

**ILLINOIS VENTURES, LLC
COMPENSATION COMMITTEE OF THE
BOARD OF MANAGERS
MEETING MINUTES
October 2, 2019
11:03 a.m. – 11:57 a.m. CDT**

**Quad Boardroom, Illini Center
200 S Wacker Drive, 19th Floor
Chicago, IL 60606**

**Greenville City Council Meeting Room
403 South 3rd Street
Greenville, IL 62246**

Call to Order

Chair Tony DiTommaso called the meeting of the Illinois Ventures, LLC Compensation Committee of the Board of Managers to order at 11:03 a.m. Secretary Suseelan Pookote completed the roll call and it was determined that a quorum of the voting committee was present.

Present and participating were:

Voting Members

Tony DiTommaso (at Chicago location)
Mike Liang (at Chicago location)
Ed McMillan (at Greenville location)
Mike Tokarz (via phone)

Others Present

Nancy Sullivan
Suseelan Pookote
Christopher Valera

Action Item: Approval of July 2, 2019 Open Session Minutes of the Illinois Ventures, LLC

Compensation Committee

No changes or issues were noted regarding the minutes from the Compensation Committee's open session meeting on July 2, 2019. **Chair DiTommaso accepted a motion from Mr. Tokarz to approve the minutes of the July 2, 2019 Compensation Committee open session meeting as presented, seconded by Mr. Liang and approved unanimously.**

Discussion Item: Committee Self-Assessment

Per the Committee Carter, the committee must “prepare and review with the Board a self-evaluation of the Committee’s own performance and effectiveness”. Included in the Packet was an assessment that each Committee member was asked to fill out, as well as a review of the activities of the Committee during the period. The assessment was asked to be completed as soon as possible and returned to Ms. Sullivan or Mr. Valera¹

Action Item: Confirmation of Email Vote Regarding Compensation Policy and Philosophy

Following the July 2nd Committee Meeting, an email vote was sent out to approve the Compensation Policy and Philosophy that was discussed during that meeting. Unanimous approval was obtained via email on July 3rd, 2019. **Chair DiTommaso accepted a motion from Mr. Liang to confirm the email vote as discussed, seconded by Mr. McMillan and approved unanimously.**

Action Item: FY20 Incentive Compensation Metrics

Ms. Sullivan went over with the Committee the process by which compensation practices were determined. This process is outlined in the Compensation Policy and Philosophy. It was noted that an addition to the Policy and Philosophy was to be made and will be voted on at the next Committee meeting. This addition is a formal evaluation of each employee. This evaluation has been done for at least the past three years through the University.

Incentive compensation would be awarded based on a breakdown of 65% quantitative and 35% qualitative metrics. Each metric was thoroughly discussed. During discussion of the

¹ All assessments were received by October 7, 2019.

metrics, some were amended as noted. The metrics for FY20 Incentive Compensation are as follows:

- Amended Quantitative Metric #1 - \$20M+ committed by Limited Partners to the Fund(s) being raised by IETF (Original Quantitative Metric #1 - \$15-20M committed by Limited Partners to the Fund(s) being raised by IETF)
- Quantitative Metric #2 – 2-3 IETF investments that meet our standards for that Fund, and 4-5 Evergreen investments from Illinois Ventures (inclusive of both new and follow-on investments)
- Quantitative Metrics #3 – Gross IRR 12-15% for IETF III Fund
- Quantitative Metrics #4 – Annual Gross IRR of 15-20%
- Amended Qualitative Impact Metrics
 - Grow third party investment number in our portfolio companies and the associated leverage against our investment numbers to illustrate financial support of our portfolio companies
 - Support 10-15 faculty and students interested in entrepreneurship and start up formation
 - Provide experiential learning opportunities through the Illinois VENTURES Fellows program for 3-5 fellows per academic year (summer 2019 – spring 2020 semester)
 - Give 5 talks and presentations at the University
 - I Venture Accelerator mentoring and guidance for 5-7 teams
 - Participate in 5-10 Seminars on Entrepreneurship and Venture Investing
 - Judge 3-5 new venture programs including Cozad and student venture programs

- Building the team with quality hires, consistent with the strategic plan (Was not included in the original metrics and was added during the meeting)

Following the discussion, Chair DiTommaso asked for a motion to approve the FY20 Incentive Compensation Metrics as amended. This was so moved by Mr. McMillan, seconded by Mr. Tokarz, and approved unanimously.

Executive Session

Chair DiTommaso asked for a motion to move into Executive Session to: (i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss and review Executive Session minutes for potential release; and (iii) discuss and consider information regarding compensation of specific individual employees.

In addition, only the members and officers of Illinois Ventures and others who are directly involved in the matter which is the basis for the closed meeting could attend the meeting.

This was so moved by Mr. Tokarz, seconded by Mr. Liang, and approved unanimously.

Open Session Reconvened

The open session was reconvened at 11:54 am. Secretary Pookote took roll and it was determined that a quorum of the committee was physically present.

Action Item: Consideration of Executive Session Minutes for Potential Release

Chair DiTommaso asked for a motion to continue to withhold the release of the executive session minutes that have not been released to date. This was so moved by Mr. Liang, seconded by Mr. McMillan, and approved unanimously.

The executive session minutes being withheld are dated October 4, 2018.

Action Item: Approval of Phantom Interest

Chair DiTommaso asked for a motion to approve the Phantom Interest as discussed in the Executive Session. This was so moved by Mr. Tokarz, seconded by Mr. McMillan, and approved unanimously.

Action Item: Approval of Employee Bonus Targets

Chair DiTommaso asked for a motion to approve the Employee Bonus Targets, totaling \$165.4K, as discussed in the Executive Session. This was so moved by Mr. Liang, seconded by Mr. McMillan, and approved unanimously.

Adjourn

Having no new or old business, the meeting was adjourned at 11:57 a.m.

Respectfully submitted,

Christopher Valera