



## SCRA PROGRAM: TERMS OF MEMBERSHIP

The purpose of this document is to provide information to companies interested in becoming SCRA Member Companies.

### 1. Background

The South Carolina Research Authority (SCRA) is 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 of academia, entrepreneurship, and industry. In that context, SCRA focuses on technology-based companies in the following broad areas:

- Advanced Manufacturing and Materials
- Life Science
- Information Technology

### 2. Benefits & Expectations

#### A. New Applicants

Applicants 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.

Subsequent to the CoRvw presentation, the assigned RM will share the team's findings with the Applicant. Applicants selected for membership will receive a Welcome Packet and will be subject to background checks of the company and the firm's principals. 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 or written information.

## B. Goals and Benefits of SCRA

### *i. Grants*

SCRA Member Companies can apply for grants and grant matching, subject to each SCRA program's specific terms and eligibility. Those programs are described in the document titled "*Grant Programs – Qualification and Processing Procedures*". Eligibility and decisions for all grants are determined solely by the SCRA team.

Below are potential funding opportunities through grants:

- Project Development Fund (PDF) Grants
- Acceleration Grants
- Demonstration Project Grants
- Relocation Grants
- Federal Small Business Innovation Research (SBIR) or Small Business Tech Transfer (STTR) Phase I Awards Matching Grants
- Academic Startup Assistance Program (ASAP) Grants

### *ii. Relationship Manager*

It is the RM's responsibility to assist the Member Company as mentor and advocate. The RM offers business experience, networking opportunities, and specialized resources to the Member Company.

### *iii. Resource Partner Network*

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 you avail yourself of Resources Partner services, reference your status as an SCRA Member Company to optimize your benefits.

There is no obligation for Member Companies to use services provided by Resource Partners, unless otherwise directed as a condition of certain grants. Your acceptance as an SCRA Member Company authorizes SCRA to share your contact and directory information, as well as your non-proprietary company executive summary, with our Resource Partners.

## C. Guidelines & Expectations

### *i. Annual Survey Requirements*

The timely response to the annual economic impact survey is a requirement to maintain your status as a Member Company. The failure to submit the survey in a timely manner may result in removal as an active SCRA Member Company. The survey is essential in that it measures the economic impact of SCRA on South Carolina's economy in compliance with SCRA's legislative reporting mandate. The information is aggregated and does not reveal individual company information.

The timely response to the annual stakeholder satisfaction survey is also a requirement to remain as a Member Company in good standing. This survey affords Member Companies and other stakeholders an opportunity to provide feedback which will be used by SCRA to improve the quality of its offerings.

### *ii. Final Grant Report*

The Final Grant Report is 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 timely submit the Final Grant Report may result in removal as an active SCRA Member Company. This Final Grant Report measures the Member Company's performance in fulfilling the requirements of the grant and will be referenced should the Member Company request additional funding.

### *iii. Marketing*

South Carolina Research Authority (SCRA) includes the successes of Member Companies in all of its marketing and communication strategies. This includes annual reports, news releases, reporter responses, website content, and social media content.

In turn, Member Companies shall include SCRA when sharing stories of success, including SCRA program acceptance and SCRA funding. Examples include Member Company news releases, reporter responses, website content, 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, 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

### 3. Advancement of Member Companies

As Member Companies advance in their development, they may be eligible for seed capital investment in the form of convertible loans or equity investments. Initial investments range from \$150,000 to \$300,000, and Member Companies may also qualify for future, subsequent tranches of investment. Generally, 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 investment will be provided a Letter of Intent and Term Sheet (LOI) that will 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.



## SC LAUNCH, INC: 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 Letter of Intent and Term Sheet (LOI). A comprehensive task checklist with firm due dates is included with the LOI. A presentation to select SC Launch, Inc. Board members and SCRA staff will be conducted to assist the company in refining their 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 was 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: (1) Keeping their Relationship Manager (RM) informed on all pertinent matters related to the Company; (2) Obtaining SCRA consent prior to entering any merger, sale, or reorganization; (3) Recapitalization of the Company; and (4) Making any changes to the Company's governance documents or any substantive legal changes.

##### *i. 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 financial reports 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, 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.

*ii. Annual Survey Requirements*

The timely response to the annual economic impact survey is a requirement to maintain your status as a Portfolio Company in good standing. The survey measures the economic impact of SC Launch on South Carolina’s economy. The information is aggregated and does not reveal individual company information.

The timely response to the annual stakeholder satisfaction survey is also a requirement 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.

*iii. Marketing*

South Carolina Research Authority (SCRA) includes the successes of SCL Portfolio Companies in all its marketing and communication tactics. This includes the annual report, videos, news releases, reporter responses for coverage, events, website content, and social media content.

In turn, SC Launch Portfolio Companies shall include South Carolina Research Authority (SCRA) and SC Launch, Inc. when sharing stories of success. Examples include reports, videos, news releases, reporter responses for coverage, events, website content, and social media content.

When including SC Launch, Inc. 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 or 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]

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

[COMPANY NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_