

**ILLINOIS VENTURES, LLC  
BOARD OF MANAGERS  
MEETING MINUTES  
July 9, 2024  
10:02 a.m. – 12:03 p.m. CDT**

**Discovery Partners Institute  
Conference Room 2017  
200 S Wacker Drive, 20<sup>th</sup> Floor  
Chicago, IL 60606**

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

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

**John's Island Library  
Meeting Room  
3531 Maybank Highway  
John's Island, SC 29455**

**Call to Order**

Chair Mike Tokarz called the meeting to order at 10:02 a.m. CDT and asked the Board Secretary to take attendance. Secretary Suseelan Pookote took the roll call and confirmed that there was a quorum of voting members physically present. Present and participating were:

**Voting Members - Chicago**

Debbie Paul  
Suseelan Pookote

**Non-Voting Members - Chicago**

Nancy Sullivan  
Jay Walsh

**Voting Members – Champaign**

Dennis Hesch  
Nate Hoffmann

**Non-Voting Members - Remote**

Paul Ellinger

**Voting Member – Bothell**

Guy Padbury

**Others Present - Chicago**

Nancy Harvey  
Paul Magelli, Jr.  
Mark O'Connor  
Christopher Valera

**Voting Member – John's Island**

Todd Lillibridge

**Other Present - Champaign**

Tom Parkinson

**Voting Member – Remote**

Mike Tokarz  
Sarah Phalen  
Jeff Brown  
Susan Martinis

**Voting Member – Absent**

Joanna Groden

**Discussion Item: Confirmation of Email Votes**

Ms. Sullivan reviewed three email votes that had occurred since the last meeting. Details of each vote are included below.

<b>What was voted on</b>	<b>Date Email Sent</b>	<b>Date of Majority Approval</b>	<b>Date of Unanimous Approval</b>
Follow-on Investment in Natrion	May 3, 2024	May 8, 2024	May 20, 2024
Strategic Venture Fund LPA	June 5, 2024	June 5, 2024	June 12, 2024
Fund Documents, Bank Account Creation, Entity Creation and other Next Steps to Close the Illinois Deep Technology Strategic Venture Fund	June 18, 2024	June 20, 2024	June 27, 2024

**Discussion Item: Report from the Compensation Committee**

Ms. Sullivan, on behalf of Committee Chair Lillibridge, informed the Board of which items were reviewed and what was approved during the April 19<sup>th</sup> and June 29<sup>th</sup> Compensation Committee Meetings.

<b>Date</b>	<b>Reviewed</b>	<b>Approved</b>
April 19	<ul style="list-style-type: none"> <li>• Compensation Recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Open and Executive Session minutes from the September 12, 2023 meeting</li> <li>• Recommendations to the Illinois Ventures Board regarding Compensation</li> </ul>
June 28	<ul style="list-style-type: none"> <li>• The Compensation Committee Charter and Illinois Ventures Compensation Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Open and Executive Session minutes from the April 19, 2024 meeting</li> <li>• CY2025 Meeting Dates</li> <li>• Continuing to withhold Executive Session minutes not released to date</li> <li>• Recommendations regarding: 1) Illinois Ventures Team Compensation Parity, 2) Illinois Deep Tech Strategic Venture Fund Capital Holdings carried interest, and 3) Hiring process for Illinois Ventures roles</li> <li>• Recommendations to the IV Board regarding FY24 Incentive Compensation Awards for Illinois Ventures Team</li> </ul>

On the topic of the Compensation Committee Charter and Illinois Ventures Compensation Policy, Ms. Sullivan noted that there were changes to both documents that the Committee approved via email vote, and had been included in the materials for the Board to review. They later approved these changes during the roll call vote.

**Discussion Item: Report from the Finance and Audit Committee**

Ms. Sullivan, on behalf of Committee Chair Tokarz, informed the Board of which items were reviewed and what was approved during the June 11<sup>th</sup> Finance and Audit Committee Meetings. This included review of the 1) FY24 Actual vs. Budget Financials through April, 2) FY25 Illinois Ventures Budget, and 3) FY24 Audit Process; and, approval of 1) Open and Executive Session minutes from the September 21, 2023 meeting, 2) release of Executive Session minutes from the June 21, 2023 meeting, and 3) CY2025 Meeting Dates.

**Discussion Item: FY24 Actual vs Budget**

Dr. Harvey reviewed with the Board the financials through May 31, 2024 and highlighted total operational fund sources and expenses, noting the main reasons for any variances. In addition, Dr. Harvey noted investments that had been made through that period, investments that were made post-May 31, and investments that were still pending.

