

# Terms and Conditions

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Mandatory fields are denoted with an asterisk (\*).

## Terms and Conditions

This is a summary of the terms and conditions for accessing seed funding from SDTC

1. The SDTC Seed Funding will be up to a maximum of C\$100,000.
2. If SDTC agrees to provide funding, such funding will be provided pursuant to a definitive agreement (the “Funding Agreement”, or the “Agreement”) entered into between the Recipient and SDTC. The Recipient must demonstrate that all required conditions have been met to the satisfaction of SDTC before the Agreement will be entered into.
3. The Recipient is Canadian owned and domiciled and has been nominated by an accredited Canadian accelerator.
4. The Recipient’s project consists of pre-commercial innovative technology with clear environmental benefits.
5. The Recipient does not have prior funding from SDTC nor has they been rejected for seed funding by SDTC in the past 18 months.
6. The Recipient should have received in the bank at least 200% of the requested amount from private sources in the form of equity (not debt) without recourse within the past 9 months.
7. Total Public Funding cannot be more than 75% of the project funding.
8. No finder’s fee shall be payable by the Recipient, or the Recipient’s founders or investors in respect to the success of this proposal.
9. Each of the Founder(s) shall devote 100% of his/her professional time to the Recipient. Any other activities will require the approval of Recipient’s independent Board members.

10. Any past activities with SDTC by any of the Recipient Founders, board members or major investors should have been disclosed to SDTC as part of this application package.
11. SDTC's funding will be used to fund the Recipients' operations. Under no circumstances is SDTC's funding to be used for payment or repayment of any investor or any payments outside the ordinary course. Any such payments will constitute a breach of the Agreement and will subject Recipient to immediate repayment of funded amounts to SDTC.
12. SDTC funding will not be used for any expenses deemed 'ineligible' as per SDTC guidelines.
13. SDTC's funding is repayable by the Recipient only upon: (a) an event of default under the Funding Agreement; (b) the sale of the Recipient or a material portion of Recipient's assets during the Funding Period (3 years after receipt of funds) to an entity with a headquarters outside Canada; (c) a breach of the funding requirements; (d) any allegation of fraud or a material mis-statement of facts in the Funding Proposal; (e) an overpayment made by SDTC to the Recipient.
14. During the term of the Funding Agreement, the Recipient will provide an annual progress report and include SDTC on all communications with shareholders. This is a summary of the terms and conditions for accessing seed funding from SDTC.
15. Recipient shall share annual financial statements with SDTC and founders will make reasonable efforts to attend SDTC conferences as possible during the funding period.
16. Subject to the terms of the Funding Agreement, SDTC will not have any rights to any intellectual property developed by Recipient. The Funding Agreement will provide that, upon certain situations of default by Recipient, the Recipient will convey directly to the Government of Canada a perpetual, royalty-free, sub-licensable license to exercise Recipient's intellectual property rights. Recipient will disclose to SDTC any arrangements and agreements with respect to the ownership of intellectual property developed during the Funding Period.

17. The Recipient may not transfer the Intellectual Property to a non-resident of Canada during the Term of the funding period without first repaying to SDTC an amount equal to the Contribution plus an amount equal to ten percent (10%) of the Contribution. Further, if a transfer to a nonresident of Canada occurs and SDTC is not provided at least 21 days' prior notice, the Government of Canada will be granted a non-exclusive, royalty-free license to use, commercialize, modify and sublicense the Intellectual Property and background intellectual property.

#### Declaration of Ineligible Costs

This declaration assures that the SDTC funds will not be utilized for any of the following expenses deemed ineligible funds by the company. SDTC reserves the right to claim back or cut back funding if any ineligible costs are expensed towards the project funding.

(Examples of SDTC eligible expenses provided overleaf)

1. general overhead costs of the Recipient, including operating costs related to general maintenance and repairs;
2. costs to decommission the Project;
3. Capital costs associated with ongoing scientific or technical activities of the Recipient;
4. costs associated with the subsequent diffusion of the technology;
5. fees and expenses incurred in relation to lobbying or government relations activities;
6. contingency Fees; and
7. legal and financing fees and costs, other than legal fees for obtaining an Intellectual Property Right.

