Board of Directors Joint Meeting
Virginia Innovation Partnership Authority
and the
Virginia Innovation Partnership Corporation
September 6, 2022

George Mason University – Arlington Campus
Vernon Smith Hall
3434 Washington Blvd, PL01 (Plaza) – 4th Floor – Room 1304
Arlington, VA 22201
Public Virtual Meeting Link Provided

Directors Present

Barbara Boyan, Chair (via Zoom)
The Honorable Caren Merrick, Vice Chair
Monique Adams
Richard Hall
Kurt John
Andrew Ko
Rob Quartel
Paula Sorrell
Chris Long
Juan Pablo Segura

Directors Absent

Others Present

Bob Stolle, VIPC President & CEO
Susan Aitcheson, VIPC CFO
Conaway Haskins, VIPC VP Entrepreneurial Ecosystems
Sean Mallon, VIPC VP Commercialization
Tom Weithman, VIPC Chief Investment Officer
Angela Costello, VIPC VP Communications and Marketing
Priscilla Trimble, VIPC Events Director
Kristal Parker, VIPC Chief Human Resources Officer
Leslie Williams, VIPC Staff
Nina Araujo-de-Kobes, VIPC Staff

Call to Order

In the physical absence of the Chair and Vice Chair at the start of the meeting, Dr. Barbara Boyan, Chair of the Virginia Innovation Partnership Authority (VIPA) and Virginia Innovation Partnership Corporation (VIPC) Boards asked Finance Committee Chair Rob Quartel to begin the meeting. Mr. Quartel called the joint meeting of the Boards of Directors to order on September 6, 2022 at 11:00 a.m. While the board physically convened for the meeting, it was noted a virtual link to the meeting was provided for public observation.

Roll Call

Ms. Susan Aitcheson, VIPC CFO and VIPA Secretary and Treasurer, called the roll and stated a quorum was present.

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Public Comment

Ms. Aitcheson reported that no written public comment was received.

Approval of Minutes

Mr. Quartel asked for any comments or corrections to the June 21, 2022 minutes. With no discussion, Mr. Quartel requested a motion to approve the minutes. A motion was made by Mr. Richard Hall and seconded by Mr. Chris Long; without, nays, the motion passed.

VIPA Virtual Meeting Policy

Mr. Quartel directed the VIPA Board to the draft virtual meeting policy provided in their Board materials, reminding the Board that changes to the Code of Virginia § 2.2-3708.3 public meetings held through electronic means became effective as of September 1, 2022, requiring the public body to adopt a policy to conduct virtual public meetings. The Board reviewed the proposed draft policy, discussed the value of meeting in person, reviewed elements of the policy and actions required to attend a meeting virtually. With no further discussion, Mr. Quartel requested a motion to adopt the virtual meeting policy. A motion was made by Mr. Hall and seconded by Mr. Andrew Ko; without, nays, the motion passed. Upon the Board having adopted the policy, Board Chair Dr. Boyan continued the meeting virtually due to a recent surgery that prevented the member's physical attendance.

Report from the Auditor of Public Accounts (APA)

The Commonwealth of Virginia Deputy APA LaToya Jordan and Emily Morones reported their FY20201 consolidated audit results for the Virginia Innovation Partnership Authority, including its blended component unit the Virginia Innovation Partnership Corporation, formerly known as the Center for Innovative Technology. The auditors reviewed their audit process and reported a clean audit opinion.

Ecosystem Showcase

Dr. Boyan invited the Commonwealth Cyber Initiative's (CCI) Executive Director Luiz DaSilva and his team to review CCI programs, including its 5G testbed, workforce development, internships, the CCI+A accelerator, and economic development impact metrics.

Report from the VIPC Finance Committee

VIPC Finance Committee Chair Mr. Rob Quartel reported the Committee met on September 6, 2022 and reviewed VIPA and VIPC financial information for the period ending June 30, 2022 included in the Board's meeting materials. He reported the organization is in a positive net position and executed in alignment with the operating plan. At the conclusion of the meeting, the Committee voted to recommend to the Board to accept the financial report. Dr. Boyan requested a motion for the Board to accept the Finance Committee Report. Mr. Hall so moved and Mr. Long seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Entrepreneurial Ecosystem Committee

VIPC Entrepreneurial Ecosystem Committee Chair Ms. Paula Sorrell reported the Committee met on August 17, 2022 and reviewed the current budget. The Committee noted that despite the FY2023 appropriation increase from $1M to $3M the ecosystem division remained underfunded to fully fund an ecosystem and to support new projects needed to create and build momentum in transformative ways. The Committee explored additional ecosystem budget needs. Subject to continuous improvement, the Committee would like to see long-term regional programs funded for as long as economic intervention is necessary to create robust high-functioning ecosystems. To scale measurable impact, Ms. Adams recommended the bulk of the funding support wrap-around services of regional entrepreneurial support organizations. During the Committee report, Members discussed areas that may lead to meaningful impact and improvement. To build momentum in the regions, the Committee

recommended VIPC submit an FY2024 budget request for an additional $5M in this area. The Committee offered to assist in advocacy to support the budget request.