**Discussion Item: FY25 Budget**

Ms. Sullivan reviewed with the Board the FY25 Budget, noting that the budget had been presented to the System Budget Committee and the Finance and Audit Committee. Her review included the request made to the University, request for funds to be made available for investing, and funding uses for personnel and operating expenses.

Discussion regarding the budget occurred.

As the University had not approved a FY25 operating budget, Ms. Sullivan had the Board review a resolution regarding the FY25 Budget. The resolution is provided on the next page and was later approved during the roll call agenda.

RESOLUTION FOR  
MEETING OF ILLINOIS VENTURES, LLC  
BOARD OF MANAGERS  
July 9, 2024

WHEREAS, the University of Illinois Board of Trustees has not approved a budget for FY25;

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

WHEREAS, Illinois Ventures estimates the base appropriation for FY25 to be near or at the FY24 appropriation;

WHEREAS, Illinois Ventures expects to receive management fees from the Illinois Deep Technology Strategic Venture Fund;

WHEREAS, Illinois Ventures requested the approval to draw down from reserve State Funds and reserve Custodial Funds;

WHEREAS, the University has not yet approved the draw down of such funds;

WHEREAS, the Illinois Ventures Board of Managers will not approve a budget for FY25 until the total amount of FY25 funding from the University is approved;

THEREFORE, BE IT RESOLVED that Illinois Ventures will operate its business at the FY24 University Appropriation plus the management fees of the Illinois Deep Technology Strategic Venture Fund until the earlier of the next Illinois Ventures Board of Managers meeting on October 8, 2024 or a FY25 budget is approved by the Illinois Ventures Board of Managers.

BE IT FURTHER RESOLVED that if the University approves the draw downs from the reserve State and reserve Custodial Funds before the next Illinois Ventures Board of Managers meeting on October 8, 2024 or a FY25 budget is approved by the Illinois Ventures Board of Managers, that Illinois Ventures would operate its business with the inclusion of those funds.

**Executive Session**

**Chair Tokarz invited 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 and the Illini Angels 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' portfolio, managed by Illinois Ventures, or in**

its pipeline which, if disclosed, would cause competitive harm’ and (iv) the appointment, employment, compensation, discipline, performance, or dismissal of specific employees .

This was moved by Dr. Brown, seconded by Mr. Hoffmann, and approved unanimously.

Chair Tokarz suspended the meeting at 10:20 a.m. CDT to move into Executive Session.

### **Reconvene/Roll call**

Open session was reconvened at 12:01 p.m. CDT. Secretary Pookote took attendance and confirmed that there was a quorum present.

### **Discussion Item: 2025 Meeting Schedule**

Prior to voting on the 2025 meeting schedule during the roll call vote, Ms. Sullivan went over the dates and locations of meetings with the Board.

<b>Date</b>	<b>Time</b>	<b>Location</b>
Tuesday, January 28	10:00 am-12:00 pm CDT	In-person, Multiple Locations (Chicago, Champaign, & other locations)
Tuesday, April 8	11:00 am-2:00 pm CDT	In-person, Chicago
Tuesday, July 8	10:00 am-12:00 pm CDT	In-person, Multiple Locations (Chicago, Champaign, & other locations)
Tuesday, October 14	11:00 am-2:00 pm CDT	In-person, Champaign

### **Action Item: Roll Call Agenda**

**A motion was made to approve:**

- 1. The minutes of the April 9, 2024 Meeting of the Illinois Ventures, LLC Board of Managers**
- 2. The minutes of the May 13, 2024 Special Meeting of the Illinois Ventures, LLC Board of Managers**
- 3. The updates to the Compensation Committee Charter and Policy as discussed**
- 4. The FY25 Budget Resolution<sup>1</sup>**

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<sup>1</sup> Including in full in the minutes under “Discussion Item: FY25 Budget”

5. **The 2025 Meeting Schedule<sup>2</sup>**

6. **A \$50,000 follow-on investment in cystetic Medicines, Inc. as part of the Company's bridge financing, which will be made across two tranches**

7. **Awarding \$175,000 in Incentive Compensation to the Illinois Ventures team**

**This was moved by Dr. Brown, seconded by Dr. Pookote, and approved unanimously via a roll call vote.**

### **Public Comment**

The Board allows for a public comment session during each meeting. 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 was made by Dr. Pookote, seconded by Dr. Paul, and approved unanimously.**

**The meeting was adjourned at 12:03 p.m. CDT.**

Respectfully submitted,

Christopher Valera

*On behalf of Suseelan Pookote, Board Secretary*

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<sup>2</sup> Dates of meeting included under "Discussion Item: 2025 Meeting Schedule"