#### Examples of SDTC Eligible Costs

Eligible Project Costs means costs that are directly attributable to the Project and consist of:

- a. professional, scientific, technical and contractual services costs (including trades, contracts for project and financial audits, third party verification);

- b. field testing services;
- c. feasibility studies related to the Project;
- d. salaries and benefits, including administrative labour related to the Project;
- e. professional and administrative fees related to obtaining an Intellectual Property Right;
- f. licence fees and permits;
- g. supplies and equipment, including the costs to purchase, rent, fabricate and install supplies and equipment;
- h. furniture (pro-rated amount as applicable);
- i. purchase, installation, testing and commissioning of equipment, materials and products, including diagnostic and testing tools and instruments, repair and upgrade;
- j. laboratory and field supplies and materials;
- k. reasonable travel and conference expenses related to the Project;
- l. printing and production services;
- m. shipping costs, including customs costs;
- n. utilities, waste removal, consumables (i.e. items used up completely during the Project such as motor oil, lubricants, transmission fluids);
- o. data collection services, including processing, analysis and management;
- p. communication and distribution costs;
- q. translation costs;
- r. capital items specifically required for the delivery of the Project, including the lease of land or license to use land, data collection equipment, prototypes, pilot plants or demonstration facilities, provided that they have no residual value beyond the Period of Funding, as determined by Recognized Accounting Standards; and
- s. the depreciation expense of capital items during the Period of Funding (i.e. cost of utilization) that have residual value as determined by Recognized Accounting Standards.

# Applicant Information

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**Founder/CEO Name \***

**Email \***

**Phone Number \***

**Does applicant have external advisors? \* (Yes/No)**

**Relevant Advisors(1000 characters remaining)**

**Accelerator/Partner**

## **Innovation and Sustainability Benefits**

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Mandatory fields are denoted with an asterisk (\*).

### **Problem Statement \***

### **Sustainability Issues \***

### **Technology Solution \***

**Nature of Primary Benefits \***

**Other**

**Nature of Secondary Benefits \***

**Other**

**Technology Readiness Level (TRL 1-9) - At the beginning of project \***

**Technology Readiness Level (TRL 1-9) - At the end of project \***

**IP Strategy \***

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### Intellectual Property

<b>Innovation Protected</b>	<b>Type</b> (Patent, Trade Secret, Trademark, Copyright)	<b>Status</b> (Granted, Pending, Actively Controlled, Anticipated)

## Financial Information

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Mandatory fields are denoted with an asterisk (\*).

**In order to be eligible, the company must have raised at least \$100,000 in private equity from accredited investors. Has the company raised at least \$100 000 in private equity or through a SAFE agreement in the last 12 months? Convertible debt is not eligible. \***  
**(Yes / No)**

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**How much total equity raised? \***

**Amount Requested from SDTC (\$) \***

The amount requested from SDTC must be between 50,000-100,000 (inclusive). Firms will need to demonstrate fundraising of at least \$100,000 from the previous 12 months to be eligible to receive funding from SDTC (must be equity, SAFEs, or convertible notes that have converted). SDTC will match up to 50% of a firms' fundraising amount within the \$50,000-\$100,000 range (e.g., Firm A has raised \$150,000 in last twelve months, they will be able to request a maximum of \$75,000. Firm B has raised \$500,000 in last twelve months, they will be able to request a maximum of \$100,000. Firm C has raised \$100,000 in the last twelve months, they will be able to request a maximum of \$50,000).

**Cash Balance - Current Position (\$) \***

**Cash Balance - Expected in 12 Months \***

**Average Monthly Expenses - Current Position \***

**Average Monthly Expenses - Expected in 12 Months \***

**Average Monthly Technical Salary Expenses - Current Position \***

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**Monthly Technical Salaries Expenses - Expected in 12 Months \***

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**Average Monthly Revenues - Current Position \***

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**Average Monthly Revenues - Expected in 12 Months \***

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**Investors**

<b>Name of Investor *</b>	<b>Amount</b>	<b>Investment Vehicle</b> (Equity – Preferred, Equity – Common, SAFE, Convertible Note, Debt)	<b>Date</b>

**Financing Rounds**

<b>Round Type *</b> (Friends and Family, Pre-Seed, Seed, Series A,	<b>Close Date *</b>	<b>Investment Vehicle *</b> (Equity – Preferred, Equity – Common, SAFE,	<b>Total Amount Raised *</b>	<b>Lead Investor /Institution *</b>	<b>Are there significant terms in the agreement that SDTC should be aware of? (No/Yes)</b>	<b>Significant Terms *</b>

Series B, Series C)		Convertible Note, Debt)				

## Shareholders

List all shareholders in the following categories: Founders (individually listed by name), accredited investors (individually listed by name), institutional investors (individually listed by organization), employees (can be provided as a single entity), and other (such as friends and family, which should be listed as a single entity).

<b>Shareholder Name *</b>	<b>Type</b> (Shareholder, ESOP Grant, Employee, Other)	<b>Other</b>	<b>Percentage</b>

## Project Information

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Mandatory fields are denoted with an asterisk (\*).

**How will this contribution benefit your company? How will the funds be used? \***

**Where will the company be in 12 months? What are the key outcomes expected? How advanced do you anticipate product development to be? Commercial linkages? Growth of team capability? \***

**List other suppliers, partners, contractors who you expect to work with in the next 12 months \***

**List the top 3-5 risks that you face as a company in order. Risks can include: technical, human skill, geopolitical, commodity prices, legislative, competitive. \***

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**Key Customers \***

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**Project Locations**

Street	City	Province	Postal Code

# Eligible Project Costs

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Mandatory fields are denoted with an asterisk (\*).

