



TERMS OF MEMBERSHIP

The purpose of this document is to provide an overview of the benefits and expectations of becoming an SCRA Member Company.

1. About SCRA

The South Carolina Research Authority (SCRA) was chartered in 1983 by the State of South Carolina as a public, non-profit organization enabled by South Carolina Code of Laws Title 13, Chapter 17, which defines its purpose, how it operates, and how it is governed. The mission of SCRA is to fuel South Carolina's innovation economy by accelerating technology-enabled growth in research, academia, entrepreneurship, and industry. SCRA supports its stakeholders in key technology sectors, which include, but are not limited to: Advanced Materials/Manufacturing; Life Sciences; and Information Technology.

2. Benefits & Expectations

A. *Application Process*

An Applicant judged to have the potential to become an SCRA Member Company will be assigned a Relationship Manager (RM) who will assist the Applicant in assembling a concise and compelling presentation to be given during one of the SCRA's monthly company review (CoRvw) meetings.

Within 48 hours after the CoRvw presentation, the assigned RM will share the team's findings and next steps with the Applicant. If selected for membership, the new Member Company will receive a Welcome Packet. Those not selected to become a Member Company will receive a Feedback Packet.

Information provided by the Applicant will be treated by SCRA as business sensitive, and SCRA will make all reasonable efforts to protect this information when disclosure is not legally required. However, SCRA is subject to the South Carolina Freedom of Information Act (FOIA), and the Applicant should not disclose to SCRA any information that would negatively affect its ability to obtain intellectual property protection or undermine other business efforts. This applies to all verbal and written information.

B. Grant Funding

SCRA Member Companies may apply for a variety of non-dilutive grants, each with its own eligibility and review criteria. It is important to note that, while acceptance as an SCRA Member Company qualifies the company for consideration for funding, it does not guarantee approval. Eligibility and decisions for all grants are determined solely by SCRA.

More information regarding eligibility and review criteria for the non-dilutive grants listed below can be found on the SCRA [website](#).

- **Project Development Fund (PDF) Grants** provide early-stage funding to startups to support one or more critical milestones towards commercialization and to advance the company's pursuit of follow-on funding.
- **Academic Startup Grants** provide early-stage funding to startups advancing intellectual property from a post-secondary academic institution to support critical milestones towards commercialization and to advance the company's pursuit of follow-on-funding.
- **Acceleration Grants** provide early-stage funding to startups to accelerate a company's technology and/or business model to the next level of maturity and market readiness.
- **Federal Matching Grants** provide matching funds to accelerate the amount of federal research dollars obtained by small businesses, in particular SBIR/STTR funding.
- **Demonstration Project Grants** provide funding to small businesses that are developing a scalable technical solution to meet an industry challenge or providing a significant growth opportunity to an industry partner.
- **Relocation Grants** provide funding to companies relocating to South Carolina to reimburse expenses for moving equipment, up-fitting facilities, etc.

C. Investment Participation

SCRA's investment affiliate, SC Launch, Inc., will have a reasonable right to purchase any future-offered equity securities up to the amount of the Grant multiplied by four ("4x Grant Amount"), on uniform terms and conditions with other investors.

D. Business Resources

It is the RM's responsibility to assist the Member Company as a coach and advocate. Beyond aligning SCRA resources and funding opportunities with a company's needs, an RM offers business experience, networking opportunities, and specialized resources to the Member Company.

Member Companies have access to SCRA's Resource Partner Network. Resource Partners are South Carolina-based businesses committed to helping Member Companies in areas such as legal, accounting, insurance/risk management, and sales & marketing. Should a Member Company avail itself of Resources Partner services, it should reference its status as an SCRA Member Company to optimize its benefits. SCRA webinars are also a valuable source of information on a variety of topics, including intellectual property management, business planning, and pitching to investors.

