

Exhibit I

NEW YORK STATE INNOVATION VENTURE CAPITAL FUND

Title 21 NYCRR Chapter L Part 4254

Statutory Authority

L. 2013, c. 59, pt. JJ

Historical Note

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4254.1. Purposes.

In order to address the legislatively identified needs of the State of New York to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, Part JJ of Chapter 59 of the Laws of 2013 authorized the New York State Urban Development Corporation to establish and administer the New York State Innovation Venture Capital Fund in order to provide critical seed and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

4254.2. Definitions.

The following terms shall have the meanings given below:

“Authorizing Legislation” shall mean Part JJ of Chapter 59 of the Laws of 2013, as it may be amended.

“Beneficiary Company” shall mean a Seed-Stage Business, Early-Stage Business or Venture-Stage Business that (a) is, or agrees in writing to be, located in State and (b) has the potential to generate additional economic activity in the State (a Beneficiary Company is also referred to as a “Portfolio Company” after it receives a Fund investment).

“Corporation” shall mean the New York State Urban Development Corporation d/b/a Empire State Development, a corporate governmental agency of the State, constituting a political subdivision and public benefit corporation created by Chapter 174 of the Laws of 1968, as amended.

“Early-Stage Business” shall mean a business, located in or relocating to the State and working in one or more Emerging Technology Fields, that demonstrates a potential for substantial growth and job development, has the potential to generate additional economic activity in the State, and that is post-revenue, is post-prototype, or is poised to expand or that is a Venture-Stage Businesses.

“Emerging Technology Field” shall mean one or more of the emerging technologies, as defined in section thirty-one hundred two-e of the Public Authorities Law, or any field, area or technology that is achieving or has the potential to achieve technological advances, innovation, transformation or development.

“Equity” shall mean common stock, convertible preferred stock, stock warrants or convertible notes or bonds that can also convert to common stock, and similar types of securities.

“Follow-on Investment” shall mean a subsequent investment made by an investor after an initial round of investment in a Portfolio Company.

“Fund” shall mean the New York State Innovation Venture Capital Fund.

“Hybrid Investment” shall mean an investment that combines Equity and debt or other features, such as preferred stocks, convertible bonds, convertible notes, or interests in particular assets of a Beneficiary Company.

“Investment Entity” shall mean a regional and local economic development organization, technology development organization, research university, or investment fund (including limited partnerships and limited liability companies) that provides or is otherwise qualified to make investments in Seed-Stage Businesses, Early-Stage Businesses or Venture-Stage Businesses.

“Portfolio Company” shall mean a Beneficiary Company after it receives the Fund investment.

“Seed-Stage Business” shall mean a business, located in or relocating to the State and working in one or more Emerging Technology Fields, that demonstrates a potential for substantial growth and job development, has the potential to generate additional economic activity in the State, and that is developing a prototype, is pre-revenue, has only begun to earn revenue, or has not yet received institutional investments.

“State” shall mean the State of New York.

“Venture-Stage Business” shall mean a business, located in or relocating to the State, that engages in commercial manufacturing and sales or whose products or services are in production and commercially available, demonstrates significant revenue growth, may or may not be showing a profit, has received institutional investment and has been in business for a substantial time, generally more than three years.

4254.3. General Requirements

The Corporation shall use the Fund monies, in accordance with the Authorizing Legislation and other applicable law and regulations, for direct or indirect investments, including Equity investments and Hybrid Investments, in Beneficiary Companies and for all costs and expenses arising from and related to such investments.

The documentation for each Fund investment will provide reasonable terms and conditions for recompense to be provided to the Corporation by the Beneficiary Company if it leaves the State within a period of time to be established by the Corporation for such investment, such recompense may include the full or partial repayment of the investment received by the Beneficiary Company or other consideration satisfactory to the Corporation.

Any moneys received by or returned to the Corporation with respect to the Fund investments may be used by the Corporation pay for future Fund investments, including new investments and Follow-on Investments, and the costs and expenses arising from and related to any and all Fund investments. In the event of termination of participation in the Fund by any Investment Entity, the Corporation may, on a reasonable basis and with authorization of by the Directors of

the Corporation, use all or part of the commitment made to such terminated Investment Entity to make direct or indirect Fund investments or to redeploy to one or more of the other participating Investment Entities all or part of such commitment.

The Corporation shall adopt guidelines regarding conflicts of interest with respect to the investment of Fund monies in Beneficiary Companies, including such investments made directly by the Corporation, made with the advice or recommendation of an Investment Entity, or made through an Investment Entity.

