan reviewed with the Board the financials through May 31, 2023 and highlighted total operational fund sources and expenses, noting the main reasons for any variance. In addition, Ms. Sullivan commented on the investments that had been approved at the Special Board of Managers Meeting on March 23, 2023.

Discussion Item: FY24 Budget

Ms. Sullivan reviewed with the Board the preliminary FY24 Operating Budget. Illinois Ventures' Budget Request to the University included that the FY24 Appropriation be set at the FY23 Appropriation amount plus a 4.0% raise to be covered by the Office of the Vice President and Chief Financial Officer.

Ms. Sullivan then went into detail on specific aspects of the budget including potentially utilizing reserve funding towards the Evergreen Fund, and funding uses for personnel and operating expenses. It was noted that the strategic venture fund was not included in the budget as presented, and would be added once additional clarity regarding the fund is given.

As the University's Operating Budget will not be approved until September at the earliest, an interim FY24 Budget resolution was proposed and voted on later in the meeting.

Discussion Item: Treasury Management

Ms. Sullivan informed the Board that recently Busey Bank, which holds Illinois Ventures bank accounts would be charged a monthly fee for ICS accounts. The Operating Group explored its options, and worked with the University to see how they handle similar accounts. In

negotiation with Busey, they revised their offer to include paying a fixed interest rate on the ICS accounts, which would offset the monthly fee.

Discussion Item: Student Prize Funding - Confirmation of Email Vote and Additional Information

Mr. Parkinson informed the Board that the Technology Entrepreneur Center in the UIUC College of Engineering had requested Illinois Ventures to help facilitate their awarding funds for their annual Cozad New Venture challenge. In discussion with the Board, Ms. Sullivan mentioned that the request was in line with Illinois Ventures' role as the investment arm of the University and would help create the infrastructure if other groups wanted to do a similar program.

In order to facilitate these awards, the Operating Group required opening a separate bank account for these investments to be made through, which needed to be approved by the Board. On June 1, the Board received a request for an email vote regarding opening an account with Busey to manage funds related to prizes for student startups. The Board unanimously approved the creation of these bank accounts on Tuesday, June 13th, 2023 via email, and the bank account has since been opened by the Operating Group.

Mr. Parkinson next went over the process by which awards would be made. The Operating Group had also worked with their auditors to confirm that this would not result in any negative findings as long as the receipt and disbursement of funds is consistent with how the University accounts for them.

Discussion Item: Illini Angel Network Update

Mr. Parkinson provided the Board with an update on Illini Angels which included general updates regarding: 1) hiring, 2) membership totals, 3) the second Angel meeting, and 4) information on the network's first investment.

Discussion followed Mr. Parkinson's presentation.

Discussion Item: Updates on INVENT Venture Capital Program

Ms. Sullivan provided an update on the venture capital program, INVENT, that the Department of Commerce and Economic Opportunity had announced back in December. At the end of June, an RFP closed seeking legal services related to the venture capital program, which mentions that the legal services would be working with a fund advisor. Using this RFP, the Operating Group has gained some understanding of what may need to be done to be considered for the fund advisor role. Nancy Harvey has been working diligently to ensure that Illinois Ventures is compliant and ready to submit once an RFP is released.

Executive Session

Chair Tokarz accepted a motion to move into executive session to: (i) discuss and approve executive session minutes of the last meetings; (ii) discuss investment, business, marketing and other confidential financial information and strategies pertaining to the Strategic Venture Fund which, if disclosed, would cause competitive harm; and (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. 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.

This was so moved by Dr. Padbury, seconded by Dr. Pookote, and approved unanimously.

Chair Tokarz suspended the meeting at 10:49 a.m. CDT to move into executive session.

Reconvene/Roll call

Open session was reconvened at 11:44 a.m. CDT. Secretary Pookote took attendance and confirmed that there was a quorum present.

Discussion Item: Announcement Magelli Prize Winner

Mr. Parkinson announced that the Dr. Paul Magelli Innovation Prize for 2023 was awarded to Sakura MedTech, an efficient, accessible, patient-centric medical device company to reduce stress at the gynecologist's office.

Action Item: Roll Call Agenda

A motion was made to approve:

- 1. The Open Session Minutes of the April 4, 2023 Meeting of the Illinois Ventures, LLC Board of Managers**
- 2. The FY24 Budget Resolution as included in the packets and on the screen (given below);**
- 3. The 2024 Meeting Schedule as presented on the screen (given below)**

4. A \$65,000 follow-on investment in DeepWalk Research, Inc. via a convertible note as a part of the Company's seed round; and

5. Awarding \$142,500 in Incentive Compensation to the Illinois Ventures team

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

**RESOLUTION FOR
MEETING OF ILLINOIS VENTURES, LLC
BOARD OF MANAGERS
July 11, 2023**

WHEREAS, the University of Illinois Board of Trustees has not approved a budget for FY24;

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

WHEREAS, Illinois Ventures expects the base appropriation for FY24 to be the same as the FY23 appropriation;

WHEREAS, the University has informed Illinois Ventures of the authorization of a 4.0% merit-based salary program that will be covered by the Office of the Vice President and Chief Financial Officer;

WHEREAS, the Illinois Ventures Board of Managers will not approve a budget for FY24 until the total amount of FY24 funding from the University is approved;

THEREFORE, BE IT RESOLVED that Illinois Ventures will operate its business at the FY23 University Appropriation plus the increase for the merit-based salary program until the earlier of the next Illinois Ventures Board of Managers meeting on October 10, 2023 or a FY24 budget is approved by the Illinois Ventures Board of Managers.

2024 Board Meeting Dates

- Tuesday, January 30, 2024 from 10:00 a.m. - 12:00 p.m. CT (In-person, via video conference at public locations in Chicago, Champaign, Springfield, and others as needed)
- Tuesday, April 9, 2024 from 11:00 a.m. - 2:00 p.m. CT (In-person, Chicago)
- Tuesday, July 9, 2024 from 10:00 a.m. - 12:00 p.m. CT (In-person, via video conference at public locations in Chicago, Champaign, Springfield, and others as needed)
- Tuesday, October 8, 2024 from 11:00 a.m. - 2:00 p.m. CT (In-person, Champaign)

Public Comment

The Board allows for a public comment session during each meeting of which the Secretary received no requests for this meeting.

Adjourn

There being no new or old business, a motion to adjourn the meeting of the Illinois Ventures, LLC Board of Managers. It was so moved by Mr. Tokarz, seconded by Dr. Pookote, and approved unanimously.

The meeting was adjourned at 11:44 a.m. CDT.

Respectfully submitted,

Christopher Valera

On behalf of Suseelan Pookote, Board Secretary