

MINUTES OF THE MEETING OF  
THE AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION  
June 2, 2016

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Indiana Economic Development Corporation (the "Corporation") met on June 2, 2016, at Hillenbrand, Inc., One Batesville Blvd., Batesville, Indiana 47006. Present at the public meeting were committee members Joel Gorelick, James Marcuccilli (via telephone), and Mark Neal. Representing the Corporation were Chris W. Cotterill and Matt Kimmick.

Acting Chairman Gorelick called the meeting to order and noted that a sufficient number of committee members were present to constitute a quorum. Acting Chairman Gorelick also recognized that the meeting of the Committee was being held in full compliance with the Indiana Open Door Law.

Acting Chairman Gorelick then presented for approval the minutes from the previous meeting of the Committee, held on December 15, 2015, at Ivy Tech Corporate College and Culinary Center, 2820 North Meridian Street, Indianapolis, Indiana 46208. Upon a motion duly made and seconded, the minutes from the prior meeting were unanimously approved.

Mr. Kimmick, Chief Financial Officer, reported that the Indiana Economic Development Foundation, Inc. ("Foundation") has approximately \$1.2 million cash on hand. Mr. Kimmick also described various activities he has undertaken since joining the Corporation earlier in the year, thanked Mr. Pishon for his efforts to ensure a smooth transition of responsibilities, and discussed with members of the Committee their expectations for the Chief Financial Officer going forward. There was general discussion, and the Committee requested that Mr. Kimmick provide an overview of the Corporation and Foundation's Fiscal Year 2016 financials in early August.

Mr. Kimmick then presented a proposed engagement letter from Katz, Sapper & Miller, LLP ("KSM"). KSM has served as the independent auditor of the Corporation and the Foundation for the past several years. The scope of the proposed engagement for Fiscal Year 2016 is identical to the scope of the prior year, except that the A-133 audit was removed because responsibility for the funds subject to this type of audit transferred to the Office of Small Business & Entrepreneurship. As a result, the cost of the audit decreased accordingly. The Committee discussed the merits of continuing to use the services of KSM. Mr. Kimmick explained that with the Committee's acceptance of the proposed engagement letter, the Corporation would enter into a professional services contract incorporating the engagement letter. Upon a motion duly made and seconded, the proposed engagement letter was accepted.

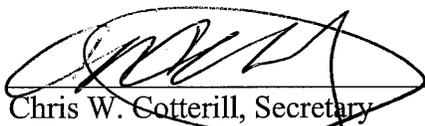
Mr. Cotterill, Executive Vice President & General Counsel, reported on the proposed Alcohol Policy. Mr. Cotterill explained that the policy applies to board members and employees and establishes guidelines (1) for appropriate conduct with regard to the consumption of alcohol during certain economic development functions and (2) for the expenditure of Corporation and Foundation funds on alcohol. Mr. Cotterill then discussed the major components of the policy, including the importance of the whistleblower provision and oversight by the Committee. The Committee discussed the policy and, upon a motion duly made and seconded, the Alcohol Policy was adopted as presented.

Mr. Cotterill then reported on the proposed Contributions & Expenditures Policy, which is designed to (1) encourage the appropriate solicitation and acceptance of contributions to defray costs that would otherwise be incurred with (i) the public or private funds provided to the Corporation or (ii) the private funds provided to the Foundation; (2) encourage the appropriate use of Corporation and Foundation funds for business development and other economic development activities that advance the State's economic development interests; and, (3) enhance existing controls to further ensure that (i) contributions are solicited and accepted in a manner that does not have any effect on any ongoing matters or any future application for participation in any of the Corporation's tax credits, programs, or future compliance action(s) and (ii) the Corporation's and the Foundation's limited resources are put to effective use. Mr. Cotterill discussed the major components of the policy, including the importance of the whistleblower provision and oversight by the Committee. The Committee discussed the merits of the policy and asked Mr. Cotterill to provide the items listed in Section VI (Oversight by the Audit Committee of the IEDC Board of Directors) of the policy on a semi-annual basis. (Those items are (1) a list of Authorized Fundraisers (as that term is defined in the policy); (2) a list of employees authorized to hold an IEDC and/or Foundation credit card(s); and (3) a report certifying that the training requirements of the policy have been completed.) Upon a motion duly made and seconded, the Contributions & Expenditures Policy was adopted as presented.

Messrs. Cotterill and Kimmick reported on the Quarterly Stress Report. The Committee discussed the usefulness of the report and, in particular, the importance of accounting for the reserve necessary for investments written off. The discussion ended with general agreement that the Audit and Entrepreneurship committees should meet together at their next regular meetings in September to receive a briefing from the Corporation and Elevate Ventures about the process of evaluating and managing investments made from the 21<sup>st</sup> Century Research & Technology Fund, with a focus on roles and responsibilities after the Entrepreneurship Committee approves an investment.

Acting Chairman Gorelick asked for a motion to adjourn the meeting of the Committee. Such motion was made and seconded and, upon unanimous vote, the meeting was adjourned.

Respectfully submitted,

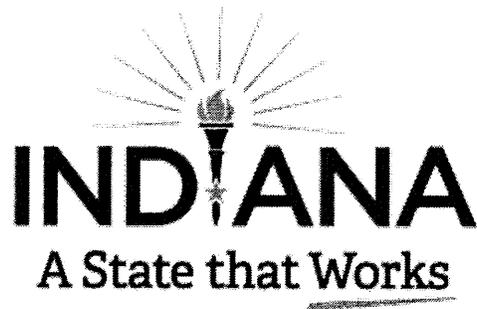
  
Chris W. Cotterill, Secretary

Approved:

  
Joel Gorelick, Acting Chairman

Attachments:

1. Public meeting notice dated June 2, 2016
2. Public session agenda dated June 2, 2016



**NOTICE OF A MEETING OF  
THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF  
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Audit Committee of the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on Thursday, June 2, 2016 at 10:00 a.m. (EDT), at Hillenbrand, Inc., One Batesville Blvd., Batesville, Indiana 47006.

Executive Session: **NONE**



**PUBLIC SESSION AGENDA OF  
THE AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

**Thursday, June 2, 2016 at 10:00 a.m. (EDT)  
Hillenbrand, Inc.  
One Batesville Blvd.  
Batesville, Indiana 47006**

- I. Welcome
  - a. Recognition of Quorum
  - b. Recognition of Compliance with Indiana Open Door Law
  - c. Approval of Minutes from the December 15, 2015 Audit Committee Meeting
- II. Indiana Economic Development Foundation, Inc. Update
- III. Katz, Sapper, & Miller, LLC 2016 Annual Audit
- IV. Alcohol Policy & other policies
- V. Elevate Ventures Quarterly Stress Report

**EXECUTIVE SESSION**

**NONE**