Acceleration Agreement

v2.1

This Acceleration Agreement (“**Agreement**”) was entered into on [insert date] between the following parties:

1. **Innovation Fund**,entity incorporated in accordance with the Law on Innovation, with registered seat at the address Nemanjina 22-26, Belgrade, Serbia, registration number 20154691(“**IF**”), and
2. **[insert name]**, a companyincorporated in Serbia, with registered seat at the address [insert address], registration number [insert number], (“**Company**”) and
3. **[insert name]**, from [insert place], personal identification/passport number [insert number], with the residence at the address [insert address], and
4. **[insert name]**, from [insert place], personal identification/passport number [insert number], with the residence at the address [insert address].

([insert name of the founder] and [insert name of the founder] are hereinafter referred to as the “**Founders**” and each of them as a “**Founder**”. The IF, the Company and the Founders are hereinafter referred to as the “**Parties**” and each of them as a “**Party**”).

**Preamble**

1. In scope of the Serbia Acceleration, Innovation and Growth Entrepreneurship (SAIGE) Project, the IF has organized Katapult Accelerator (“**Katapult**”) under which it offers acceleration services and grants to the eligible companies.
2. The Company applied to Katapult, was selected to participate, and has started receiving Services, as defined below.
3. Parties wish to regulate their mutual rights and obligations in relation to the Company’s participation in Katapult.

## Subject of the Agreement

* 1. The Parties hereby regulate their mutual rights and obligations in relation to the following:
     + 1. provision of acceleration services to the Company and the Founders by the IF,
       2. provision of grants to the Company by the IF,
       3. rights and obligations of the Company and the Founders in relation to the acceleration services and grants,
       4. reporting and monitoring,
       5. other important issues in relation to the participation of the Company and the Founders in Katapult.

## Acceleration Program

* 1. The IF undertakes to provide to the Company and the Founders, in course of Katapult, all aspects of business strategy and go-to-market support through a combination of a structured training and hands-on experimentation with mentors for implementation of the business initiative defined in the Company’s application for the Katapult (“**Project**”). Such acceleration support will be provided through acceleration services (“**Services**”) which shall be agreed between the Parties and disclosed in an annex to this Agreement and delivered over a defined three-month duration (“**Acceleration Period**”).
  2. The Company and the Founders acknowledge that they are familiar with all documents in relation to the Project and hereby give their explicit and irrevocable consent that any and all documents in relation to the Project shall be binding for the Company and the Founders and shall be in force in addition to this Agreement and any annexes, as in force from time to time.
  3. The IF undertakes to provide Services from its in-house resources or through third-party arrangements. Once the Acceleration Period has started, such Services will be provided over the course of three months. As deemed necessary, the IF retains the right to extend the Acceleration Period are provided, and if extended, the IF will inform the Company and the Founders via email.
  4. The Company and the Founders undertake to participate in all components/elements of the acceleration program through which Services are delivered (received), including, but not limited to, dedicated workshops and lectures, weekly sessions with lead mentors, meetings with expert mentors as well as completion of weekly feedback and report in the manner explained in the Program Manual (as defined below). In justified circumstances acceptable to the IF at its sole discretion, the Company and its Founders may fail to perform the abovementioned obligations only if they inform the IF in writing about such circumstance(s). The Company and the Founders undertake to complete at least 75% of all the foreseen activities, (incl. 90% of Residency and Demo week) to remain eligible for At-entry grant as well as for applying for the CI grant whereas assessment whether such activities have been completed shall be made by the IF, at its discretion.
  5. Upon completion of the Acceleration Period (or earlier if envisaged by this Agreement) and approval of the Final Report (as defined in Clause 3.7), the Parties will sign a final settlement certificate through which they will confirm the amount of the At-Entry Grant that was received and spent by the Company during the course of their participation in Katapult (“**Final Settlement**”). IF shall provide the form of the Final Settlement to the Company in a timely manner following the approval of the Final Report.

