

FlexUp Incubation Agreement – General Conditions (Incubation-GC)

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Preamble

The present FlexUp Incubation Agreement – General Conditions ("**Incubation-GC**") set out the general terms and mechanisms that governs any arrangement under which Incubator owns and administers a Project within the FlexUp contractual framework on behalf of the Founder(s) until such Project is transferred to a Dedicated Entity, transitioned to another authorised structure where permitted, or otherwise exits the Incubation structure. They apply uniformly worldwide to any contract that refers to them, ensuring consistency, legal certainty, and modularity across jurisdictions.

The Incubation-GC are to be read together with the FlexUp General Conditions ("**FlexUp-GC**"), which set out the general terms applicable to all contracts under the FlexUp contractual framework. Together with the other documents applicable to the Contract as specified in the Incubation-SC, the Incubation-GC forms the binding agreement between the Parties.

All templates and documents composing the Contract are published and maintained by FlexUp and distributed under the FlexUp Licence (www.flexup.org).

Article 1. Composition of the Contract

1.1 The Contract may include the following documents, listed in descending order of priority:

- a) the FlexUp Incubation Agreement – Special Conditions ("**Incubation-SC**"), which identifies the Incubator, the Project-side signatories, and the specific parameters of the Contract;
- b) the FlexUp Founders Agreement – Special Conditions ("**Founders-SC**"), which identifies the Founders and the specific parameters of their internal obligations;
- c) the FlexUp Charter – Special Conditions ("**Charter-SC**"), which is specific to the Project defined therein;
- d) one or more FlexUp Incubation Agreement – Additional Conditions ("**Incubation-AC**"), if applicable, which supplement or adapt the Contract to the relevant context or jurisdiction;
- e) the FlexUp Incubation Agreement – General Conditions ("**Incubation-GC**"), the present document, which applies to all Incubation agreements that refer to them;
- f) the FlexUp Founders Agreement – General Conditions ("**Founders-GC**"), which set the inter-Founder obligations;
- g) the FlexUp Non-Disclosure Agreement – General Conditions ("**NDA-GC**"), for confidentiality obligations activated and parameterised in the Founders-SC;
- h) the FlexUp Charter – General Conditions ("**Charter-GC**"), which applies to all FlexUp projects worldwide;
- i) the FlexUp General Conditions ("**FlexUp-GC**"), which applies to all FlexUp contracts that refer to them.

1.2 The Contract is composed of the documents listed in Article [Error! Reference source not found.1.1](#) that are expressly designated as applicable in the Incubation-SC, together with any additional documents expressly incorporated therein. The applicable documents form an inseparable contractual whole and are collectively referred to as the "**Contract**".

The Incubation-GC is to be read together with the FlexUp-GC, which sets out the general terms applicable to all Contracts under the FlexUp contractual framework.

In the event of any inconsistency between these documents, the order of priority set out in Article [Error! Reference source not found.1.1](#) shall apply.

- 1.3 The documents composing the General Conditions are incorporated by reference and are not required to be appended to the Contract.
- 1.4 For each document composing the General Conditions, the applicable version is the latest version published on the FlexUp website (www.flexup.org) as of the date of signature of the Grouping-SC, subject to the update mechanisms described in the FlexUp-GC.

Article 2. Definitions and interpretation

In this Contract, capitalised words are defined terms, whose definitions are given in this Article or, if not here, elsewhere in the documents composing the Contract or in the FlexUp Glossary (available on www.flexup.org/glossary).

