AGENDA

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Responsible Party</th>
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</thead>
<tbody>
<tr>
<td>9:00 a.m.</td>
<td>Call to Order</td>
<td>Eric Drummond</td>
</tr>
<tr>
<td>9:05</td>
<td>Review Agenda &amp; Agree on Meeting Objectives</td>
<td>Sonya Guram</td>
</tr>
<tr>
<td>9:10</td>
<td>Consider the VCA’s statutory mandate and objectives</td>
<td>Board Members and Staff</td>
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<td></td>
<td>Review current program operations and processes</td>
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<tr>
<td>9:50</td>
<td>Identify what’s working well and what’s not</td>
<td>Board Members and Staff</td>
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<td></td>
<td>Identify opportunities for improvement and proposals for implementation</td>
<td></td>
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<tr>
<td>10:40</td>
<td>Solidify proposals and plan report back to the full board</td>
<td>Board Members and Staff</td>
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<tr>
<td>11:00 a.m.</td>
<td>Adjourn</td>
<td>Eric Drummond</td>
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VCA Operations SubCommittee Meeting

Review operations and procedures for better understanding, to identify opportunities for improvement, and to update processes and procedures as needed.

Review Meeting Objectives and Agenda

Board member input and approval

Agenda
Consider the VCA's statutory mandate and objectives.
Review current program operations and processes.
Identify what's working well and what's not.
Identify opportunities for improvement and proposals for implementation.
Solidify proposals and plan report back to the full board.

VCA’s statutory mandate

Maintain a revolving, evergreen fund to provide continued seed and early-stage investment capital to qualified businesses throughout Colorado by partnering with venture capital funds (C.R.S. 24-46-202 (10)(a)(I)). Investments should grow and retain Colorado businesses creating quality jobs, and provide a financial return for future investment. Fiduciary responsibility for public funds.

Program Components

1. Partner and invest through Funds

   Fund Managers carry out Board’s objective by identifying, investing in, and mentoring qualified businesses to grow and retain businesses that will create quality jobs and provide a financial return.

   - Identify, mentor, and grow qualified businesses
     - fund managers perform due diligence
       ▪ staff reviews to make sure that diligence was completed and spot checks
     - fund mgr/staff interactions to support fund success and compliance, and to connect to other programs/resources
       ▪ weekly check-in
       ▪ working to support access to the Advanced Industry Accelerator grant program
       ▪ connecting with EDs around the State to surface Eastern Plains investment opportunities
       ▪ managing a grant to accept donations that support ECGF operations
       ▪ supported ECGF Pitch Series by accepting and passing through donations and providing speakers
     - fund mgr/board interactions to monitor and support the success of the Fund
       ▪ advisor
       ▪ review Fund reports
       ▪ host Fund managers at board meetings for updates and input
       ▪ attend and participate in Fund events (ECGF Pitch Series)
     - fund mgr quarterly reports
       ▪ submitted by Funds to staff
       ▪ reviewed and held by staff
- board receives reports in quarterly board packet
  - fund mgr annual statutory report
    - submitted by Funds to staff
    - reviewed and held by staff
    - board receives reports in quarterly board packet

- Invest per criteria and objectives (eligible businesses, time-line)
  - qualified business and investment determination form
    - staff reviews within 10 days to ensure that criteria are met
    - may prompt additional interaction with the business by the fund manager
    - may prompt a waiver request
  - waiver requests
    - fund manager makes care
    - staff reviews and convenes subcommittee
    - subcommittee deliberates
  - reach investment targets (30/50/100)
    - cap calls, and quarterly and annual reports document progress
    - staff tracks and reports to board quarterly on the dashboard
  - track jobs created
    - fund manager documents jobs on annual statutory report
    - staff reviews statutory reports and compiles annual report to Office of the State Auditor
  - financial management - call capital, manage funds, return funds
    - capital calls
    - distribution proceeds
    - wire transfers, quarterly financial reports, annual audited financials, distributions
  - grow businesses that create jobs and seek return on investment
    - Staff support fund management and portfolio businesses with programs and resources
    - Report on jobs created