SCRA Member Companies have opportunities to network and share ideas with each other through SCRA-hosted events, such as our Annual Summit. SCRA also sponsors events throughout the state with partners such as InnoVision, SCBIO, SC Council on Competitiveness, SC Chamber of Commerce, SC Department of Commerce, and many more.

There is no obligation for Member Companies to use services provided by Resource Partners, unless otherwise directed as a condition of a grant. Acceptance as an SCRA Member Company authorizes SCRA to share the company's contact and directory information, as well as its non-proprietary company executive summary, with our Resource Partners.

3. Expectations of Membership

A. *Reporting Requirements*

- i. Final Grant Report – The Final Grant Report Template will be distributed to grant recipients thirty (30) days prior to the end of the grant performance period, as defined in the grant. This report is required and failure to submit the Final Grant Report within thirty (30) days after the end of the performance period may result in removal as an active SCRA Member Company. This Final Grant Report measures the Member Company's performance in fulfilling the requirement of the grant and will be referenced should the Member Company request additional funding. The Grant Final Report Template is available on the SCRA [website](#).
- ii. Annual Economic Impact Survey – The Annual Economic Impact Survey must be submitted no later than (60) days after receipt to maintain a company's status as an active SCRA Member Company in good standing. Failure to submit the survey within the specific time frame may result in removal as an active SCRA Member Company. The survey measures the economic impact of SCRA and SCL on South Carolina's economy in compliance with SCRA's legislative reporting mandate. The information is aggregated and does not reveal individual company information.
- iii. Annual Stakeholder Satisfaction Survey – The Annual Stakeholder Satisfaction Survey must also be submitted no later than sixty (60) days after receipt to remain a Member Company in good standing. This survey provides Member Companies and other stakeholders an opportunity to provide feedback, which will be used by SCRA to improve the quality of its service and offerings.

B. *Cross-Marketing*

- i. SCRA includes the successes of Member Companies in all its marketing and communication strategies. This includes our annual reports, news releases, reporter responses, website, social media content, etc.

In turn, Member Companies shall include SCRA when sharing stories of their success, including SCRA program acceptance and SCRA funding. Examples include Member Company news releases, reporter responses, website, and social media content. *Please send news releases, reporter responses, and website content that include SCRA to the SCRA Director of Marketing and Communications for review, prior to releasing.*

When including SCRA in your marketing and communications, please adhere to the following branding style guidelines posted in our online media kit. [[SCRA.org](https://www.scra.org), Click on 'News and Events' in the header, Click on 'Media Kit']

Contact SCRA Director of Marketing and Communications for more information.

SCRA Logo



About SCRA (boilerplate)

Chartered in 1983 by the State of South Carolina as a public, nonprofit corporation, South Carolina Research Authority (SCRA) fuels South Carolina's innovation economy through the impact of its four programs. SC Academic Innovations provides funding and support to advance multi-institutional, translational research and accelerate the growth of university-based startups. SC Facilities offers high-quality laboratory and administrative workspaces for technology-based startups and academic institutions. SC Industry Solutions facilitates and funds partnerships between and among startups, industry, and academia. SC Launch mentors and funds technology-based startups that may also receive investments from SCRA's investment affiliate, SC Launch, Inc.

SCRA Mission Statement

Fueling South Carolina's Innovation Economy

SCRA Vision

Our vision is for South Carolina to be a top innovation destination

4. Advancement of Member Companies

As Member Companies advance in their development, they may be eligible for capital investments in the form of convertible loans or equity investments. Member Companies may also qualify for future, subsequent tranches of investment. In general, Member Companies receiving investments have the following characteristics:

- Strong management team and board of directors/advisors
- Compelling and defensible value proposition
- Well-defined target market
- Scalable go-to-market plan
- Realistic revenue projections
- Strong potential for high-wage job creation in South Carolina

Member Companies deemed potentially eligible for an investment will be provided a Letter of Intent (LOI) and Term Sheet to signal the start of the Due Diligence process. The LOI will include the terms and conditions of the potential investment and will be non-binding.

