

Subject to corrections, additions or deletions.

BOARD OF DIRECTORS
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, November 17, 2014

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on November 17, 2014 at The Jackson Laboratory for Genomic Medicine, 10 Discovery Drive, Farmington, CT 06032.

1. Call to Order: Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the regular meeting to order at 9:37 a.m. Participating: Karen Buffkin (by phone); Michael Cantor; Alan Greene; Brion Johnson; Richard Mulready; John Olsen; Paul Pescatello; Jonathan Roth; Rafael Santiago; Christine Shaw, State Treasurer’s Office; David Siegel; Catherine Smith, (on phone).

Absent: Christopher Bandecchi; Mun Choi; Gail Coppage; Joseph Kaliko; Alexander Pencu.

Staff Attending: Heidi Bieber, Carolyn Hawkins, Amy Hourigan, Suzanne Kaswan, Leslie Larson, Karin Lawrence, Claire Leonardi, Matt Panicali, Hil Scott, Phil Siuta, Glendowlyn Thames, Linda Wieleba, and Dave Wurzer.

Other Guests: Eric Taylor, Harris Beach

2. Oath of Office and Introduction of New Board Member:

Attorney Santiago administered the oath of office to Mr. Johnson. Mr. Johnson spoke about his background and experience, and the Board welcomed him as a member.

3. Approval of Minutes:

Mr. Cantor asked the members of the Board to consider the minutes from the September 29, 2014 meeting.

Upon a motion made by Mr. Santiago, seconded by Mr. Roth, the Board members voted unanimously in favor of adopting the minutes from the September 29, 2014 meeting as presented.

4. Chairman’s Remarks:

Mr. Cantor welcomed the Board members to the newly completed Jackson Laboratory facility.

5. Operations Update:

Ms. Leonardi reminded the Board members that it has been less than two months since the last meeting. CI has been using this time to focus on operations and systems implementation. During this time, Ms. Leonardi recently implemented a Senior Operations Committee, comprised of business unit leaders plus heads of marketing and finance. This committee provides a forum for real time planning, setting priorities and managing our pipeline across the company. Ms. Leonardi also told the Board that, while some have expressed concern for the funding interruption, CI has received positive feedback for its direct and transparent communications with portfolio companies, customers, partners and other investors. She also told the Board that the teams have worked diligently to help companies find help, to maintain a strong pipeline, and marketplace visibility. She indicated that CI is on the Bond Commission agenda this week with a request of \$25 million. Ms. Leonardi shared that Mr. Crisp has taken a leave of absence from the Bioscience Innovation Fund and the Regenerative Medicine Research Fund. Work is being shared across the organization to utilize our significant bioscience and investment resources to supplement the two person team to ensure fund needs are met.

Eli Whitney Investment Committee – Mr. Wurzer discussed venture activity year to date; approvals, funded investments, pending closings, venture returns and the pipeline. He spoke about CyVek's acquisition by the Bio-Techne Corporation, CI's return on investment and the potential for additional returns through receipt of future earn-out payments. He also shared the successful exit of SilverSky. Finally, Mr. Wurzer provided details about the State Small Business Credit Initiative, the Shareholder Insite Software and the Eli Whitney Retreat held on November 6, 2014.

Loan Committee – Ms. Wieleba provided an overview of the total approvals, total funded, pending closings and pipeline of projects year to date. She shared a geographic distribution chart showing the dollars loaned by region. With CI's lending concentrated in the North Central and South Central regions, there was a discussion about what the map would look like if DECD's assistance was combined with CI. Ms. Smith indicated that DECD's distribution is much more uniform across the state. Ms. Wieleba stated that outreach in Fairfield County will resume once funding is determined. Discussion arose about cultivating relationships beyond banks perhaps seeking out referrals from accountants and chambers of commerce.

Small Business Innovation – Ms. Thames reported on her transition priorities as the new Director of SBI/CTNext. She stated that in an effort to better strategically align SBI programs with other CI Business Lines her team conducted a survey of internal stakeholders over the last month. She shared

highlights of the survey results. In addition, she reported on recent CTNext activity highlights that included the October 24th EIA awards, the roll out of the Service Provider Directory, the online webinar series and the current Wave of CTNext RFP's. She thanked Board Members Mr. Roth and Ms. Coppage for attending the October 24th EIA awards. A discussion ensued about CTNext budgeted dollars. Ms. Thames shared company highlights for LambdaVision and Durabiotech.

Marketing Update – Ms. Hourigan said the new service allowing startups to post open jobs to CI's website added 40 open positions and received 3,000 hits since October. She also said the BioInnovation website was launched. In addition, CI continues to see growth in social media channels. Ms. Hourigan shared news that CI has been recognized by Pitchbook as the top early-stage investor in New England for the last ten years. She also stated that the marketing team has been assisting other state agencies and many portfolio companies with marketing, PR and social media. Ms. Hourigan shared a not-yet-released video that promotes Connecticut as a great place for startups.

Finance, Operations and Compensation Committee - No meeting held. Next meeting is scheduled for February 9, 2015.

Audit, Compliance and Governance Committee – Mr. Siuta noted that the Audit Committee met on October 27, 2014 with CI's independent auditors and reviewed the draft audited financial statements for fiscal year ending June 30, 2014. He stated that the Audit Committee members voted to recommend to the Board of Directors the acceptance of the Audited Financial Statements for CI for the fiscal year ending June 30, 2014. Mr. Siuta discussed recent cash flows and the available capacity for investment. Discussion arose about obtaining a line of credit.