## At-Entry Grant

* 1. Eligibility
  2. By signing this Agreement, the Company becomes eligible for an At-Entry Grant in the amount of [insert] RSD.
  3. The Company is entitled to use the At-Entry Grant during the Acceleration Period, and for an additional 30 days thereafter. Any remaining At-Entry Grant funds that are not utilized within the additional 30-day period shall be returned by the Company to the IF.
  4. Eligible costs
     1. The At-Entry Grant may be used to cover eligible costs that are outlined in section 4.1 of the Katapult Program Manual dated [insert], and as amended from time to time (“**Program Manual**”), and *only* for the purposes of Project implementation.
     2. The At-Entry Grant may not be used to cover any other costs, and especially, costs that are identified as non-eligible in section 4.2 of the Program Manual.
  5. Disbursement
     1. The IF will disburse the At-Entry Grant to the Company, subject to:
* separate bank account being opened by the Company to which the At-Entry Grant will be credited (“**Account**”), and
* the Company requesting the IF in written from to credit the At-Entry Grant.
  + 1. The At-Entry Grant shall be disbursed in two tranches:
       1. the first tranche in the amount of [insert] (unless a lower amount is requested by the Company), and
       2. the second tranche in the amount of [insert] (unless a lower amount is requested by the Company), subject to:
* such funds being required to cover expenses incurred, as outlined in the Final Report, and
* the Final Settlement, being fully executed.
  1. Carry-on
     1. If the Company does not withdraw any part of the At-Entry Grant and subsequently becomes eligible for a Co-Investment Grant, the amount of the Co-Investment Grant shall be increased by the amount of the At-Entry Grant that was not drawn down, for an aggregate to not exceed RSD 36,000,000.
  2. Reporting
     1. The Company shall have no reporting obligations during the Acceleration Period (unless otherwise stated by this Agreement), except for the submission of the Final Report, as defined in this Clause 3.7.
     2. Upon completion of the Acceleration Period, the Company shall prepare and submit to the IF for its approval, a report (“**Final Report**”), in the form provided by the IF.
     3. If the IF receives the Final Report and does not approve it, it will ask for additional clarifications and information. If even such additional clarifications and information are not satisfactory and the Final Report is not approved, this will be regarded as a breach of the Agreement by the Company and the Founders.

## Co-Investment Grant

* 1. Eligibility
     1. If the Company enters into a binding agreement to receive a Qualified Investment (as defined in this Clause 4.2), with terms acceptable to the IF at its sole discretion, during the Acceleration Period or within nine months after the Final Settlement, the Company will be eligible to receive an additional co-investment grant (“**CI Grant**”) to further project implementation. The amount of the CI Grant (“**CI Grant Amount**”) shall be agreed between the Parties and disclosed in a separate annex to this Agreement and shall be equal to the amount of the Qualified Investment, subject to Clause 4.1.2.
     2. The Company may be eligible for a CI Grant in the amount up to RSD 36,000,000, minus any withdrawn and approved amount of the At-Entry Grant (“**CI Grant Cap**”) used by the Company to cover eligible costs, as outlined in Article 3.4.1. of this Agreement.
     3. If the Company signs a binding agreement to receive a Qualified Investment before the completion of the Acceleration Period, it may be eligible for a CI Grant. However, the Company will remain obligated to finalize receipt of Services under Katapult. In such event, the Parties will proceed to submission and approval of the Final Report and the signing of the Final Settlement immediately, under the condition that the Company has remained in compliance with the terms and conditions of this Agreement, until such a point in time.
  2. Qualified Investment
     1. An investment shall be deemed a **Qualified Investment**:
* if the aggregate amount is at least EUR 50,000, and
* if the investment is to be made via wire transfer, the principal terms of the investment have been approved by the IF in advance (at its sole discretion) and such investment is to be made by an individual or an entity whose identity is disclosed in advance to and approved by the IF, at its sole discretion.
  + 1. As soon as the Company enters into an agreement with the investor(s), the Company undertakes to: (i) immediately notify the IF of the execution of such an agreement and to provide a fully executed copy thereof, and (ii) ensure that the terms of such agreements are not in conflict with or materially deviant from the term sheet previously disclosed to and reviewed by the IF (as the case may be).
  1. Eligible costs
     1. The CI Grant can only be used to cover costs that are listed as “eligible costs” in the section 4.1 of the Program Manual and which costs did not occur before the date of this Agreement.
  2. The CI Grant cannot be used for any other costs, especially, but without limitation, costs which are listed as non-eligible costs in section 4.2 of the Program Manual.
  3. Disbursement & Reporting
     1. Disbursement and reporting requirements regarding the CI Grant will be defined and agreed between the Parties and outlined in a separate annex to this Agreement.
  4. Further Qualified Investments
     1. If the CI Grant Amount received by the Company is less than CI Grant Cap, the Company will be eligible to receive a new (additional) CI Grant Amount up to the difference between the already received CI Grant Amount and the CI Grant Cap, subject to receiving a new (additional) Qualified Investment during the period stipulated in Clause 4.1.1.
     2. The terms and conditions of this Agreement that govern CI Grants shall be applicable *mutatis mutandis* to such additional amount of CI Grants.
  5. Change of facts in relation to investors
     1. If the Company enters into an agreement with an investor prior to the approval of the CI Grant, whereby the IF, at its sole discretion and without limitation, deems that investor as non-eligible, the IF retains the right to unilaterally terminate this Agreement and to claw back the full amount of disbursed At-Entry Grant in accordance with Clause 9.4. of this Agreement.
     2. In the event that the IF becomes aware of adverse information about the Qualified Investor(s) which were unknown at the time of CI Grant approval, IF retains the right, at its sole discretion and without limitation, to unilaterally terminate this Agreement and the corresponding CI Grant annex and to claw back the full amount of disbursed CI Grant funds in accordance with Clause 9.4. of this Agreement. Examples of adverse information include perception of reputational risks to the Innovation Fund (such as considerable negative press, even if it cannot be proven that the press coverage is factual), multiple and independent reports (including confidential) of unethical activity (including a range from personal misconduct to professional practices such as insider trading, acting unethically based on insider information, collusion, or other), allegations of fraud, active or completed lawsuits (regardless of outcome) etc. The Innovation Fund reserves to right to stop payment of undisbursed tranches, or request return of funds in such cases. The Innovation Fund also reserves the right to stop payment of undisbursed tranches in the case of unforeseen budget shortfalls.

