BIRD
Israel-U.S.
Binational Industrial Research and Development Foundation

BIRD Repayment Models

BIRD – Standard Track

- Royalties paid on sales of the Product funded or its derivatives.
- Definition of "Product" – as per its functionality, not the implementation technology. (will be defined in Annex F of CPFA)
- Royalties are 5% of gross sales till "Full Repayment" is made - no time limit.
- Full Repayment – indexed award scales up over time from 100% at the end of the first year, up to a maximum of 150% as of 5th year +
- Repayment events – Breach of contract, Change of Control and Outright Sale.

BIRD Repayment Track for Small Companies (SCT)

- Track for companies with total revenues of less than $2M in last full year prior to submission.
- Royalties calculated as 7% of total reported revenue growth as of first fiscal year after completion of project compared to full first year after "Effective date".
- Company can choose to postpone first year of repayment by up to two years.
- Repayments are made till "Full Repayment" but in any case, not more than 5 sequential years as of first payment made.
- Full repayment is 90% of indexed grant if completed within 3 years of project completion and 120% on indexed grant thereafter.
- One time repayment can be made any time in the first five years after project completion (as long as no more than 50% of grant has been repaid through annual payments) in which case 80% of indexed grant will be considered full repayment.

BIRD SCT in “Mixed” Situations

How does it work if one of the partners qualifies and choses the small companies track and the other doesn’t?

- Each company pays royalties, if relevant, according to model they qualify for.

- If both companies pay royalites the definitions of “Full Repayment” for both will be the lower one. Still – the company in the new track will pay only 5 consecutive years while the other company will continue to pay till full repayment is achieved.

- If only the Non-SCT (*) company pays – definitions will apply according to the existing model.

- For repayment events that can easily be associated to one of the companies – Change of control, Breach of contract etc. the definitions will be as defined for the relevant company.

(*) SCT- Small Companies Track. Non-SCT Participant is a Participant that isn’t eligible or hasn’t chosen this track