

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

DATE: May 26, 2015

TIME: 2:00 p.m. EST

PLACE: Mack Conference Room, Room #1&2
One Ashburton Place, 21st Floor
Boston, Massachusetts

DIRECTORS PRESENT: Secretary Jay Ash
Dominick Ianno (designee for Secretary Kristen Lepore)
Tom Chmura (designee for Robert Caret, Ph.D.)
Peter Parker
Adelene Perkins
Lydia Villa-Komaroff, Ph.D.

DIRECTORS ABSENT: Edward J. Benz, Jr., M.D.

1. Call to Order

Secretary Jay Ash called the meeting of the Board of Directors (the “Board”) of the Massachusetts Life Sciences Center (the “MLSC”) to order at 2:03 p.m. 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 March 18, 2015 Board meeting. Upon a motions duly made, seconded and unanimously carried, the Board adopted the resolution to approve the minutes.

3. Chairs’ Update

Secretary Jay Ash welcomed those in attendance and offered Mr. Dominick Ianno an opportunity to provide an update from the Executive Office for Administration and Finance

(ANF). Mr. Ianno provided a brief summary of the House and Senate budget process. He expressed the Administration's commitment to support the MLSC's work, and Secretary Ash concurred. Secretary Ash briefly discussed the Administration's efforts toward a comprehensive economic development plan for the Commonwealth, which he stated will reinforce the good things already being done throughout state government.

4. Proposal: MLSC Milestone Achievement Program Grant Awards

Ms. Pamela Norton, Vice President of Industry Programs and Relations, provided an overview of the Milestone Achievement Program (MAP), which is designed to enable companies to meet an essential value-creating milestone, attract additional outside funding for award recipients, and fill an existing gap in the funding environment. The program was launched in November 2014 and is a competitive grant process, with awards between \$50,000 and \$200,000 for a milestone-driven project.

Ms. Norton introduced Dr. Allison Taunton-Rigby of the MLSC's Scientific Advisory Board (SAB) to offer a proposal for the 12 recommended MAP award recipients. Dr. Taunton-Rigby stated that the MLSC received 98 total applicants, 46 of which were screened out in administrative review. The 52 remaining applicants were then reviewed by the SAB and 24 highly rated applicants were narrowed down to the 12 recommended recipients under consideration. Dr. Lydia Villa-Komaroff then provided an overview of the 12 companies, giving their names, award amounts and milestone projects.

After further discussion, the Board reviewed the relevant Resolutions. Upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the first resolution approving \$1,442,335 to eight of the recommended MAP award recipients. Mr. Peter Parker recused himself from the vote of the second resolution for the remaining four

companies: Aquinnah Pharmaceuticals, Inc., Energesis Pharmaceuticals, Inc., Extend Biosciences, Inc., and Platelet BioGenesis, Inc. Upon motions duly made, seconded and carried by 5 of the voting Board members, the Board adopted the second resolution approving \$800,000 for the remaining companies.

5. Proposal: MLSC Accelerator Loan Awards

Ms. Danica Medeiros, Manager of Industry Programs and Business Development, provided a summary of the Accelerator Loan Program, which is targeted toward companies with high potential for commercialization, rapid growth, and subsequent private equity investment. The five-year loans are for an amount up to \$1 million per recipient, with a 10% interest rate. The loan is payable upon a financing event of at least \$5,000,000 in a 12-month period. The applicants must raise \$300,000 of at-risk capital by the date of the application; have at least one full-time W-2 employee who submits payroll tax to the Commonwealth; have raised less than \$7,500,000 in equity financing, if the company is non-therapeutic; have raised less than \$15,000,000 if the company is therapeutic; and must provide either pre-clinical data, clinical data, or proof of concept.

Ms. Medeiros introduced Dr. Allison Taunton-Rigby to provide further details on the review process. Dr. Taunton-Rigby described the rigor of the process, which begins with an administrative review by MLSC staff and involves peer review by industry experts, further review by the members of the SAB, due diligence review by MLSC staff, final round presentations by applicants, and final SAB recommendations that must be approved by the Board. Of the 24 applications received, three were determined to be ineligible and 21 were reviewed through the aforementioned process.

Mr. Peter Parker offered the resolution to award loans to the three companies recommended by the Investment Committee for the Board's approval: 3Derm Systems, Inc.,

Parsagen Diagnostics, Inc., and X4 Pharmaceuticals, Inc. After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving 3,000,000 for the Accelerator Loan recipients.

6. Proposal: Authorization for the 2015-16 Accelerator Loan Program and Milestone Achievement Program

Ms. Pamela Norton and Ms. Danica Medeiros briefly reiterated the goals of the Accelerator Loan Program and the Milestone Achievement Program as described in the previous portion of the meeting, and explained that a reauthorization was needed by the Board for the next round of the programs. Ms. Norton further clarified that the MLSC will still have to seek approval for award recipients before providing funding to companies under the new round.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolution approving \$7,000,000 for the new rounds of the Accelerator Loan Program and the Milestone Achievement Program.

7. Proposal: Additional Trustee for the MLSC Retirement Plan and Banking Resolution

Secretary Ash, with the approval of the other member of the Board, moved to re-order the agenda to next discuss the MLSC retirement plan trustee and banking resolution. Mr. Brad Rosenblum, Chief Financial and Administrative Officer for the MLSC, explained that the MLSC retirement plans requires two trustees and, with the departure of Dr. Susan Windham-Bannister, a replacement trustee is needed. He informed the Board that the first resolution will designate Beth Nicklas, General Counsel and Vice President for Academic and Workforce Programs, as a

trustee of the retirement plan. Mr. Rosenblum further explained that the second resolution will provide the Vice President of Industry Relations and Programs with signature authority.

After further discussion, the Board reviewed the relevant Resolution, and, upon motions duly made, seconded and unanimously carried by all voting Board members, the Board adopted the resolutions.

8. Update on the MLSC CEO Search

Secretary Ash first discussed the search for a new CEO by acknowledging and thanking Dr. Susan Windham-Bannister for her service to the Commonwealth as the founding CEO of the MLSC. He stated that the Board is still working toward a selection for the new CEO and will continue the process until a suitable candidate is found.

9. Farewell Remarks

Dr. Susan Windham-Bannister gave remarks commemorating her final meeting with the Board as CEO of the MLSC. She offered her thanks to the Board members, Scientific Advisory Board members, Peer Reviewers, and MLSC staff for their service to the Commonwealth. Members of the Board shared their appreciation for her service as the founding CEO of the MLSC.

10. Adjourn

Secretary Ash, upon motion duly made, seconded and unanimously carried, adjourned the meeting at 3:30 p.m.

List of Materials and Exhibits Used During Meeting:

- Minutes from March 18, 2015 Board meeting – Word Document
- Executive Report – Word Document
- MLSC Map Grant Awards Proposal – PowerPoint Document
- Motion: MLSC Map Awards – Word Document
- MLSC Accelerator Awards Proposal – PowerPoint Document
- Motion: MLSC Accelerator Loan Awards – Word Document
- Motion: 2015-16 Accelerator and MAP – Word Document
- Motion: Trustee MLSC Retirement Plan – Word Document
- Motion: Banking Resolution – Word Document