Defined Term	Definition
Incubator	Means the Legal Entity acting as Holder of the Project under the Charter, which within the FlexUp contractual framework, owns and administrates the Project on behalf of the Founder(s) as the sole person authorised and obliged to represent and bind the Project externally, on a provisional basis until the Project is Transferred to a Dedicated Entity or otherwise exist the Incubation structure in accordance with this Contract. The Incubator is designated in the Incubation-SC and the Charter-SC.
Project	Means the business activity or initiative identified in the Incubation-SC and in the Charter-SC, dedicated to a specific activity and perimeter, as further detailed in the Charter-SC. Within the FlexUp Economic Model, the Project is represented and tracked through the Subaccount designated for that purpose in the Incubation-SC and the Charter-SC.
Founder(s)	Refers to the persons identified in the Founders-SC as Founders of the Project. Founders becomes Associates of the Project upon adhering to the Charter in accordance with Article "Associate" of the Charter-GC, and their inter-Founder relationship is governed by the Founders Agreement.
Effective Date	Means the day on which this Contract enters into full force and effect, as selected in the Incubation-SC.
Manager	Means any person designated under the Incubation-SC or in a mandate to conduct day-to-day operations of the Project within defined limits.
Associate(s)	In accordance with the Charter, refers to any Participant, including without limitation to, the Founder(s), the Manager(s) and third parties who has adhered to the terms governing the Project by signing an Associate Contract or an Act of Adhesion. An Associate remains such until: a) all Associate Contracts binding it to the Project have expired, and b) the Project has paid or cancelled all Outflows owed to it.
Available Cash	Means the cash, cleared funds, authorised credit lines, reserves, or other liquid resources of the Project that are actually available for payment of a given Commitment, considering its Priority and Due Date, under the Charter and any limits set in the Incubation-SC or a mandate.

Defined Term	Definition
Dedicated Entity	Means a Legal Entity created or designated to become the new Holder of the incubated Project in accordance with Article “Holder” of the Charter-GC, taking over from the Incubator ownership and administration of the Project on a standalone basis, as a Single-Project Holder.
Minor Breach	Means any breach of the Contract that is not a Major Breach.
Major Breach	Means any breach of the Contract that: a) exposes or is reasonably likely to expose the Incubator to material legal, regulatory, contractual, tax, or financial liability, material financial loss, or material operational prejudice; b) involves fraud, bad faith, concealment, wilful misconduct, gross negligence, or deliberate circumvention of controls; c) consists of unauthorised or underfunded Commitment; d) involves misuse of funds, false reporting, or prohibited personal benefit; or e) remains uncured after notice where cure was possible; in each case as further detailed in Article 10.
Project Liabilities	Means all obligations, costs, risks, claims, taxes, charges, losses, and exposures arising from or in connection with the Project or its operations, including but not limited to contractual obligations towards clients or suppliers, tax liabilities, employment or contractor obligations, regulatory requirements, penalties, fines, sanctions, judgements, triggered guarantees towards third parties and any other liability incurred in the name of or on behalf of the Project.
Transfer	Means the transfer, novation, assignment, migration, or other legally effective transition of the Project from the Incubator to a Dedicated Entity or, where expressly permitted in the Incubation-SC, to another Incubator accepted in accordance with this Contract.
Transfer Date	Means the effective date on which the Transfer becomes legally operative as specified in the relevant transfer documentation.

Article 3. Purpose and scope

3.1 The purpose of this Contract is to govern the relationship under which the Incubator holds and administers the Project, on behalf of the Founder(s), as the sole person externally authorised and responsible to act for the Project until:

- a) the Project is Transferred to a Dedicated Entity, as the normal and expected exit from the Incubation structure;
- b) the Project is Transferred to another Incubator or to another contractual arrangement expressly permitted under this Contract and approved in accordance with Article 12, it being understood that such alternative transition does not automatically Transfer any contract, obligation, or liability signed or incurred by the original Incubator, which shall require specific novation, assignment, or consent from the relevant counterparties;
- c) the Contract is terminated; or

Commented [SS21]: Note: All contracts signed by the incubator on behalf of a project should have an automatic assignment agreement upon notification.

d) the Project is otherwise discontinued in accordance with the applicable contractual framework.

3.2 **Limited scope.** This Contract governs only the Incubation specific legal and operational framework of the Project. It does not, by itself:

- a) create a partnership, joint venture, company, or fiduciary relationship, or general agency relationship between the Incubator and any Founder(s);
- b) grant the Founder(s) any proprietary title in the Incubator's assets; or
- c) alter the internal governance or economic allocations established under the Charter or the FlexUp framework.