TERMS OF PARTICIPATION

The purpose of this document is to provide information to companies interested in becoming eligible to become an SC Launch, Inc. (SCL) Portfolio Company by receiving an SCL Investment.

1. SC Launch, Inc. Investment Process

A. Due Diligence

The Due Diligence process begins upon execution of the LOI and Term Sheet. A comprehensive task checklist with firm due dates is included with the LOI. A presentation to select SCL Board members and SCRA staff will be conducted to assist the company in refining its presentation prior to presenting their investment request to the SCL Board, which is the decision-making body for all such investments.

Member Companies approved for funding will receive written communication outlining the terms and conditions under which SCL has agreed to fund the investment. The Member Company is under no obligation to accept the terms presented. A Feedback Packet will be provided to those whose investment request is not approved.

B. SC Launch Portfolio Company

Upon funding of the investment, the Member Company will become an SCL Portfolio Company. Requirements of the SCL Portfolio Company, which are included in the financing agreement, include but are not limited to:

- Keeping their Relationship Manager (RM) informed on all pertinent matters related to the Company
- Obtaining SCRA consent prior to entering any merger, sale, recapitalization of the Company, or making any changes to the Company's governance documents or any substantive legal changes.

C. Financial Statements & Related Information

At least 30 days prior to the beginning of each fiscal year, SCL Portfolio Companies are required to submit to SCRA copies of annual budgets and business plans for the coming year. Within 120 days following the end of each fiscal year, Companies must deliver to SCRA a financial report prepared in accordance with U.S. Generally Accepted Accounting Principles. No later than 45 days after the end of each of the first three fiscal quarters, Portfolio Companies must submit quarterly financial reports. Financial reports are defined as a balance sheet as of the end of the reporting period, an income statement for the quarter and year-to-date for the reporting period, and statements of cash flows for the quarter and year-to-date for the reporting period.

D. Reporting Requirements

- i. Annual Economic Impact Survey – The Annual Economic Impact Survey must be submitted no later than sixty (60) days after receipt to maintain a company’s status as a Portfolio Company in good standing. The survey measures the economic impact of SCRA and SCL on South Carolina’s economy. The information is aggregated and does not reveal individual company information.
- ii. Annual Stakeholder Satisfaction Survey – The Annual Stakeholder Satisfaction Survey must also be submitted no later than sixty (60) days after receipt to remain a Portfolio Company in good standing. This survey provides Portfolio Companies and other stakeholders an opportunity to provide feedback, which will be used by SCRA to improve the quality of its offerings.

E. Cross-Marketing

SCRA includes the successes of SCL Portfolio Companies in all its marketing and communication strategies. This includes our annual reports, news releases, reporter responses, website, social media content, etc.

In turn, SCL Portfolio Companies shall include SCRA and SCL when sharing stories of their success, including SCRA and SCL funding. Other examples include reports, videos, news releases, reporter responses for coverage, events, website, and social media content.

When including SCL in your marketing and communications, please adhere to the following branding style guidelines posted in our online media kit. **[SCRA.org, Click on ‘News and Events’ in the header, Click on ‘Media Kit’]**

SC Launch, Inc. Logo (Investments only. Do not use for grants, other funding, or support)



About SC Launch, Inc., SCRA’s investment affiliate (boilerplate)

Established in 2006, SC Launch, Inc. is an independent, nonprofit corporation affiliated with SCRA, which provides loans and investments to selected South Carolina-based companies participating in the SC Launch Program.

Contact SCRA Director of Marketing and Communications for more information.

[Signature page follows]

TERMS OF MEMBERSHIP

SIGNATURE PAGE

IN WITNESS WHEREOF, the signatory hereby acknowledges and agrees to the terms set forth herein.

[COMPANY NAME]

Accepted By: _____

Name: _____

Title: _____

Date: _____