STI Loan Information Sheet

Background

You have an innovative technological idea and want to turn it into a commercial success. As the driving force behind this innovation, you are involved in two capacities: as a private individual and through your company.

The Personal Loan

The STI Foundation's objective is to help your project succeed and supports its financing through an interest-free loan. To this end, you sign a loan agreement with the STI Foundation as a private individual (Agreement 1).

- The STI loan is paid out to your personal bank account.
- As a private individual, you are personally responsible for the rights and obligations arising from this loan agreement and are personally liable to the STI Foundation for repayment of the loan.
- If several individuals sign the loan agreement as joint and several debtors, the STI Foundation may claim the outstanding amount from any one of them individually, regardless of any internal allocation arrangements.
- Your personal repayment obligation exists regardless of how you contribute the money to your company and irrespective of the company's economic performance.

Contribution to your Company

- The loan must be transferred in full to your company (AG/Ltd. or GmbH/LLC) and used for the agreed innovation project, either as equity or debt financing.
- For the arrangement between you and your company (Agreement 2), we recommend seeking advice from a financial professional.

Diagram: Contractual Relationships Between the Parties



Agreement 1: Loan agreement between STI Foundation and private individual ('personal loan')
Agreement 2: Agreement between private individual and company

Risks and Obligations

Financing start-ups involves significant economic risks.

- If your project fails, you remain personally responsible for the STI loan and must continue to repay it.
- Agreements between you and your company do not alter your obligations towards the STI Foundation.
- Keep the STI Foundation informed about the progress of your project and notify it at an early stage of any delays or difficulties.
- Document in writing how the funds are contributed to your company.

Disclaimer: This information sheet is intended to explain the fundamental principles of the STI loan. Only the provisions of the signed loan agreement are legally binding.