

MINUTES

KANSAS BIOSCIENCE AUTHORITY

Investment Committee of the
Board of Directors

Monday, September 8, 2014
3:00 p.m. - 5:00 p.m.
Offices of the Kansas Bioscience Authority
Olathe, KS

Call to Order: A quorum being present, a meeting of the Investment Committee of the Board of Directors of the Kansas Bioscience Authority was called to order at 3:00 p.m. on September 8, 2014 by Mr. Lee Borck (by phone). Other members of the Committee present by phone were Mr. Dale Rodman, Mr. David Murfin, and Mr. Pat George. Mr. Ken Buchele and Mr. Jerry Boettcher also attended by phone. KBA staff members in attendance were Mr. Duane Cantrell, Mr. John Peryam, Mr. Tony Simpson, Dr. Tom Krol, Keith Harrington, Ruth Saale, Julie Sailors, and Ms. Marsh LoScalzo. No members of the public were present.

Review and Approval of Minutes: Mr. Borck introduced the agenda item of approval of the minutes of the August 11, 2014 Investment Committee meeting.

Motion: Upon motion by Mr. Rodman and seconded by Mr. George, the minutes of the August 11, 2014 Investment Committee meeting were unanimously approved.

Executive Session:

Motion: Mr. Rodman moved that the Investment Committee of the Kansas Bioscience Authority recess into executive session pursuant to K.S.A. 74-99b07 and K.S.A. 75-4319(b)(4) to consider a proposal or proposals for funding and to discuss operational strategies of the Authority and confidential data and proprietary information of the applicants for funding, the disclosure of which, in the opinion of the Committee, would be harmful to the competitive position of the Authority and the applicants if disclosed. The executive session will commence at 3:05 p.m. and continue for 30 minutes. The Investment Committee will reconvene in open session at 3:35 p.m. in this conference room. Included in the executive session will be the members of this Committee, Mr. Buchele, Mr. Boettcher, KBA staff in attendance, and whomsoever else the Chair invites. The motion was seconded by Mr. George and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 3:35 p.m. at which time a motion was made by to extend the executive session for an additional 25 minutes until 4:00 p.m. The motion was properly seconded and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 4:00 p.m. at which time a motion was made by to extend the executive session for an additional 15 minutes until 4:15 p.m. The motion was properly seconded and unanimously approved.

Return to Open Session & Extension: The Board reconvened in open session at 4:15 p.m. at which time a motion was made by to extend the executive session for an additional 5 minutes until 4:20 p.m. The motion was properly seconded and unanimously approved.

Return to Open Session: The Investment Committee reconvened in open session at 4:20 p.m.

Motion to Approve Settlement of Promissory Note, Royalty Agreement, and Warrant Rights: Mr. George moved that the Investment Committee accept the recommendations of the KBA staff and recommend that the KBA's board of directors approve a settlement and release of the KBA's outstanding promissory note, royalty agreement, and warrant rights from Company X, all upon the general terms and conditions as were discussed by the Investment Committee in executive session. The motion was seconded by Mr. Rodman and unanimously approved.

Motion to Approve Purchase of Equity Interest: Mr. George moved that the Investment Committee accept the recommendations of the KBA staff and recommend that the KBA's board of directors approve an equity investment in Company X, upon terms and conditions as were discussed by the Investment Committee in executive session. The motion was seconded by Mr. Rodman and unanimously approved.

Adjournment: There being no further business, the meeting was adjourned at 4:30 p.m.