

Loan agreement

between

THE FOUNDATION FOR TECHNOLOGICAL INNOVATION STI

hereinafter referred to as STI

c/o BFH Spin off Park

Seevorstadt 103b

2501 Biel/Bienne

and

“Last name, first name”

“Address”

“Postcode, town”

and

“Last name, first name”

“Address”

“Postcode, town”

“Last name, first name” and “Last name, first name” invest the full amount in the start-up company “XXX” together and are hereinafter referred to as
the BORROWERS

Preamble

The STI guarantees the owners, founders or significant stakeholders of start-up companies financial support in the form of long-term, interest-free loans to realise projects that serve to develop the company. Support is given in particular to promising technological innovations that are developed in collaboration with the EIT (Department of Engineering and Information Technology) or the AWCE (Department of Architecture, Wood and Civil Engineering) at the Bern University of Applied Sciences (BFH) and the UniBE (University of Bern).

“Description of the applicants’ stake in the start-up company”

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The BORROWERS are familiar with the concept and objectives of the STI and agree to the conditions.

Project

The BORROWERS' project application includes "Brief project objectives". The project includes the following milestones:

Milestone 1:

Milestone 2:

Milestone 3:

ART. 1 STI services

1.1 Loan

The STI grants the BORROWERS a loan of CHF xxx,000.-- (xxx hundred thousand Swiss francs) under the conditions defined by this agreement.

1.2 Support

The BORROWERS and the start-up company are supported by a coach provided by the STI to assist with the implementation of the project. The coach helps the company to achieve the business objectives defined by the project.

By signing the loan agreement the BORROWERS consent to work closely with the coach and to provide the coach with transparent reporting.

ART. 2 General conditions for the loan

2.1 Payment

The loan is paid in two tranches. The first tranche amounts to xxx,000 and is paid into the BORROWERS' joint private account once the agreement has been signed. The second tranche amounts to xxx,000 and is paid once milestone x has been reached. Within three months the BORROWERS will provide the STI with evidence that the amount has been assigned to the start-up company, which usually has an account with the BEKB/BCBE bank. The coach "Name" determines when the milestone has been reached and informs STI management.

The STI is authorised to withhold the second tranche of the loan if one of the BORROWERS is subject to Art. 316 of the Swiss Code of Obligations (BORROWER insolvency).

2.2 Joint liability of the BORROWERS

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By signing this loan agreement both BORROWERS accept individual liability for the repayment of the entire loan debt to the STI. The STI is authorised to demand repayment from either of the individual BORROWERS of either a partial amount or the entire loan debt in accordance with the provisions of this loan agreement. Both BORROWERS remain liable until the entire loan debt has been repaid (subject to Art. 2.5 below).

Art. 143 ff. of the Swiss Code of Obligations applies to this loan agreement providing no different agreement has been made.

2.3 Interest

The loan is interest free. As soon as the BORROWERS are in arrears with the loan repayments in accordance with the provisions of this loan agreement, default interest of 5% p.a. is payable.

2.4 Duration

The loan is granted over three years, with the three year period commencing once this agreement is signed. After three years the BORROWERS submit a repayment plan that has been agreed with the coach. The repayment must be made in full within a maximum of eight years after the loan has been granted (payment of the first tranche). Art. 2.5 (case of hardship) and Art. 4 (early repayment of the loan) remain reserved, as detailed below.

2.5 In case of hardship

The BORROWERS must repay the loan in accordance with the provisions of this agreement. This principle applies irrespective of business performance including cessation of business and/or the initiation of insolvency proceedings.

However, in the event of cessation of business and/or initiation of insolvency proceedings, either of the BORROWERS may make a duly substantiated request through the start-up company to the STI, whereby repayment of the loan represents extraordinary circumstances of hardship, and there may therefore be a full or partial deferral of and/or remission from loan repayments. The reason for the application must include a detailed explanation of the BORROWER's personal, financial circumstances, which have to be documented with appropriate evidence (tax declaration etc.).

The STI assesses the application according to the criteria of the STI, i.e. no legal claim to complete or partial deferral of or remission from the loan debt can be made by the requesting BORROWER on the basis of this clause in the agreement.

The granting of deferral and/or remission of part or all of the loan debt by the STI shall only apply to the BORROWER to whom this has been expressly granted. The other BORROWER remains liable with regard to Art. 147 Para. 2 of the Swiss Code of Obligations for the prompt repayment of the loan debt in accordance with the provisions of this loan agreement. This also applies in the event that both BORROWERS individually submit requests i.e. the requests are assessed separate-

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ly and the respective decision made by the STI only affects the BORROWER to whom a deferral and/or remission of part of or all of the loan debt has been expressly granted. By signing this loan agreement the BORROWERS declare their consent to this ruling.

2.6 Start-up company

If the STI money is paid into the start-up company in the form of a loan it has to be declared there. If the loan is transferred to the company then the BORROWERS are obliged to impose the conditions of this agreement on the company.

ART. 3 BORROWER obligations

3.1 Obligation

The BORROWERS are obliged to use the loan exclusively for setting up the start-up company and for implementing the project.

3.2 Duty to provide information

The BORROWERS must provide the STI with regular information through the coach – at least once a year – about the development of the start-up company and the progress of the project. This occurs by the BORROWERS completing the finance cockpit provided by the STI and providing the STI with the current balance, income statement and budget.

