

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MASSACHUSETTS LIFE SCIENCES CENTER**

DATE: December 23, 2009

TIME: 3:00 p.m. EST

PLACE: One Ashburton Place, 21st Floor
Boston, Massachusetts

DIRECTORS PRESENT: Secretary Greg Bialecki
Secretary Jay Gonzalez
Josh Boger, Ph.D.
Tom Chmura (Designee for Jack Wilson)
Lydia Villa-Komaroff, Ph.D.

DIRECTOR(S) ABSENT: Marc Beer
Jack Wilson, Ph.D.

OTHERS PRESENT: (Partial Listing)

Peter Abair
Allison Ananis
Sue Windham-Bannister, Ph.D.
Luis Barros
Mari Bazzaglin
Patrick Bench
Pat Cerundolo
Shannan Cuddy
Jennifer E'Erule
Andy Fox
Pearl Frier
John Heffernan
Tamara Joseph
Marie Kummer
Nadine Lepick
Mike Mason
Athena Mouher
Stephen Mullony
Beth Nicklas
Reno Noll
Peter O'Neil
Leanne Oneschuk
Brad Rosenblum
Ed Ross
Maureen Shanley

Jean-Marie Vogel
Andrea Rodricks
Lisa Smith
Gary Stein, Ph.D.
Brendan Chisholm
Athena Marken
Melissa Walsh

1. **Call to Order**

Secretary Gonzalez, presiding as Chairman of the meeting, called to order the meeting of the Board of Directors (the “Board”) of the Massachusetts Life Sciences Center (the “Center”) at 3 p.m., and announced that a quorum of directors was present. The meeting, having been duly convened, was ready to proceed with its business.

2. **Approval of Board Minutes**

The Board then reviewed the minutes of the October 28, 2009 meeting. Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the resolution to approve the minutes.

3. **Chair Report**

Secretary Jay Gonzalez served as Chair of the meeting. He noted that while this was his first meeting as Co-Chair of the Board following his appointment as Secretary of Administration and Finance, he previously served as the board designee for former Co-Chair Leslie Kirwan and was involved with the crafting of the Life Sciences Initiative on behalf of the Administration. He said that in his new role as Secretary of Administration and Finance, he would work to “insure that the investments made by the Board are smart and will have a return for the Commonwealth and position us well as we move forward.”

Secretary Gonzalez reported that despite some fiscal uncertainty in the FY09 budget, the Center would receive an appropriation of \$10M for FY10. He said that while this is

significantly less than planned, it “demonstrates the commitment of Legislature to this cause even during these difficult fiscal times.”

Secretary, and MLSC Co-Chair, Greg Bialecki cited the importance of growing the life sciences cluster and the short term benefits of this investment. “These initiatives are helping people now, in the short-term. The life sciences companies are hiring people now, in 2009 and 2010, and the construction starts are very good for people in the building trades,” he said.

4. 401 (A) Plan

Dr. Josh Boger, Chair of the Finance and Compensation Committee, reported on the establishment of the Center’s optional retirement plan. He reminded the Board members that they approved a statutorily required optional retirement program at the October 28th Board meeting and that, prior to that, employees of the Center did not have available statutorily required Optional Retirement Program. This retirement program was reviewed by the Finance and Compensation Committee of the Board, which was created following the release of the Crosby Report in September. While the Board authorized creation of an optional retirement program with mandatory and discretionary contributions at that meeting, Dr. Boger asked that a formal vote of the Board be taken to ratify the plan, as required for Internal Revenue Service purposes.

Secretary Bialecki added that the Board is “continuing the process of looking at overall compensation and if adjustments need to be made, we can do that over the course of that review.”

The Board then reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the

resolution approving the Center's first optional retirement program.

5. Update on Accelerator Portfolio Companies

Dr. Susan Windham-Bannister thanked those in attendance for their continued support, and specifically thanked members of the Legislature for their assistance in securing the Center's FY10 appropriation. She cited three international companies who have recently located their headquarters to Massachusetts: Biocell in Medford, Systagenix Wound Management in Quincy and Cytoo in Framingham.

Dr. Bannister next introduced representatives from two portfolio companies who received loans from the Center in FY2009: Jean Marie Vogel, CEO of Pluromed, and Andrew Fox, President & CEO of Wadsworth Medical Technologies. Mr. Vogel reported that Woburn-based Pluromed, which was founded in 2003, was running out of capital in 2008 when it received an MLSC loan. The infusion of capital allowed the company to continue its operations until they received FDA approval, which soon followed. Mr. Vogel said that the company hopes to grow 50-60 manufacturing jobs over the course of the next few years.

Mr. Fox reported that his company's product also recently received FDA-approval and would be released in small market in Florida and the New England region. He said that he is "proud to be able to create jobs here in Massachusetts."

Secretary Gonzalez said that it was "good to hear from the recipients about the success of their companies."

