VEYRON ACCELERATOR

Convertible Loan Agreement

International Form · Converts at the next qualified financing · Valuation cap or discount

MODEL DOCUMENT — PUBLISHED FOR TRANSPARENCY

This form is a template published by Veyron Accelerator so that founders may review our standard terms before applying. It is not an offer to invest or lend, is not legal or tax advice, and is not a binding agreement until completed, negotiated and executed by all parties. Final terms are set after due diligence and investment approval. Independent legal advice is recommended.

1. Parties

This Convertible Loan Agreement (this "Agreement") is made on [DATE] between:

- [COMPANY NAME], a company incorporated in [JURISDICTION OF INCORPORATION] with registration number [NUMBER], whose registered office is at [REGISTERED ADDRESS] (the "Company"); and
- Veyron Accelerator [ENTITY], a [JURISDICTION / ENTITY TYPE] (the "Investor").

The Company and the Investor are each a "party" and together the "parties".

2. The Loan

1. The Investor agrees to make available to the Company, and the Company agrees to accept, a loan in the aggregate principal amount of [LOAN AMOUNT] (the "Loan") on the terms of this Agreement.
2. The Loan shall be drawn down in one or more tranches on the date(s) agreed in writing, against delivery by the Company of a drawdown notice and customary closing deliverables, including evidence of board and, where required, shareholder approval.
3. The proceeds of the Loan shall be applied by the Company solely for general corporate purposes and working capital, and not for any purpose set out in Section 7 (Use of Proceeds).

3. Interest and Term

1. The Loan does not bear interest, unless otherwise agreed in the Term Sheet; where interest is agreed, it accrues at [RATE] per annum on the outstanding principal and is capitalised into the Loan upon conversion.
2. The Loan falls due on the Maturity Date, being [MATURITY DATE], unless converted or prepaid in accordance with this Agreement.
3. The Company may prepay the Loan, in whole or in part, without premium or penalty on not less than [10] Business Days' written notice to the Investor.

4. Definitions

- "Qualified Financing" means a transaction or series of transactions with the primary purpose of raising capital, pursuant to which the Company issues Equity Securities at a valuation agreed by its board of directors, in an aggregate amount of not less than [QUALIFYING AMOUNT], excluding conversion of the Loan.
- "Valuation Cap" means [VALUATION CAP], being the maximum valuation of the Company at which the Loan converts under Section 5.
- "Discount" means [DISCOUNT PERCENT], applied to the price per Equity Security paid by investors in the Qualified Financing.
- "Equity Securities" means shares, and securities convertible into or exchangeable for shares, of the Company.
- "Business Day" means a day (other than Saturday or Sunday) on which banks are open for general business in [PRINCIPAL PLACE OF BUSINESS].

5. Conversion

1. Automatic conversion. The outstanding Loan shall convert automatically, in full but not in part, into Equity Securities at the later of (i) the initial closing of a Qualified Financing and (ii) the date of the Company's written notice of such closing. The number of Equity Securities issued shall equal the outstanding Loan divided by the Conversion Price.
2. Conversion Price. The Conversion Price is the lower of (i) the price per Equity Security determined by dividing the Valuation Cap by the Company's fully diluted capitalisation immediately prior to the Qualified Financing, and (ii) the price per Equity Security paid by investors in the Qualified Financing less the Discount.
3. Election. Where both prices are capable of calculation, the Investor may elect in writing which price applies; absent an election, the lower price applies.
4. Voluntary conversion. At any time after [12] months from the date of this Agreement and before the Maturity Date, the Investor may convert all or part of the outstanding Loan by written notice to the Company.
5. On conversion, the Loan is extinguished and the Investor is issued Equity Securities duly authorised, validly issued and fully paid, free of all liens, charges and encumbrances.

6. Repayment on Maturity

If the Loan has not converted on or before the Maturity Date, the Company shall repay the outstanding Loan on the Maturity Date, together with any accrued but unpaid amounts agreed under Section 3. The Investor may, in writing, extend the Maturity Date or direct that repayment be deferred pending a Qualified Financing or other agreed event.

7. Use of Proceeds

The Company shall not apply the proceeds of the Loan: (i) in payment of any dividend or other distribution; (ii) in repayment of shareholder loans or related-party obligations,

other than in the ordinary course of business on arm's-length terms; (iii) in the acquisition of any business or asset exceeding [AMOUNT] without the Investor's prior written consent; or (iv) for any unlawful purpose.

8. Company Covenants and Undertakings

1. Information. The Company shall provide the Investor with annual financial statements and, upon reasonable notice, such other information as the Investor may reasonably request.
2. Negative undertakings. Until conversion or repayment, the Company shall not, without the Investor's prior written consent: create any security over its assets other than in the ordinary course of business; alter its share capital otherwise than in the ordinary course; or enter into any transaction that would prevent, delay or materially impair the conversion of the Loan.
3. Local adaptation. This Agreement shall be reviewed and adapted by local counsel in the Company's jurisdiction before execution, to ensure compliance with local corporate, securities and lending law.

9. Investor Representations

1. The Investor has full power and authority to enter into this Agreement and to perform its obligations hereunder.
2. The Investor is making the Loan for investment purposes and not with a view to distribution, and understands that the Equity Securities issuable on conversion have not been registered under applicable securities laws.
3. The Investor has had the opportunity to conduct diligence, to ask questions of the Company and to obtain independent legal, tax and financial advice.

10. Events of Default

Each of the following is an Event of Default: (i) non-payment by the Company of any amount due under this Agreement; (ii) material misrepresentation by the Company in connection with this Agreement; (iii) insolvency, liquidation or analogous proceedings affecting the Company; or (iv) breach by the Company of Sections 6, 7 or 8 that is not remedied within [20] Business Days of notice.

On an Event of Default, the Investor may, by written notice: declare the outstanding Loan immediately due and payable; and/or convert the Loan in accordance with Section 5 at the Conversion Price in effect as at the date of the notice.

11. Governing Law and Dispute Resolution

This Agreement is governed by the laws of [GOVERNING LAW JURISDICTION], without regard to conflict-of-laws principles. Any dispute arising out of or in connection with this Agreement shall be referred to and finally resolved by arbitration under the rules of [ARBITRAL INSTITUTION], seated at [SEAT], conducted in the English language by [ONE / THREE] arbitrator(s). Nothing in this Section prevents either party from seeking urgent injunctive relief.

12. Miscellaneous

- Amendments. This Agreement may be amended only in writing signed by both parties.
- Entire agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter.
- Notices. Notices shall be in writing and delivered to the addresses in the signature blocks below.
- Third-party rights. No person other than the parties has any right to enforce any term of this Agreement, save as provided by local law.
- Counterparts. This Agreement may be executed in counterparts and by electronic signature.

Signature blocks

Executed on behalf of [COMPANY NAME] — By: _____ Name: [NAME] Title: [TITLE] Date: [DATE]

Executed on behalf of VEYRON ACCELERATOR [ENTITY] — By: _____ Name: [NAME] Title: [TITLE] Date: [DATE]

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