3.3 **Discretionary acceptance.** The Incubator has no obligation to accept any proposed Project into an Incubation structure and remains free to approve or reject a proposed Contract.

Article 4. Legal status of the Project and role of the Incubator

4.1 **No separate legal personality.** Unless and until a Transfer becomes effective, the Project will not be an independent legal person. The Subaccount created by the Incubator to manage the Project, any internal ledger, budget line, Wallet, Pocket or operational label used for the Project is solely an internal or contractual Allocation mechanism and does not constitute a separate legal estate.

4.2 **Sole legal carrier.** Until the Transfer Date, the Incubator is the sole legal person holding the Project, entitled and obliged to represent the Project externally and to bind it vis-à-vis third parties, subject to this Contract.

4.3 Accordingly, the Incubator is the only person authorised, in the name of or for the Account of the Project, to:

- a) enter the Project into Contracts, Orders, Commitments or other legally binding obligations, whether financial or operational;
- b) invoice and receive funds;
hold bank or payment accounts, Wallets or other payment instruments used for the Project; and
- c) bear legal, tax, administrative, regulatory, and accounting responsibility vis-à-vis third parties and public authorities.

4.4 **No implied authority of Managers.** No Manager, participant, contributor, or governance body of the Project has authority to bind the Incubator or the Project externally except to the extent expressly authorised in a mandate.

4.5 **Internal governance preserved.** The Charter-SC applicable to the Project may organise internal decision-making, governance, and economic recognition. Such internal rules do not, by themselves, create external authority against Incubator without a mandate.

Article 5. Delegated authority and operational powers

5.1 **Delegation by written instrument only.** Any authority granted by the Incubator, to one or multiple Managers, shall be effective only if expressly set out in a mandate, included in the Incubation-SC as an appendix. The mandate may be standard-form and must include powers, deviations, limits, transaction-specific rules, or conditions.

Any person designated as Manager must be an Founder(s) of the Project at the time of their designation and for the duration of their mandate.

5.2 **No general agency.** Except as expressly stated in a mandate, no Manager may:

- a) sign or amend a Project Contract;
- b) hire or dismiss personnel for the Project;

- c) incur debt, financing, guarantees, or security interests;
- d) settle claims or disputes;
- e) make tax elections or regulatory filings;
- f) open or operate bank, payment, or custody accounts; or
- g) make representations to third parties beyond its capacity.

- 5.3 **Duty of disclosure.** The Manager shall disclose the capacity they act and shall not present the Project as an independent legal entity if no such entity exists.
- 5.4 **Revocation and amendment.** The Incubator may amend, suspend, or revoke any mandate in accordance with the Incubation-SC, the mandate itself, or any urgent protective necessity affecting the Incubator or the Project.
- 5.5 **Secretary's appointment.** Where a Secretary is appointed for the Project, the Secretary's role shall be as defined in the Charter. For the avoidance of doubt, the Secretary does not, by that role alone, have day-to-day management authority or authority to bind the Incubator, unless separately authorised under a mandate.

Article 6. Financial discipline and Commitment limits

- 6.1 **No unfunded Commitments.** No Manager may enter into any kind of Commitment unless, at the time the Commitment is made:
- a) sufficient Available Cash exists to cover the full reasonable expected exposure arising from that Commitment, including but not limited to associated taxes, charges, contingencies, refund risk, notice-period exposure, termination costs, and potential contractual penalties;
 - b) the Commitment is permitted under the applicable priority and control rules of the Charter and this Contract; or
 - c) written authorisation by Incubator.
- 6.2 **Scope of prohibited Commitments.** The restriction in ~~6.1Article 6.1~~ applies to all Commitments not expressly permitted by Incubator.
- 6.3 **No circumvention.** A Manager shall not circumvent ~~6.1Article 6.1~~ by splitting transactions, deferring documentation, using personal or third-party accounts, making oral assurances later intended to be formalised or causing an affiliate, contributor, or counterparty to pre-finance or front Commitments without prior written approval.
- 6.4 **Incubator protection.** Any Commitment entered into in breach of this Article shall be deemed outside the scope of authority of the relevant Manager, without prejudice to any rights of third parties under applicable law. As between the Incubator and the Manager, the Manager shall bear full responsibility for the consequences of that excess or unauthorised act.
- 6.5 **Interaction with Charter.** Nothing in this Contract may relax, override, or circumvent any budgetary controls, reserve rules, approval thresholds, or execution conditions established under the Charter or the FlexUp framework.