## General Reporting

* 1. The Company and the Founders undertake to inform IF as soon as possible on any material events affecting the Company or the Project, either in positive or negative manner.
  2. The Company and Founders undertake to, for the period of five years as of the date of this Agreement, inform the IF in advance, for the purposes of IF’s statistical reporting, on any intended change of control, direct or indirect, as well as any changes in the share capital of the Company, status changes, or pledging of shares or material assets of the Company, as well as on undertaking any commitment to do any of the beforementioned or existence of circumstances that might lead to any of the beforementioned.
  3. The Company shall keep accurate and regular accounts of the implementation of the At-Entry Grant and CI Grant using an appropriate accounting system. These systems may either be an integrated part of the Company’s regular system or an adjunct to that system. This system shall be run in accordance with accepted standards of accounting and bookkeeping policies and rules. Accounts and expenditures relating to At-Entry Grant and CI Grant must be easily identifiable and verifiable.
  4. The IF shall be entitled to request from the Company and the Founders at any time any reasonable information in relation to use of At-Entry Grant and CI Grant and implementation of the Project or any document or information that is basis for preparation of the quarterly financial and progress reports or the Final Report.
  5. Upon request of IF, the Company shall be obliged to audit its financial statements and deliver the auditor report to the IF.
  6. If any ad hoc financial or progress report is prepared for the investors, the Company or the Founders shall disclose a copy of such report to the IF.

## Monitoring

* 1. The IF may visit the Company in order to monitor its activities at any time during business hours and at its sole discretion.
  2. Subject of such monitoring would be primarily, but without limitation, to confirm that all the activities and costs are undertaken and made (i) as reported to the IF in accordance with this Agreement, (ii) generally in accordance with the terms of this Agreement.
  3. Before making such monitoring visit, the IF shall notify the Company at least five days in advance and outline in general terms the purpose of the visit, what is to be reviewed, and who should attend the meeting during the monitoring visit.