3.3 Inclusion of the beneficiary company

The BORROWERS must obtain a Letter of Intent from the beneficiary company to the effect that it shall support the STI Foundation with a substantial amount in the event of sustained business success.

ART. 4 Early repayment of the loan

4.1 Withdrawal for personal reasons

If one of the BORROWERS leaves the start-up company for personal reasons and no longer pursues the project, then the amount of the loan that has already been paid out must be repaid within six months of the BORROWER's departure from the start-up. The STI is not required to serve notice on the loan in this instance, as both BORROWERS expressly recognise by signing this loan agreement. Art. 2.5 remains reserved.

The remaining BORROWER in the start-up company may submit a request to the STI to continue the loan agreement as sole BORROWER in accordance with the provisions of this loan agreement. The STI makes a decision on this request at its own discretion. If the STI declines this request, the amount of the loan already paid

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out still has to be repaid within six months of the departure of the other BORROWER. The STI is not required to serve notice on the loan.

4.2 Withdrawal for technical or economic reasons

If one or both BORROWERS decide not to proceed with the project for technical or economic reasons, the remaining debt from the STI loan must be repaid by the BORROWERS within six months without requiring notice on the loan – unless there is a different agreement between the contracting parties, which serves the best economic interests for the development of the start-up company.

If only one of the two BORROWERS decides not to proceed with the project for technical or economic reasons, then the remaining BORROWER in the start-up company can submit a request with the STI to continue the loan agreement as sole BORROWER in accordance with the provisions of this loan agreement. The STI makes a decision on this request at its own discretion. If the STI declines this request, the amount of the loan already paid out still has to be repaid within six months of the departure of the other BORROWER. The STI is not required to serve notice on the loan.

If the company completely ceases its activities, then the remaining debt owed to the STI from the BORROWERS' loan must be repaid within six months. No notice is required in this case. In either case, Art. 2.5 remains reserved.

4.3 Sale of the start-up company

If the start-up company is sold, the amount of the loan already paid out must be repaid within six months of the sale of the company, without any requirement for the STI to serve notice on the loan. Art. 2.5 remains reserved. We can speak of a sale when the share or membership rights, 100% of which were held by the owner of the start-up company when this agreement was signed, fall below a quota of 34%.

4.4 Territorial clause

The start-up company has its location and its main business activity – which is judged as the place where most employees are based – in one of the cantons BE, SO, NE, FR, JU.

If the company location is transferred to a canton not named above or to a foreign country then the amount already paid out under the terms of the loan agreement has to be repaid within six months of the change of location, without requiring notice from the STI.

The same applies if the start-up company transfers its main business activity to a canton other than those mentioned above or to a foreign country, in particular but not exclusively by founding subsidiaries, opening branch offices, sites etc. and/or by becoming a stakeholder in other companies.

The BORROWERS must provide the STI with relevant information as soon as it is requested and must also supply appropriate documentary evidence. If the

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BORROWERS fail to meet this request within the specified time and/or if the information supplied and/or the evidence submitted does not allow for a definitive assessment, then the STI is authorised to demand repayment by registered post of the full amount already paid under the terms of the loan agreement within six months.

4.5 Early repayment

The BORROWERS can repay the loan ahead of schedule at any time. The STI can demand early repayment if one of the two BORROWERS or both BORROWERS do not adhere to this agreement or if either or both are guilty of serious impairment to the interests of the STI or the sponsor. In this case the STI will request the repayment in a duly substantiated letter, sent by registered post. The amount of the loan that has already been paid out must then be repaid within six months. By signing this loan agreement both BORROWERS expressly recognise that both BORROWERS can also be required to make early repayment on the loan if only one of the two BORROWERS does not adhere to the agreement or is guilty of serious impairment to the interests of the STI or the sponsor.

ART. 5 Liability

No STI body and no expert, coach or other person commissioned by the STI is responsible for the actions, omissions or obligations of the BORROWERS. In particular, the STI is not responsible for the contents or results of support and advice services and cannot be held liable.

The BORROWERS and the start-up company are free to decide whether to follow the advice or recommendations of the advisory person or not.

ART. 6 Confidentiality

The STI undertakes not to forward any confidential information about the BORROWERS or the start-up company to other parties, with the exception of information that is already in the public domain through other channels. This obligation applies for three years after the termination of this agreement.

Information provided by young entrepreneurs is made available in their name and in the name of their company.

However, the STI may mention the BORROWERS it is supporting, the start-up company and the size of the loan in its communication at any time.

ART. 7 Changes to the agreement

Any change to this agreement must be made in writing.

If a provision in this agreement is not applicable it will be replaced by a provision that meets the original intentions of the contracting parties as closely as possible, by mutual agreement.

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ART. 8 Applicable law and place of jurisdiction

This agreement is governed exclusively by Swiss law. The place of jurisdiction is Biel, not precluding any mandatory place of jurisdiction. The German version of this loan agreement prevail.

This agreement is produced in three original copies and signed by the parties or their representatives specified below:

Foundation for technological innovation STI

Place and date:

Signatures:

Dr. Lukas Rohr

Marcel Oertle

Borrower: "Name"

Place and date:

Signature:

"Name"

Borrower: "Name"

Place and date:

Signature:

"Name"

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