Article 7. Reporting, controls, and regulated activities

- 7.1 Managers shall promptly report, in the FlexUp App or in any other system designated by the Incubator, every material transaction, contract, Commitment, incident, and other information relevant to the Incubator's legal, financial, tax, or regulatory exposure.
- 7.2 Failure to report material information, transactions, Commitments, or incidents in due time constitutes a breach of this Contract.

- 7.3 The Project's activities, and the conduct of its Managers and operators, must comply with all applicable laws and regulations.
- 7.4 The Project may not engage in activities requiring licences, permits, registrations, regulatory approvals, or equivalent authorisations without the Incubator's prior written approval and without ensuring that the relevant prerequisites are satisfied at Incubator level where required.

Article 8. Project contracts and transferability requirement

- 8.1 **Contracting practice.** The Incubator may require that any Project Contract follows approved templates, approval workflows, execution thresholds, disclosure language, or legal review procedures.
- 8.2 **Mandatory transferability principle.** To the extent legally permitted and commercially reasonable, each Project Contract entered into during the Incubation period shall include a clause permitting the contract to be Transferred, assigned, novated, or continued in favour of a Dedicated Entity created or designated specifically for the Project, subject at most to prior notice and administrative formalities.
- 8.3 **Manager obligation.** No Manager shall knowingly enter the Project into a Contract that materially obstructs a future Transfer without the Incubator's prior written approval.
- 8.4 **Existing contracts lacking transfer clauses.** If a Project Contract does not contain the Transferability mechanism contemplated by this Article, the relevant Managers and Project shall cooperate in good faith to obtain the required consent, amendment, novation, or replacement documentation if and when a Transfer is pursued.
- 8.5 **Continuing economic responsibility of the Dedicated Entity.** Where a Project Contract cannot be effectively transferred to the Dedicated Entity for any reason, and in accordance with Article 12.8, with effect from the Transfer Date and for so long as the Project Contract remains in force:
- a) the Dedicated Entity shall, as between itself and the Incubator, bear full economic responsibility for that Project Contract, including but not limited to all payments, performance costs, taxes, penalties, claims, and liabilities arising out of or in connection with it; and
 - b) the Dedicated Entity shall indemnify and hold the Incubator harmless against any Project Liability resulting from that Project Contract.

Article 9. Fees, charges, taxes, and economic treatment

- 9.1 **Parameterised fee structure.** In consideration for the Incubation services and risk assumed by the Incubator, the Project shall bear the fees and charges specified in the Incubation-SC, which may include, among others:
- a) **Setup fee.** Unless otherwise expressly provided in the Incubation-SC, the Project shall pay the Incubator a one-time setup fee of 2 000 € (two thousand euros) for the initial administrative setup, onboarding, and paperwork required to put the Contract in place, and to cover part of the ongoing running cost of running the Incubator legal entity.
 - b) **Annual Incubation fee.** Unless otherwise expressly provided in the Incubation-SC, the Project shall pay the Incubator an annual Incubation fee of 1 000 € (one thousand euros), payable in advance, for the Incubator's ongoing work and the formal annual obligations Founder(s) with the Incubation structure, including, where applicable, corporate maintenance, annual accounts, general meeting formalities, and tax and administrative filings.
 - c) **Transaction administration fee.** Unless otherwise expressly provided in the Incubation-SC, the Project shall pay the Incubator a transaction administration fee of 5% of all incoming and outgoing Orders relating to the Project. This fee is intended to cover:
 - i. invoicing and payment administration;
 - ii. counterparty risk;