## Company’s and Founders’ Undertakings

* 1. Conflict of interest
     1. The Company and the Founders acknowledge that they are familiar with the Confidentiality Policy and Prevention of Conflict-of-Interest Policy adopted by the IF (“**Policy**”). The Company and the Founders undertake to inform the IF as soon as possible if they become aware of any fact or circumstance that constitute or is likely to constitute conflict of interest.
  2. Fraud and corruption
     1. The Company and the Founders shall at all times during the term of this Agreement refrain from, and shall undertake all necessary actions to prevent, any possible Fraud and Corruption, as defined in the section 10 of the Program Manual.
  3. Implementation of the Project
     1. The Company and the Founders shall implement the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices.
     2. The Company and the Founders shall provide, promptly as needed, the resources required for the purpose of the implementation of the Project.
  4. Employment and safety at work
     1. The Company shall at all times during the term of this Agreement comply with all laws and regulations in relation to employment and safety at work.
  5. Environmental and Social Protection
     1. The Company shall at all times during the term of this Agreement comply with all laws and regulations in relation to environment protection, including, without limitation, (i) the IF’s Environmental and Social Management Framework, publicly available as of 18th February, 2021 at the following link: http://www.inovacionifond.rs/cms/files/program-katapult/ESMF\_SAIGE.pdf, and (ii) if applicable, Environment and Social Management Plan, adopted in relation to the Company as a result of environmental and social review performed in course of application process.
  6. Affiliated transactions
     1. If the Company enters into any transactions with any affiliated entity, such transactions shall always be at the arm’s length basis.
  7. Marketing
     1. The Company and Founders undertake to, upon request from IF, undertake all measures and actions requested by IF in order to publicly identify and announce IF’s support to the Company and the Project.
  8. Account
     1. The Company shall not use the Account for any other purpose that to receive respective grants and to pay the eligible costs.
  9. Liability of the Founders
     1. The Founders shall be jointly and severally liable with the Company for all of Company’s obligations from the Agreement and all other obligations of the Company stemming from its participation in Katapult (including, but not limited to, the obligation of the Company to repay the full amount of the disbursed funds to the IF as set out in Clause 9.4. below).

## Representations and Warranties

* 1. General
     1. The Company and the Founders acknowledge that the IF is entering into this Agreement on the basis of, and in reliance on, the Company’s and Founders’ representations and warranties set forth in this Clause 8 (“**Warranties**”).
     2. The Company and the Founders represent and warrant to the IF that each and every Warranty is at the date of this Agreement true, accurate, complete and not misleading and the Company and the Founders undertake that each and every Warranty remains true, accurate, complete and not misleading during the whole duration of this Agreement.
  2. Accuracy of information
     1. All information provided to the IF by the Company and the Founders with respect to the Company’s participation in the Project are true, accurate, complete and not misleading on the date of this Agreement and shall remain true, accurate, complete and not misleading during the whole duration of the Agreement.
  3. Incorporation and activities
     1. The Company is a company duly organized, validly existing under the laws of Serbia, and has full power, capacity and authority to enter into and perform this Agreement.
     2. The Company is not under liquidation or insolvency procedure and there are no circumstances that could lead to such procedure being initiated over the Company.
     3. The Company is not and shall not engage in any of the activities listed in section 4.3 of the Program Manual as Non-Eligible Activities.
  4. Eligibility for Katapult
     1. The Company and the Founders have read the Program Manual, are fully aware of its terms and conditions and they have at all times fulfilled and met each and all eligibility criteria set in the Program Manual.
     2. All information and documentation disclosed in course of application for Katapult by the Company and the Founders has been true, accurate and not misleading.
  5. Conflict of Interest
     1. The Company and the Founders are familiar with the Policy and there are no facts or circumstances that would constitute the conflict of interest as defined under the Policy.
  6. Intellectual Property
     1. No activities of the Company (or of any licensee under any licence granted by the Company) infringe or are likely to infringe any Intellectual Property Rights of any third party and no claim has been made against the Company or any such licensee in respect of such infringement, whereby Intellectual Property Rights shall mean any and all intellectual property or industrial property rights of any description anywhere in the world including but not limited to any patents, trademarks, copyrights (including but not limited to rights in computer software, object and source code), domain names, trade names, semi-conductor topography rights, know-how, designs, recipes, product descriptions, database rights, logos, product names, inventions, discoveries, specifications, formulae, processes, databases, trade secrets and any analogous or similar right in any jurisdiction (whether any such rights referred to in this definition are registered, unregistered, registerable or not) and any applications or rights to apply for registration of them, and all registrations, licences, sub-licences, agreements, or any other evidence of a right in any of the foregoing.
  7. Intellectual Property Rights that the Company owns are sufficient for the development and implementation of the Project and no third-party Intellectual Property Right has to be acquired.
  8. Taxes
     1. All taxes, social contributions and other public charges of any nature whatsoever for which the Company is liable, and which has fallen due for payment has been duly paid.
     2. The Company has always acted fully in accordance with all applicable laws in relation to taxes, social contributions and other public charges of any nature whatsoever.
  9. Compliance with laws
     1. The Company has always acted fully in compliance with all the applicable laws.
     2. The Company has not received any notice or other communication from any governmental entity that the Company is in violation of any laws, regulations or permits.