[Examples of SDTC Eligible Costs:](#)

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- c. feasibility studies related to the Project;
- d. salaries and benefits, including administrative labour related to the Project;
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- f. licence fees and permits;
- g. supplies and equipment, including the costs to purchase, rent, fabricate and install supplies and equipment;
- h. furniture (pro-rated amount as applicable);
- i. purchase, installation, testing and commissioning of equipment, materials and products, including diagnostic and testing tools and instruments, repair and upgrade;
- j. laboratory and field supplies and materials;
- k. reasonable travel and conference expenses related to the Project;
- l. printing and production services;
- m. shipping costs, including customs costs;
- n. utilities, waste removal, consumables (i.e. items used up completely during the Project such as motor oil, lubricants, transmission fluids);
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- s. the depreciation expense of capital items during the Period of Funding (i.e. cost of utilization) that have residual value as determined by Recognized Accounting Standards.

**Salaries & Benefits \***

**Travel \***

**Consultants & Contractors \***

**Equipment \***

**Marketing & Business Development \***

**SG&A \***

**Cost Other (IP etc.) \***

**Total Costs**

**SDTC Contribution**

## % SDTC Funding

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## Other Project Funding Sources

List any sources of funds that will go towards the project outside of funds committed by your organization and SDTC.

<b>Name</b>	<b>Source</b> (Investor, Lender, Government Funding, Partner Funding, Revenues, Other)	<b>Description</b>	<b>Type</b> (Debt, Equity, Other)	<b>Amount</b>

## Supporting Documents

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Please include the listed documents below. Applicants should ensure to use easily identifiable file names and add file descriptions where necessary. Aggregating certain file types into a single document is acceptable (e.g. combining all relevant CVs into one master CV document).

- Investor Deck
- Executed Shareholder Agreements and Term Sheets
- Funding Summary and Capitalization Table

- Monthly Banking Statements (3 months)
- CV of Key Team members
- Financial Statements and Financial Model (if available)
- Accelerator Reference Letter
- Other relevant documents (or access to data room created for other investors)

## Declaration

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Please read the following declaration before submitting your application. Electronic submission of the application to SDTC indicates acceptance of and agreement to, and legally binds the lead applicant (as defined herein) to the terms and conditions of this declaration.

To: Canada Foundation for Sustainable Development Technology  
"SDTC"

Re: Submission of Application Form (the "Application") by a Company (the "Lead Applicant") on behalf of organization(s) applying for SDTC funding.

It is hereby acknowledged and agreed that SDTC is relying on the information provided herein and in the Application submitted to SDTC by the Lead Applicant for all purposes relating to the Application for funding and that by submitting the document electronically the undersigned acknowledges that he or she has reviewed, and that the Lead Applicant is in compliance with, all applicable terms and conditions as stated within the SDTC program highlights. The undersigned hereby acknowledges and agrees that:

- (a) SDTC will keep information provided by the Lead Applicant confidential except as required by law;
- (b) the information provided herein and in the Application may be

shared by SDTC with other agencies or third parties who are part of the assessment of the Application;

(c) the individuals or organizations referred to in the Application may be contacted directly by SDTC as part of the assessment of the Application; and

(d) if the Lead Applicant's project (the "Project") is selected for SDTC funding, the Project consortium members will complete an environmental self-assessment to determine if any environmental assessments are required under federal, provincial, territorial or municipal legislation and if it is determined that such an environmental assessment is required, the Lead Applicant shall be responsible for ensuring that such environmental assessment is completed.

The applicant hereby represents and warrants that:

(a) there are no actions, suits, investigations or other proceedings pending or, to the knowledge of the undersigned, threatened against the Lead Applicant which could materially impact the Project or the Project assets, including any intellectual property forming part of the Project;

(b) all factual matters contained in the Application are true and accurate, and that all estimates, forecasts and other related matters involving judgment were prepared in good faith and to the best of the Lead Applicant's ability, skill and judgment; and

(c) the Application does not contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

**No Contingency Fees:**

Applicants for SDTC funding shall not pay, or agree to pay, either directly or indirectly, any contingency fees for the solicitation, negotiation, or obtaining of SDTC funding, to any person including a

broker, consultant or advisor. "Contingency fee" means any payment or other compensation that is contingent upon or is calculated upon the basis of a degree of success in soliciting or obtaining SDTC funding. It is SDTC policy that any applications or proposals that involve the payment of a contingency fee will be rejected.

The applicant agrees to have read, understood and to abide by the obligations and requirements relating to the No Contingency Fees clause above.

Funding Process and Funding Timelines Acknowledgement:

The applicant agrees to have read and acknowledged SDTC's Funding Process and Funding Timelines as stated on the SDTC website.

Costs Incurred:

Any and all costs incurred in responding to this application, meetings, or any other related activities are the sole responsibility of the Applicant.