- iii. execution risk;
- iv. liability risk; and
- v. the administrative burden connected with managing the transactions of the Project within the Incubation structure.

d) **Bookkeeping Fees.**

- i. The Incubator shall charge bookkeeping fees equal to the tax burden that would be attributable to the Project had it operated as an independent business in the form of a *Société par Actions Simplifiée* (SAS) domiciled in Paris, France (the "**Reference Tax Regime**"), subject to the *Impôt sur les Sociétés* (IS) at the standard rate of 25% and to *Taxe sur la Valeur Ajoutée* (TVA) at the standard rate then in force.
- ii. The term "*taxes*" used in this Article include broadly any tax, duty, *droit*, *redevance*, contribution, social security or payroll charge (*cotisation*), levy, tariff, excise, customs duty, registration or filing fee, or other compulsory payment of any nature, together with related interest, surcharges and penalties, imposed by or payable to any governmental, tax, social-security, customs, regulatory, local, consular, or other public authority, in any jurisdiction, whether existing now or in the future.

e) **Fees for optional services.** Unless otherwise expressly provided in the Incubation-SC, optional services may include:

- i. dedicated bank account access at 25 € (twenty-five euros) per month;
- ii. payment or credit card issuance at 20 € (twenty euros) per month per card; and
- iii. any additional optional service expressly offered by the Incubator.

f) Any additional cost-recovery item expressly described in the Incubation-SC.

9.2 **Payment structure.** Unless otherwise expressly stated in the Incubation-SC, amounts due under this Contract shall be payable as follows:

- a) by default: 100% Firm (Standard); or
- b) subject to reviewing and approving the Project's business plan and valuation, the Incubator may offer a minimum of 50% cash and the remainder split as 25% Flex and 25% Credit, where such method is permitted under the applicable framework.

9.3 **Type of Tokens.** Where payment is made partly in Flex or Credit, the Project may choose between Standard Tokens and Redeemable Tokens where applicable, unless otherwise specified in the Incubation-SC.

9.4 **No limitation on cost recovery.** Unless otherwise expressly stated in the Incubation-SC, the fees under this Article do not limit the Incubator's right to recover specific third-party costs, taxes, penalties, losses, or extraordinary expenses properly attributable to the Project or to a breach of this Contract.

9.5 **Founder Incubator.** Where Incubator is one of the Founders and holds the Project as a Subaccount as part of their Founder role, the Incubation services are provided free of charge by default, unless the Incubation-SC expressly provides otherwise. In that case, the setup fee, annual Incubation fee, and transaction administration fee are zero by default. This does not prevent Incubator from recovering taxes, third-party costs, penalties, losses, optional service costs, or extraordinary expenses properly attributable to the Project or to a breach of this Contract.

Article 10. Breaches, remedies, and protective measures

10.1 **General principle.** Because the Incubator bears external legal and financial exposure for the Project, any breach of this Contract shall be assessed with particular regard to the risk created for the Incubator.

10.2 **Minor breach.** Any breach of the Contract that is not a Major Breach constitutes a Minor Breach. In the event of a Minor Breach, the Incubator may, individually or cumulatively:

- a) issue a warning;
- b) require remediation within a specified and reasonable time;
- c) charge a contractual penalty of 100 € per incident, unless otherwise expressly provided in the Incubation-SC;
- d) require additional approvals, reporting, or controls; or
- e) temporarily suspend part of the delegated authority.

10.3 Major breach. A Major Breach means any breach of the Contract that:

- a) exposes or is reasonably likely to expose the Incubator to legal, regulatory, contractual, tax, or financial liability;
- b) causes or is reasonably likely to cause material financial loss;
- c) involves fraud, bad faith, concealment, wilful misconduct, gross negligence, or deliberate circumvention of controls;
- d) consists of an unauthorised or underfunded Commitment;
- e) involves misuse of funds, false reporting, or prohibited personal benefit; or
- f) remains uncured after notice where cure was possible.

