

CPFA - Topics for Discussion

- Steps towards signing the Cooperation and Project Funding Agreement (CPFA)
- Annex B of CPFA - Triggers for payments
- Annex E of CPFA - Schedule of Project Milestones and Deliverables
- Submission Requirements
- Repayments – general terms

Steps towards signing the CPFA

- **Adjust budgets** - Should equal twice the approved grant, same as original ratio
- **Adjust program plan (Gantt)** – Reflect project start date (“Effective Date”)
- **Missing additional details** - as instructed in the letter
- **Company to Company agreement** – a draft for BIRD to review prior to signing
- **Financial Status Analysis** - private companies only, provide substantiating material

CPFA is sent to the companies for signature, BIRD is last to sign

BIRD executes first grant payment to each company

Critical dates of a BIRD project

- **“Effective Date” (section P)**

“The effective date of this Agreement shall be the 1st day of _____, 20XX. The development work shall commence on the aforementioned date and, unless sooner terminated by the Foundation in accordance with Section. I., the Proposer undertakes to complete the development work XX months following the effective date (**“Termination of Project”**)”.

- **“Termination of Product Development” date** – Milestone CPFA only

“The Conclusion of the development of the Product pursuant to and in accordance with the Proposal, including the Product being ready for commercialization.”

- **CPFA signing date** - Don't confuse this with the project “Effective Date”

Annex B - Payment of Conditional Grant

- | | | |
|-------------------------------|-----------------|--------|
| 1. First Payment - On signing | Israeli Company | \$\$\$ |
| | U.S. Company | \$\$\$ |

2. Second Payment –

After receipt and approval of the first interim technical and fiscal reports for the first 6 month period, or after actual expenditures on the project have equaled or exceeded the required expenditure, whichever is later.

	Required Expenditure	Payment
Israeli Company	\$\$\$	\$\$\$
U.S. Company	\$\$\$	\$\$\$

3. Final Payment - After receipt and approval of the final technical and fiscal reports - the balance due to the Proposer up to the total sum of the Conditional Grant in accordance with Section B.1.

Annex E

Schedule of Project Milestones and Deliverables

1. Annex E includes a description of major milestones, how they are measured and the expected achievement date
2. Annex E also includes Deliverables – a description of each deliverable and the expected achievement date
3. Annex E is in addition to the GANTT, which presents the Program Plan
4. The Technical Reports should address milestones achievement

Submission Requirements (section D)

- ◆ Interim set of reports – a Fiscal Report from each company and a joint Technical Report. Full set should be submitted within 30 days from end of reporting segment
- ◆ Final set of reports – in addition, includes Technical Report Part II (a marketing report). A full set should be submitted within 60 days from end of project
- ◆ Incomplete submission (Fiscal Report without Technical Report or Fiscal Report from one company only) will delay review of the reports
- ◆ Reports should be delivered by hard copy and uploaded to BIRD's site

Repayments – General Terms

Repayments to BIRD are due from commercialization of the Product, Outright Sale, IPO or Licensing agreement

Full Repayment – a maximum of 150% of Grant is due after 5 years from Project Termination, adjusted to CPI-U

- ◆ Repayments derived from Gross Sales at a rate of 5%
- ◆ Repayments due to Outright Sale of the Product a Transfer of Control or IPO - at a rate of 50% of all proceeds up to Full Repayment
- ◆ Repayments due from Licensing Agreement - at a rate of 30% of all proceeds
- ◆ Milestone project – Upon Conclusion of Product Development, a Full Repayment