## Duration and Termination

* 1. This Agreement shall be in force as long as the Company is eligible for the CI Grant. If the Company received the CI Grant, the Agreement shall be in force until the last disbursement of the CI Grant.
  2. Notwithstanding the preceding paragraph, if any clause of this Agreement provides for longer time period, such clause shall be valid and binding upon the parties for such longer time period.
  3. This Agreement can be unilaterally terminated by the IF, if:
     + 1. the Founders do not successfully and regularly participate in the acceleration program, i.e., receive Services, and the IF at its own discretion and without limitations, deems their absence as unacceptable;
       2. the IF determines that any of the investors have become non-eligible after the receipt of the CI Grant by the Company, as outlined in Clause 4.7. of this Agreement;
       3. the Company or any Founder breaches any of its obligations under this Agreement,
       4. the Company or any Founder breaches any of its representations and warranties under this Agreement.
  4. In the event of the unilateral termination of the Agreement by the IF, the Company shall be obliged to repay to the IF the full amount of the funds disbursed to the Company by the IF (meaning the At-Entry Grant and/or the CI-Grant, as applicable).

## Confidentiality

* 1. Any and all information that the Company or the Founders in relation to the Project disclosed to the IF shall be regarded as confidential, as per the Policy.
  2. However, nothing in this Clause 10 shall prevent the IF to publicly announce the facts and details on support provided by the IF to the Company and the Founders in course of Katapult.

## Miscellaneous

* 1. Notices. Each notification under this Agreement will be valid only if delivered to one of the addresses below, and that either via (i) registered post with return receipt (in which case it will be considered that the notice is delivered only at that moment when it is received by the receiver) or (ii) e-mail but always at one of the following addresses:

If for the IF:

Name:

Address:

e-mail:

If for the Company:

Name:

Address:

e-mail:

If for [insert name]:

Address:

e-mail:

If for [insert name]:

Address:

e-mail:

* 1. Integrity of the Agreement. This Agreement, constitute the integral expression of all intentions and agreements between the Parties with respect to the subject of the Agreement hereof and with that effect overcome and annul potential previous contracts, agreements, arrangements, notifications, written or oral, among the Parties regarding the same subject, including potential previous arrangements or memoranda signed by the Parties prior to this day.
  2. Amendments. Any amendments in relation to this Agreement shall not be valid and binding unless expressed in writing and signed by both Parties.
  3. Prohibition of Assignment. Neither the Agreement entirely or partially nor any of the rights or obligations hereunder may be assigned by any Party without prior written consent of all of the other Parties.
  4. Governing law and settlement of disputes. Serbian law shall govern this Agreement, without taking into consideration its conflict of laws rules. In case of any dispute regarding the subject or the form of this Agreement, Commercial court in Belgrade will be competent.
  5. Copies of the Agreement. This Agreement could be signed in any number of copies and Parties can sign the separate copies, but cannot enter into force until each Party signs at least one copy. Each copy represents the original of this Agreement, but all copies together compose one same document.
  6. Severability. The provisions of this Agreement are deemed separable and the non - validity or non- enforceability of any provision of this Agreement does not affect the validity or enforceability of other provisions. If any provision of the Agreement, or its implementation to any person or any circumstance, is declared non - valid or non - enforceable, (A) such provision shall be replaced by a valid and enforceable provision in order to implement the intention and purpose of the relevant non - valid or non - enforceable provision; and (B) such non - validity or non - enforceability will not affect the rest of the Agreement and the implementation of its provisions to other persons or circumstances, nor will such non - validity or non - enforceability affect the validity and enforceability or implementation of such provision in any other jurisdiction.

*[signatures follow on the next page*]

|  |  |
| --- | --- |
| For [•]  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [•]  Position: [•]  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [•] | For [•]  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [•]  Position: [•] |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: [•] |  |