10.4 Remedies for Major Breach. In the event of a Major Breach, the Incubator may, individually or cumulatively:

- a) revoke or suspend any mandate;
- b) remove or replace the relevant Manager from operational control;
- c) take direct control of the Project's contracting, payment, or operational functions;
- d) freeze or subject to dual approval any Project expenditure or Commitment;
- e) refuse or defer any Transfer until the situation is remedied or secured;
- f) require the responsible person to indemnify the Incubator for all resulting costs, losses, liabilities, and reasonable internal and external expenses; and
- g) terminate the Contract in accordance with Article 13.

Article 11. Protection and indemnification.

11.1 Founders' autonomous indemnity and guarantee .

- a) Each Founder shall indemnify and hold the Incubator harmless against all Project Liabilities arising out of or in connection with the Project be it as a consequence of an act of the Founders, their appointed Managers or any fortuitous event in which liability arises in connection with the Project, even if independent of their individual responsibilities, to the extent those Project Liabilities exceed the Available Cash and other assets allocated to the Project. This indemnity covers, without limitation, reasonable legal and advisory fees, internal management time (where recoverable under applicable law), taxes, penalties, settlement amounts, and remediation expenses.
- b) Each Founder's obligation under paragraph a) of this Article is a primary and autonomous undertaking, independent of any fault and of any defence available to the Project, any other Founder, or any third party. Its purpose is, among others, to prevent Project Liabilities from reaching the Incubator or any other project it carries.
- c) The Founders are jointly and severally (*solidairement*) liable under paragraph a) of this Article, each waiving the benefits of discussion and division.

- d) As between the Incubator and a responsible person, an unauthorised act remains solely for that person's account and shall not be treated as a valid internal Project charge unless the Incubator expressly elects otherwise.
- e) To give the Incubator expedited recovery, each Founder shall, at or before signature of this Contract, execute an autonomous first-demand guarantee in the form of Appendix 6 (Founders' Guarantee), for a maximum amount stated in the Incubation-SC and payable on first written demand. That maximum caps the Appendix 6 guarantee only and does not limit the indemnity under paragraph (a), for the excess of which the Incubator may claim through ordinary proceedings. No notarial intervention is required.

11.2 Inter-Founder contribution. Notwithstanding the Founders' obligations to the Incubator under Article 11.1, as among the Founders:

- a) A Founder who, by fault, exposes the Incubator or the Project to liability, creates an unauthorized Commitment, conceals material information, or otherwise breaches this Contract in a way that harms the Incubator, the Project, or another Founder (a "**Wrongdoer**") shall bear the resulting Project Liabilities alone.
- b) Where a Wrongdoer's act causes another Founder (an "**Innocent Founder**") to indemnify the Incubator under Article 11.1, the Wrongdoer shall reimburse that Innocent Founder in full.
- c) Where a Wrongdoer's act causes damage to the Project or to another Founder, the Wrongdoer shall indemnify the Project and/or that Founder.
- d) Where more than one Founder took part in the wrongful act, they shall be jointly and severally (*solidairement*) liable under this Article 11.2.

11.3 Right of provision for Project Liabilities. Where a Project liability has arisen or is reasonably likely to arise, including, without limitation, pending or threatened litigation, regulatory or tax exposure, contractual claims, or any other contingent liability for which the Incubator is or may become legally exposed, the Incubator may retain or set aside from the Project's Available Cash an amount reasonably sufficient to cover the estimated exposure (the "**Provision**"). In such case:

- a) the Incubator shall notify the Project In Writing of the Provision, the underlying risk, the amount, and the basis on which it was estimated, and shall review and adjust the Provision in light of new information;
- b) the Provision shall not exceed what is reasonably necessary to cover the identified exposure and expenses related to this action (i.e. administrative fees, professional fees, etc.); and
- c) the Incubator may apply the Provision to settle, defend, or remedy the underlying Project Liability, and shall promptly release any unused balance to the Project once the risk has lapsed, been resolved, or is no longer reasonably foreseeable.

Article 12. Transfer to a Dedicated Entity

12.1 Transfer principle. The Project may be Transferred from the Incubator to a Dedicated Entity at any time in accordance with this Article, the Incubation-SC, and any applicable Charter decision-making rules.

