

AGREEMENT OF SUBORDINATION

between

XXX
(the Company")

and

XXX
(the Creditor")

together forming a partnership as defined in Art. 530 ff. of the Swiss Code of Obligation and in turn represented by

XXX

WHEREAS

the loss balance contained in the annual financial statement gives raise to suspect an over-indebtedness;

WHEREAS

a status adopting realisation values would presumably show an overindebtedness and thus according to Art. 725 para 2 of the Swiss Federal Code of Obligations the competent judge would have to be informed;

WHEREAS

the board of administration expects the Company to overcome the indebtedness by means of appropriate measures within a reasonable time;

NOW THEREFORE

referring to the aforesaid and anxious to provide security for the other creditors of the Company the parties herewith agree as follows:

AGREEMENT

1. Claims of the creditors against the Company in the amount of CHF XXX subordinated.
2. The Creditor shall not ask for payment of the subordinated claims.

This subordination shall be effective upon final and conclusive evidence of the deficiency of the other creditors of the Company.

3. The subordinated claim may not be paid back neither fully nor partly, nor secured nor paid off by settlement, pledged, assigned or altered in any other way.

However, any waiver or entire or partial conversion of the claim into shareholders equity of the Company remain reserved.

4. The subordinated claim shall form a separate position in the balance sheet of the Company and moreover shall be expressly defined as subordinated claim.
5. This Agreement of Subordination can only be terminated upon evidence given by an audited balance sheet including the subordinated claim that there is no longer any existing danger of over-indebtedness and that the legal requirements for an auditor's report without a reference to Art. 725 para 2 CO are met.
6. This Agreement of Subordination was approved by the Board of Administration giving consideration to the credit standing of the Creditor.
7. The Creditor acknowledges that despite this Agreement the Board Members are in no way restricted to refer the over-indebtedness to the competent judge according to Art. 725 para 2 CO.
8. The Agreement shall be governed and construed under Swiss law.
9. Exclusive court of jurisdiction shall be at the domicile of the Company.

Place, Date:

The Party:

The Company:

The Creditors:

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