- New Fund development activities
  - board and staff gain information through engagement, conversations, news
  - strategic ecosystem alignment and fill gaps
  - align with statutory requirements and intent
  - staff structure and publicize RFP documents
  - staff hold informational meetings and communicate with interested parties
  - legal counsel formulates and supports execution of LPA
2. Fiduciary responsibility for State funds

- Hold and manage certified capital according to statutory requirements
  - Board establishes and maintains treasury and bank accounts
  - Board authorizes signatories
  - Board establishes system of checks and balances
  - Staff receives monthly statements, maintains financial ledger, and reconciles

- Establish annual budget
  - Budget driven by board treasurer, drafted by staff, and approved by board
  - Budget approved and submitted per statutory requirements
  - Board approves expenses and manages to budget
  - Staff tracks expenses and reports to board

- Operations financial management activities
  - monthly review and reconciliation of monthly statements on UMB and Treasury accounts
  - capital calls and distributions
    - Fund initiates for investments, management fees and expenses, distributions
    - authorized board members initiate and execute transfers (Treasury and UMB)
    - staff supports communications, ensures compliance, confirms, and records
      - investment meets qualified business, qualified investment, location, and other LPA requirements
      - investment meets Fund 3/5/10 year targets
      - Fund expenses meet LPA criteria including % of funds managed and VCA allocation among partners
      - distribution meets VCA allocation among partners
      - VCA expenses documented and managed to budget
      - recorded in ledger
      - reconcile fund draws to uncalled capital balance
  - annual independent financial audit
    - vendor and cost approved by board
    - engaged by staff
    - staff collaborates and provides ledgers, documents, and connection to Funds
3. Board

- **Appointed**
  - terms
  - procedure for end of term or resignation
  - procedure for review of terms and notification of open positions
  - board officers (chair, vice chair, treasurer)
    - election frequency and process
    - roles defined
  - subcommittees (waiver, investment advisor, other?)
  - meeting participation
    - quorum required to conduct business
    - engagement and utilization of member talents

- **Program oversight**
  - guide program per statutory objective
    - establish processes and procedures
    - select/approve vendors
      - staff will shop vendor services as directed by board
      - staff if primary vendor to support board objectives, financial management,
        Fund support
      - legal counsel – LPAs and statutory compliance, board support
      - independent financial auditor – financial verification
      - insurance – board and public protection
      - fund managers
  - community engagement
    - communications
      - public accountability
      - open records
    - improve capital/VC access for CO businesses
      - economic development lens
      - statewide
      - support innovation

- **Board meetings**
  - frequency (at least quarterly per statutes)
  - agendas
    - setting the agenda
    - engaging for board members
    - public requirements
      - posting
      - open meeting
      - meeting records
Program Documents

Documents are on a shared Google drive:
https://drive.google.com/drive/folders/1x4xSUalyxb7HxERXEmU3yDU5fWSnwDw8?usp=sharing

1. Statutes

Partner and invest through Funds

2. Fund Due Diligence Documents
3. Fund Quarterly Report
4. Fund Annual Report
5. Fund Audited Financials
6. Fund Business Determination Form
7. Fund Waiver Request
8. Fund Capital Call & Wire Transfer Forms
9. Fund Distributions & Wire Transfer Forms
10. VCA Dashboard
11. VCA Report to the State Auditor
12. Limited Partnership Agreements

Fiduciary responsibility for State funds

13. Public Deposit Protection Act
14. Bank & Treasury Account Agreements
15. Account Statements
16. VCA Annual Budget
17. VCA Staff Financial Spreadsheets
18. VCA Audited Financials

Board

19. Board Member List
20. Board Orientation Guide
21. Conflict of Interest certification
22. Treasurer job position description
23. Investment advisory position description
24. Rules of Procedure
25. Policies & Procedures
26. Reasons for Executive Session
27. Types of Communication
28. Open Records Request policy
29. VCA Fact Sheet