Loan agreement

between

THE FOUNDATION FOR TECHNOLOGICAL INNOVATION STI

hereinafter referred to as STI
c/o BFH TI
Quellgasse 21
2501 Biel/Bienne

and

"Last name, first name"
"Address"
"Postcode, town"

"Last name, first name" invests the full amount in the start-up company "XXX" and is hereinafter referred to as
the BORROWER

Muster

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 applicant's stake in % in the start-up company"

The BORROWER is familiar with the concept and objectives of the STI and agrees to the conditions.

Project

The BORROWER'S 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 BORROWER a loan of CHF xxx,000.-- (xxx hundred thousand Swiss francs) under the conditions defined by this agreement.

1.2 Support

The BORROWER 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 BORROWER consents 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 CHF xxx,000 and is paid into the BORROWER'S private account once the agreement has been signed. The second tranche amounts to CHF xxx,000 and is paid once milestone x has been reached. Within three months the BORROWER 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's "Name" determines when the milestone has been reached and informs STI management.

The STI is authorised to withhold the second tranche of the loan in accordance with Art. 316 of the Swiss Code of Obligations (BORROWER insolvency).

2.2 Interest

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

2.3 Duration

The loan is granted over three years, with the three-year period commencing once this agreement is signed. After three years the BORROWER submits 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. 2.4 (case of hardship) and Art. 4 (early repayment of the loan) remain reserved, as detailed below.

2.4 In case of hardship

The BORROWER 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.

Muster

However, in the event of cessation of business or initiation of insolvency proceedings, the BORROWER 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 BORROWER on the basis of this clause in the agreement.

2.5 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 BORROWER is obliged to impose the conditions of this agreement on the company.

ART. 3 BORROWER obligations

3.1 Obligation

The BORROWER is 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 BORROWER 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 BORROWER 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 BORROWER 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 the BORROWER 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. Art. 2.4 remains reserved.

Muster

4.2 Withdrawal for technical or economic reasons

If the BORROWER decides not to proceed with the project for technical or economic reasons, the remaining debt from the STI loan must be repaid by the BORROWER within six months without requiring notice on the loan – unless there is a different agreement between the contractual partners, which serves the best economic interests for the development of the start-up company. If the company completely ceases its activities, then the remaining debt owed to the STI from the BORROWER's loan must be repaid within six months. No notice is required in this case. In either case, Art. 2.4 remains reserved, as above.

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. 2.4 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 BORROWER must provide the STI with relevant information as soon as it is requested and must also supply appropriate documentary evidence. If the BORROWER fails 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 BORROWER can repay the loan ahead of schedule at any time. The STI can demand early repayment if the BORROWER does not adhere to this agreement or is 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.

Muster

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 BORROWER. In particular, the STI is not responsible for the contents or results of support and advice services and cannot be held liable.

The BORROWER 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 BORROWER 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 made available by young entrepreneurs is given in the name of the person and the company.

However, the STI may mention the BORROWER 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 parties to the agreement as closely as possible, by mutual agreement.

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 two original copies and signed by the parties or their representatives specified below:

Muster

_____

Foundation for technological innovation STI

Place and date:

Signatures:

President STI Vice-President STI

Borrower:

Place and date:

Signature:
“Name”

Muster