12.2 Who may request transfer. A Transfer may be requested by:

- a) the persons or governance body identified in the Incubation-SC;
- b) the governance body designated under the Charter, where applicable, including where the Assembly decides to require such transfer in accordance with the Charter; or
- c) the Incubator.

12.3 Conditions to transfer. Unless waived by the Incubator, a Transfer may be made conditional upon:

- a) incorporation or designation of the Dedicated Entity in a form acceptable for the Project;

- b) satisfactory identification, compliance, onboarding, and due diligence checks;
 - c) execution of all required assignment, novation, accession, transition, banking, tax, employment, IP, and regulatory documents;
 - d) payment or reservation of all outstanding fees, taxes, and transition costs;
 - e) implementation of a transition plan ensuring continuity of operations;
 - f) accession of the Dedicated Entity to the back-to-back indemnity set out in Article 8.5; and
 - g) any required third-party or regulatory consent.
- 12.4 **Notice.** Unless otherwise expressly stated in the Incubation-SC, Transfer requires 3 (three) months' prior notice.
- 12.5 **Cooperation.** All Managers and relevant Project participants shall cooperate in good faith with the preparation and implementation of the Transfer, including by producing records, account information, contract inventories, consents, and operational handover materials.
- 12.6 **Continuity and timing.** The Incubator shall use reasonable efforts to support an orderly Transfer, but no Transfer shall be deemed effective until the required legal or administrative steps are completed.
- 12.7 **Complex transfers.** If the transfer process reasonably requires additional time because of regulatory, tax, banking, employment, contractual, or cross-jurisdiction complexity, the applicable timelines may be extended for the period reasonably necessary.
- 12.8 **Existing contracts and liabilities.** Unless and until a Project's Contract is effectively assigned, novated, or replaced:
- a) it remains legally carried by the Incubator;
 - b) the Incubator may continue to administer it for transition purposes; and
 - c) the Project, and from the Transfer Date the Dedicated Entity, shall remain economically responsible for all resulting obligations in accordance with Article 8.5.
- 12.9 **Transfer costs.** Unless otherwise expressly stated in the Incubation-SC, a Transfer requested by the Project is subject to a transfer fee of 2 000 € (two thousand euros).
- 12.10 **Transfer delay charge.** If the Transfer process extends beyond the normal period for reasons attributable to the Project side, the Incubator may charge 250 € (two hundred fifty euros) per additional month.
- 12.11 **Breach-triggered Transfer costs.** If the Transfer is required because of breach or non-compliant conduct of a Manager or Project operator, all resulting additional costs may be charged to the responsible person or persons, including reasonable internal team time and third-party expenses.
- 12.12 Unless expressly agreed otherwise, the Incubator is not obliged to create the receiving legal entity for the Project.
- 12.13 **Pro rata reimbursement.** If the Project Transfers out before the end of a prepaid annual period, the annual Incubation fee shall be reimbursed pro rata for the unused full months, unless set off against other sums due.
- 12.14 **No obstruction.** No Manager or Project participant shall obstruct, delay, or frustrate a Transfer approved in accordance with the applicable contractual and governance framework.

Article 13. Termination and transition

- 13.1 **Duration.** If the Incubation-SC selects indefinite duration, the Contract continues until termination or Transfer. If the Incubation-SC selects fixed duration, the Contract ends on the Expiry Date stated in the Incubation-SC unless extended, terminated, or Transferred earlier. If the Incubation-SC selects a custom notice period, Incubator may terminate on the notice period stated in the Incubation-SC.