6. Stem Cell Bank & Registry

Secretary Gonzalez said that a peer review panel had been convened to review the progress of International Stem Cell Registry and Massachusetts Stem Cell Bank at the University of Massachusetts Medical School. The panel was chaired by Dr. Gary Borisy, Ph.D., Director

and CEO of the Marine Biological Laboratories in Woods Hole, and included nine highly-respected experts in this field. The panel had an introductory meeting in September followed by a site visit to the Shrewsbury facility in October. Secretary Gonzalez introduced Dr. Harvey Lodish, Chair of the Center's Scientific Advisory Board, who reported on the panel's findings. Dr. Lodish called the Bank and Registry a "global asset" and commended Interim-Director, Dr. Gary Stein, on his work establishing the infrastructure and hiring staff.

Dr. Lodish summarized the Panel's review process and the Panel's recommendations outlined in the SAB report including the development of a business plan, better collaboration with industry and other academic institutions, and establishment of a formal search to identify a permanent leader.

Dr. Stein said that he was "very appreciative" of the support the Bank and Registry have received and of the dialogue and panel recommendations. He said that progress has already been made on many of these action steps and that 120 days for a response was "very realistic for us to do."

Tom Chmura, speaking on behalf of President Jack Wilson, thanked Dr. Lodish, the Peer Review Panel members and the Center. He said that the review was "very helpful in the Bank and Registry's development" and that President Wilson would like to be personally involved in the process moving forward. Mr. Chmura said "we are positioned to make this a world-class resource."

Secretary Gonzalez said that both "the University and Dr. Stein should be commended for taking on this challenge and implementing the first true investment of the Life Sciences Center."

The Board then reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the

resolution approving the SAB Recommendations relative to the International Stem Cell Registry and Massachusetts Stem Cell Bank.

7. Internship Challenge

Beth Nicklas, Vice President and Counsel for Academic Programs, presented an update on the proposal for a second pilot round of the Internship Challenge Program. Ms. Nicklas said that the program stemmed from the Life Sciences Talent Initiative Report commissioned by the MLSC and MassBio in 2007 and conducted by the UMass Donahue Institute study which found that companies had a need for entry-level workers with scientific backgrounds. The Center is seeking approval from the Board to increase FY10 funding for the second round of this program from \$500K to \$750K. Ms. Nicklas said that other changes to the program include increasing the number of intern participants and targeting 10% of available funds towards students at community colleges. Ms. Nicklas also said that sponsorship would be limited to small companies with 100 employees or fewer and student eligibility would be expanded to include other majors such as business, finance and marketing.

Dr. Villa-Komaroff said “this program sets the standard for other internship programs across the State. It’s truly turn-key.” Dr. Boger commented “this is an incredibly good use of the Commonwealth’s money. Through this program, we are keeping the best and brightest in the State, where they were educated. This has become one of the Center’s signature accomplishments.”

The Board then reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving the second round of the Internship Challenge Program.

8. Tax Incentive Program

Mr. Brad Rosenblum, Chief Financial Officer, presented an update on the Tax Incentive Program. Mr. Rosenblum reported that the Center received 85 applications to the program which offers \$250M in tax incentives over the course of 10 years. There is a maximum of \$25M per year and 9 different credits/benefits are offered. He said that the credits were made available to companies at all developmental stages and were non-transferable. Mr. Rosenblum stated that valuable input from key stakeholders, including industry, government and academic partners, was sought in developing the selection process and criteria for the program. Mr. Rosenblum closed by saying that the program is uniquely suited to drive job creation and economic development. He said that the income tax generated will allow the State to collect back its investment.

Secretary Gonzalez commented that Administration & Finance was very involved in the development of the program “promotes investment and job growth,” and commended the staff for a “job very well done and very well executed.” He said that “even in a time of constrained resources, this is something that we need to continue to do. These awards will pay back the state in five years through job growth and tax revenue.”

Secretary Bialecki said, “the focus of these awards are job creation in 2010, this will benefit the economy over the next 12 months.”

Dr. Boger agreed and suggested that the Center, in collaboration with the Department Of Revenue and the Executive Office for Administration and Finance, consider some flexibility in the program to allow for multi-year commitments.

Mr. Chmura suggested that the Center consider specific geographic regions, such as Western Massachusetts, as it shapes its portfolio. Melissa Walsh, Chief Operating Officer, noted that the Center has only received one application from a company in Western Massachusetts and that it had withdrawn its application soon after submitting it. She said that the Center is

committed to continued outreach to all parts of the state so as to enrich the pool of applicants for all programs and that the Center staff had already reached out to Western Massachusetts legislative delegates to work on a forum to promote its program in that part of the state. Dr. Windham-Bannister said that she “shares concern” and “wants this to be a state-wide effort.”

Dr. Boger recused himself from the motion to approve Shire as a recipient of a tax incentive. The Board then reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving the companies selected for the Tax Incentive Program.

9. Adjournment

Secretary Bialecki asked if there was any further business to come before the meeting and, hearing none, upon motion duly made, seconded and unanimously carried, he adjourned the meeting at 5 p.m.

Peter Slavin, M.D.
Secretary of the Meeting

APPROVED:

Secretary Greg Bialecki
Chairman of the Meeting