6. **Action Items:**

Approval of Audited Financial Statements for the FYE June 30, 2014

Upon a motion made by Mr. Greene, seconded by Mr. Roth the Board members voted unanimously in favor of accepting the Audited Financial Statements for the FYE June 30, 2014.

Public and Specialty Finance

Karin Lawrence reviewed aspects of the self-sustaining revenue bond program. She provided the board with information about the roles of various parties in the transaction including the borrower, issuer (CI), the trustee, underwriter, and bond purchaser. She stressed that CI functions as a conduit in the transaction and that neither CI nor the State of Connecticut bore any credit risk in the transaction.

Ms. Lawrence presented details to support approval and Acceptance of an Application to Initiate the Issuance and Authorization and Approval of the Issuance and Sale of Exempt Facilities Revenue Bonds of Connecticut Innovations Incorporated (Bridgeport Bioenergy Facility LLC Project - 2014 Series) in an Amount Not to Exceed \$20,000,000 for the benefit of Bridgeport Bioenergy Facility, LLC. in Bridgeport, Connecticut.

Upon motion by Mr. Mulready, seconded by Mr. Olson, Connecticut Innovations Incorporated ("CI") at a duly called meeting held November 17, 2014, a quorum being present, unanimously voted to approve the following resolution taking official action concerning the approval and acceptance of an Application to Initiate the Issuance and approval of the issuance and sale of Exempt Facilities Revenue Bonds of Connecticut Innovations Incorporated (Bridgeport Bioenergy Facility LLC Project - 2014 Series) (the "Bonds") for the benefit of the Bridgeport Bioenergy Facility, LLC. ("BBF") Project in an Aggregate Amount Not to Exceed \$20,000,000, the proceeds of which will be used to finance the design, construction and operation of an Anaerobic Digester and Cogeneration System to be used by the Bridgeport Water Pollution Control Authority at 255 Bostwick Avenue, Bridgeport, where BBF is a private, for-profit organization, which, under Chapter 579 of the Connecticut General Statutes, as amended ("the Act"), is eligible for financial assistance.

Ms. Lawrence then presented information and sought the approval of the Issuance and Sale of Variable Rate Revenue Bonds of Connecticut Innovations in an Amount Not to Exceed \$5,000,000 for the benefit of Connecticut Container Corp. in North Haven, Connecticut.

Upon motion by Mr. Greene, seconded by Mr. Mulready, Connecticut Innovations ("CI") at a duly called meeting held November 17, 2014, a quorum being present, unanimously voted to approve the following resolution taking official action concerning the approval of the Issuance and Sale of Revenue Bonds of Connecticut Innovations for the benefit of the Connecticut Container Corp. ("CCC") Project in an Aggregate Amount Not to Exceed \$5,000,000, the proceeds of which will be used to finance new equipment for CCC, a private, for-profit manufacturing organization, which, under Chapter 579 of the Connecticut General Statutes, as amended ("the Act"), is eligible for financial assistance.

Ms. Lawrence then provided background on compliance policies related to bond issues and asked for approval of Post-Issuance Tax Compliance Policies for

Connecticut Innovations' General Obligation, Tax Exempt Self-Sustaining Conduit and Tax Incremental Financing Bond Issues to Comply with Federal Income Tax Regulations

Upon motion by Mr. Olson, seconded by Mr. Mulready, Connecticut Innovations, Incorporated ("CI") at a duly called meeting held November 17, 2014, a quorum being present, unanimously voted to approve the attached policies for post-issuance compliance for CI's General Obligation, tax exempt self-sustaining conduit and Tax Incremental Financing (TIF) bond issues.

a) Approval of the Committee Charters

Upon a motion made by Mr. Santiago, seconded by Mr. Johnson the Board members voted unanimously in favor of adopting the Eli Whitney Investment and Advisory Committee Charter and the Loan Review Committee Charter.

b) Approval of By-Laws

Upon a motion made by Mr. Olson, seconded by Ms. Shaw the Board members voted unanimously in favor of adopting the amended By-Laws.

c) Committee Appointments

Due to a lack of time, discussion on this item was deferred.

7. **Other Business:**

Ms. Leonardi announced that Ms. Kaswan will be resigning effective mid-December. She spoke about Ms. Kaswan's contribution to the organization. Ms. Leonardi publically thanked her for all of her hard work. Organizationally, CI will no longer provide top level HR for the Green Bank. Ms. Leonardi recommended the implementation of a COO position. The position will report to the CEO. The following functions will report to the COO: Information Technology, Human Resources, Planning and Analysis, Compliance, Contracting and Facilities. Ms. Leonardi asked the Board to approve a revision of this job description.

Upon a motion made by Mr. Olson, seconded by Mr. Roth, the Board voted in favor of adding to the agenda a discussion and approval of the COO job description.

8. **Adjournment:**

Upon a motion made by Mr. Olson, seconded by Mr. Siegel, the Board voted unanimously in favor of adjourning the November 17, 2014 regular meeting at 11:37 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Cantor', written over a horizontal line.

Michael Cantor
Chairperson of CI