- 13.2 **Incubator termination right.** Incubator may terminate the Contract on the notice specified in the Incubation-SC, subject to compliance with any mandatory legal requirements and to an orderly transition of the Project. Unless otherwise expressly stated in the Incubation-SC, Incubator may terminate the Contract at any time, for any reason on 3 (three) months' prior written notice.
- 13.3 **Consequences of termination.** Upon termination of the Contract, the Incubator may, as appropriate:
- a) transfer the Project to a Dedicated Entity;
 - b) transition the Project to another authorised Incubation structure, if permitted;
 - c) wind down pending Project operations; or
 - d) take any protective measure reasonably necessary to limit unresolved Project Liabilities.
- 13.4 **Transition restrictions.** From the date a termination notice is given, no new material Commitment may be entered into for the Project without the Incubator's written approval, except Commitments strictly necessary for ordinary continuity or risk mitigation.
- 13.5 **Project records and cooperation.** During any transition or wind-down period, Managers and Project operators shall promptly deliver all records, credentials, contract data, accounting support, and operational information reasonably necessary for continuity, transfer, or closure, and shall take the necessary actions falling on their side to implement the Transfer or termination.
- 13.6 **Outstanding amounts.** Termination does not affect:
- a) accrued fees, charges, tax recharges, or reimbursable costs;
 - b) liabilities arising from acts or omissions occurring before the effective termination date;
 - c) indemnification obligations;
 - d) any continuing obligation required for transition, audit support, or legal compliance.
- 13.7 **Incubator-requested Transfer support.** If termination is initiated by the Incubator other than for breach, the Incubator shall provide reasonable Transfer support at no additional cost to the Project, excluding third-party costs and extraordinary work, while the Project side remains responsible for the paperwork, notifications, and actions falling on its side.
- 13.8 This Contract automatically terminates upon the effective Transfer of the Project to another Incubator or to a Dedicated Entity, without prejudice to any provisions which survive by their nature or express wording.

Article 14. Residual responsibility and survival

- 14.1 **Residual responsibility of the Project side.** The fact that the Incubator legally carried the Project during the Incubation period does not release Managers, operators, or responsible participants from their internal responsibility for acts performed outside authority, in breach of mandate, or in violation of this Contract.
- 14.2 **Survival.** The following provisions survive termination or Transfer for as long as necessary to give them effect:
- a) Article 8;
 - b) Article 9;
 - c) Article 10;
 - d) Article 11;
 - e) Article 12;
 - f) Article 13;

- g) Article 15;
- h) Article 16; and
- i) Any other article meant to survive given its nature.

Article 15. Contract-specific interpretation

- 15.1 **Functional interpretation.** This Contract shall be interpreted so as to preserve the core economic and legal function of an Incubation structure, namely that the Incubator temporarily carries the Project externally while the Project remains internally parameterised through the FlexUp framework.
- 15.2 **Local adaptation.** Any rule in these Incubation-GC that cannot be applied as written under a specific jurisdiction shall be adapted through the Incubation-SC or Incubation-AC in the narrowest manner required to preserve, as far as legally possible, the following principles:
- a) the Incubator remains protected against unauthorised and underfunded Commitments;
 - b) the Project does not acquire separate legal personality unless and until formally Transferred;
 - c) delegated authority remains limited, written, and revocable;
 - d) the Incubator may recover fees, taxes, costs, and losses attributable to the Project; and
 - e) the Project may be transitioned to a Dedicated Entity in an orderly manner.

Article 16. Founders Agreement and inter-Founder obligations

- 16.1 **Founders Agreement required.** Each Founder shall be party to a FlexUp Founders Agreement in force in respect of the Project before or at the time this Contract is signed. The current signed Founders-SC, including its appendices and any amendments, shall be appended to the Incubation-SC. The Founders-GC, the NDA-GC, and the FlexUp-GC may be incorporated by reference and are not required to be appended.
- 16.2 **Incubator enforcement rights.** The Incubator is not a party to the Founders Agreement and does not assume any obligation under it. However, where the Founders Agreement is incorporated into this Contract, the Incubator may enforce the provisions of the Founders Agreement that protect Incubator, Project, Subaccount, Transfer, or the operation of the Incubation structure.
- 16.3 **Source of Founder contributions.** Initial Founder contributions are defined in the Founders Agreement. The recognition, valuation, accounting treatment, and economic effects of all contributions are governed by the Charter and the FlexUp Economic Model.