The Committee discussed its role with the Centers of Excellence (COEs), the need to clearly define VIPA's responsibility related to the COEs, how the Centers work with other ecosystem programs, return on investment, what more could be done to support both, and ways in which the Centers can help make Virginia a more competitive economy. The Committee discussed high level outputs for each line item to inform the board for recommendations and reiterated its interest in being part of convening ecosystems to hear from the voice of the customer - those organizations that work hands-on the most with early stage tech companies.

Dr. Boyan asked for a motion to accept the Entrepreneurial Ecosystem Report. Mr. Quartel proposed a motion to accept the report, including the Committee's recommendation to submit an FY2024 budget request to increase the Ecosystem Division's budget by $5M, with the proviso that it will be used in transformative ways, including examining criteria to focus its use on successful outcomes and expanding reach in ways that stimulates and attracts new businesses in Virginia. Mr. Hall motioned to accept the report; Ms. Adams seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Strategy Committee

Strategy Committee Chair Mr. Kurt John reported the Committee met on June 16, 2022. The Committee reviewed the FY2023 operating plan, including organization and division priorities, and received an update on work with the Centers of Excellence to align economic development outcomes that reflect return on the Commonwealth's investment. Upon review and discussion, the Committee voted to recommend the Board adopt the FY2023 operating plan. Dr. Boyan asked for a motion to accept the Strategy Committee report. Mr. Chris Long motioned; Ms. Sorrell seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Report from the VIPC Executive Committee

Executive Committee Chair Dr. Barbara Boyan reported the Executive Committee met on July 21 and 26, 2022 to review the State Small Business Credit Initiative program, how the Centers of Excellence are contributing to the overall economic health of Virginia, and general business matters. No action was taken. Dr. Boyan asked for a motion to accept the Executive Committee report. Ms. Sorrell motioned; Mr. Ko seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Remarks from the Secretary of Commerce and Trade

Secretary Merrick reported the administration is looking strategically at the natural strengths of each ecosystem, with a focus on workforce and economic development. Of more than 60 initiatives under Commerce and Trade, the secretariat's focus is on how we create the greatest impact with public funds.

President's Report

Mr. Stolle invited VIPC Vice President of Entrepreneurial Ecosystems to present proposed modifications to the Regional Innovation Fund guidelines. Upon review, Mr. Quartel proposed and Members discussed expanding entrepreneurial support organizations to include for-profit, in addition to non-profit, partners - noting competition is healthy. Dr. Boyan asked for a motion to accept modifications to the Regional Innovation Fund guidelines as proposed. Ms. Sorrell motioned; Mr. Quartel seconded the motion. By voice vote, without nays, the motion was unanimously approved.

Mr. Stolle invited VIPC Chief Investment Officer Mr. Tom Weithman to update the Board on the SSBCI Venture Capital Program. Mr. Weithman informed the Board that U.S. Treasury expects an allocation agreement to be executed with Virginia's program lead, the Virginia Small Business Financing Authority

(VSBFA), in October, and, subject to a flow down agreement to VIPC, the program is on track to begin deployment in November. Mr. Weithman provided an overview of the Virginia Venture Partners (VVP) program, including its experience and successful outcomes under SSBCI 1.0. Under SSBCI 2.0, Mr. Weithman outlined the U.S. Treasury's program design and expected outcomes, and the Commonwealth's allocation under the program, noting the Virginia Small Business Financing Authority as the Commonwealth's lead on the Credit Support Program. Mr. Weithman walked the Board through the VVP Venture Capital Program direct and indirect investment strategy, projected program outcomes, critical path items, including key decisions and conflict of interest disclosure requirements. Program performance requirements to draw down funds was also discussed. In addition, Mr. Weithman reviewed discussions, benchmarking, and best practices against the private sector and other SSBCI state direct and indirect Venture Capital Programs. Mr. Weithman discussed indirect outreach undertaken and planned, inviting Members who had not already participated to join an upcoming series of information sessions in September.

Members discussed the importance of including angel groups in the model and a desire to see program funds tilt more heavily toward indirect investment by the commercial market; subsequently, where possible, to explore supplementing limitations under Treasury's program to meet market conditions if necessary, understanding this would result in the organization's absorption of commercial support costs. Members explored the development of emerging manager, tech- and regionally-focused Funds, in addition to the attraction of outside Funds to the state.

Members reinforced the importance of cluster development; although currently, not many funds support a unique, vertical-specific investment thesis. Subject to adequate private investors, with few exceptions, SSBCI Fund investment is likely to be agnostic until more sectors reach a tipping point that can support dedicated investment.

The Board proposed establishing an SSBCI Task Force for rapid immersion into the program's establishment, where we are investing, and why. To align with the start of the program, the Task Force is expected to conclude by September 30, 2022. Members included: Richard Hall, Rob Quartel, Monique Adams, Juan Pablo Segura, Andrew Ko, Caren Merrick; Dr. Boyan asked and Mr. Quartel agreed to Chair.

With limited time remaining, Mr. Stolle reviewed the organization's legislative priorities heading into the FY2024 budget cycle and directed Members to the organization's 2022 fiscal year end performance provided prior to the meeting.

With no further discussion, the Chair asked for a motion to approve the President's Report; Mr. Hall moved and Mr. Ko seconded. By voice vote, without nays, the President's Report was unanimously approved.

Next Board Meeting

The Chair reminded members the next meeting was scheduled for December 1, 2022.

Meeting Adjourned

With no further discussion to come before the Board, upon a motion duly made and seconded, the meeting adjourned at 4:00 p.m.

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