4254.4. Evaluation of Potential Investments

In evaluating potential Fund investments, the Corporation may consider, among other items and without order of priority: promotion of job development; leveraging and advancing the State's industrial and technical strengths, including, but not limited to, advances in manufacturing, materials, life science, medical devices and Emerging Technologies; commercialization of technology, products, and services; development of the State's entrepreneurial ecosystem; coordination with other State innovation programs, including, but not limited to, the New York State Business Incubators and Innovation Hot Spot Program, Academic Tech Transfer offices, the Centers for Advanced Technology and the Centers of Excellence; the potential for a positive return on the investment; the quality of the management team, business plan, financial history, financial projections; a Beneficiary Company's technology, products, and services and the company's prior and potential performance as a technology innovator and as a business; and an Investment Entity's prior performance, expertise, area of investment, and similar information.

4254.5. Investment Process

The Corporation will invest Fund monies in Beneficiary Companies either directly or, through Investment Entities, indirectly. Generally, investments in Seed-Stage Businesses will range from \$25,000 to \$750,000 and investments in Early-Stage Businesses will range from \$750,000 to \$5,000,000. The Corporation may also directly or, through an Investment Entity, indirectly make additional Follow-on Investments. Fund investments may include investments in Seed-Stage Businesses and Early-Stage Businesses made directly, through Investment Entities, along with co-investors, or utilizing one or more large investment fund partners to source similar investments, or larger investments in Venture-Stage Businesses, that agree in writing to relocate to New York State

In order to identify potential Beneficiary Companies, the Corporation may identify technologies and companies from the State's innovation network and support efforts of other governmental entities and programs in order to attract Beneficiary Companies from outside the State. The process for evaluating prospective Beneficiary Companies for funding will include identifying candidate Beneficiary Companies, conducting due diligence and evaluating the potential financial return, economic value, and considering the significance of the technology. The Corporation may consider advisory recommendations from an advisory committee established

in accordance with guidelines approved by the Corporation's Directors. Unless the Corporation's Directors create and empower a special committee to authorize Fund investments, all Fund investments must be authorized by the Corporation's Directors.

The Corporation may invest Fund monies in the Investment Entities that will in turn invest in Beneficiary Companies. For such investments, the Corporation shall perform due diligence with respect to the Investment Entity; provided, however, with respect to investments in Beneficiary Companies made by an Investment Entity, deal sourcing, investment due diligence, and portfolio management and reporting (other than the reports required to be made by the Corporation pursuant to the Authorizing Legislation and other applicable law and regulations) may be performed by Investment Entity.

4254.6. Fees and Costs

The Corporation may negotiate reasonable management fees, promotes (*e.g.*, distributions when certain financial return benchmarks are achieved such as internal rate of return, return on investment, return on earnings, *etc.*), share of return and other fees and charges with respect to applicants, Beneficiary Companies, Investment Entities and investment professionals and firms. The costs and expenses of the Corporation for its implementation and administration of the Fund shall be paid from Fund monies or such other monies that shall be available to the Corporation.

The Corporation may also impose fees, including without limitation, application fees, processing fees, fees in connection with processing and evaluation of submissions in response to requests for proposals or other types of solicitations, fees for due diligence with respect to investments and prospective investments, administrative fees, legal, accounting, and other out-of-pocket fees and expenses of the Corporation, costs and expenses for compliance with applicable laws and regulations, including environmental review and State and federal securities laws.

4254.7. Reporting

The Corporation shall annually on December 31 submit to the Director of the Division of Budget, the Temporary President of the Senate, the Speaker of the Assembly, and, the Minority Leaders of the Senate and the Assembly a report regarding the Fund detailing: (i) the total amount of funds committed to each applicant (*i.e.*, each Beneficiary Company and Investment Entity) that receives funds and, if applicable, the amount of such funds that has been invested by each such applicant; (ii) the amount of New York State Innovation Venture Capital Fund funds invested and the recipients of such funds; (iii) the location of each Beneficiary Company; (iv) the number of jobs projected to be created or retained; and (v) such other information as the Corporation deems necessary.

4254.8. Confidentiality and State Employees

To the extent permitted by law, all information regarding the financial condition, marketing plans, customer lists, or other trade secrets and proprietary information of each Beneficiary Company and Investment Entity shall be confidential and exempt from public disclosures.

Except to the extent permitted by law, including, but not limited to Public Officer's Law Sections 73 and 74, no full-time employee of the State or any agency, department, division, authority or public benefit corporation thereof shall be eligible to receive assistance under this program.,

4254.9. Contractor and Supplier Diversity and Non-Discrimination

Pursuant to New York State Executive Law Article 15-A, the Corporation recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned business enterprises ("MWBEs") in the performance of the Corporation's contracts. The Corporation's Office of Contractor and Supplier Diversity has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program.