

FOUNDERS AGREEMENT

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This Founders Agreement (this "**Agreement**") is entered into as of **[EFFECTIVE DATE]** (the "**Effective Date**") by and among:

[FOUNDER 1 NAME], residing at **[ADDRESS]**; **[FOUNDER 2 NAME]**, residing at **[ADDRESS]**; **[and FOUNDER 3 NAME, etc.]** (each a "**Founder**" and together the "**Founders**").

Recitals. The Founders are jointly developing a business currently known as **[COMPANY/PROJECT NAME]** (the "**Company**"), which the Founders intend to operate and, where appropriate, incorporate or organize as a legal entity. The Founders wish to record their understanding about equity, roles, vesting, intellectual property, and what happens if a Founder leaves, before and after the Company is formed. In consideration of the mutual promises in this Agreement, the Founders agree as follows.

1. The Company and Its Formation

1.1 Purpose. The Company's business is to **[DESCRIBE THE BUSINESS / PRODUCT]**. The Founders will work together in good faith to build and grow the Company.

1.2 Entity formation. The Founders intend to form **[ENTITY TYPE, e.g. a Delaware corporation / a [STATE] LLC]** to operate the Company by **[TARGET DATE]**. On formation, the Founders will adopt governing documents (such as a certificate of incorporation, bylaws, stockholders' agreement, or operating agreement) consistent with this Agreement, and the equity and vesting terms here will be implemented through those documents and stock purchase or grant agreements.

1.3 Interim effect. Until the entity is formed, this Agreement governs the Founders' relationship and their respective interests in the Company and its assets. The Founders will treat work, contributions, and intellectual property as belonging to the Company-to-be as provided in Section 5.

2. Equity Ownership

2.1 Initial equity split. The Founders' initial ownership of the Company's equity is as follows: **[FOUNDER 1] — [%]; [FOUNDER 2] — [%]; [FOUNDER 3] — [%]** (the "**Founder Equity**"). These percentages reflect the Founders' relative contributions and commitments as of the Effective Date.

2.2 Implementation. On entity formation, each Founder will receive equity corresponding to its Founder Equity through founder stock or membership interests, subject to the vesting in Section 3 and the restrictions in this Agreement.

2.3 Dilution. The Founders understand that future financings, equity incentive pools, and grants will dilute the Founder Equity proportionally, unless the Founders agree otherwise in writing.

2.4 Equity incentive pool. The Founders [intend to / may] reserve an equity pool of approximately [%] for employees, advisors, and consultants, to be established on entity formation or first financing.

3. Vesting

3.1 Vesting schedule. Each Founder's Founder Equity vests over [NUMBER, e.g. 4] years, with a [NUMBER, e.g. 1]-year cliff: [e.g. 25%] vests on the first anniversary of the Founder's vesting commencement date, and the remainder vests in equal monthly (or quarterly) installments over the remaining period, so long as the Founder continues to provide services to the Company.

3.2 Vesting commencement date. Each Founder's vesting commencement date is [the Effective Date / the Founder's start date as stated in Exhibit A].

3.3 Repurchase of unvested equity. If a Founder's service to the Company ends for any reason, the Company (or the other Founders, as the governing documents provide) may repurchase that Founder's unvested equity at [the lower of cost or fair market value / the price stated in the governing documents].

3.4 Acceleration. The Founders [may agree to / will not provide] acceleration of vesting on a change of control or on termination without cause, as implemented in the governing documents. [Discuss acceleration terms with counsel.]

4. Roles, Responsibilities, and Commitment

4.1 Roles. Each Founder's initial title, role, and primary responsibilities are set out in **Exhibit A** (for example, Chief Executive Officer, Chief Technology Officer, or Chief Operating Officer).

4.2 Commitment. Each Founder will devote [FULL TIME / the time stated in Exhibit A] to the Company and will not engage in any activity that competes with or materially interferes with the Company's business without the other Founders' consent.

4.3 Compensation. Until the Company can fund salaries, the Founders [will work without salary / will be compensated as stated in Exhibit A]. Future compensation will be set by the Company's board or the Founders as the governing documents provide.

4.4 Decision-making. Major decisions of the Company require the approval of [a majority / all] of the Founders until a board is established, after which the board governs. Major decisions include incurring significant debt, issuing equity, selling the Company, changing the business, and amending this Agreement.

5. Intellectual Property and Confidentiality

5.1 Assignment of IP. Each Founder hereby assigns, and will assign, to the Company (or, before formation, holds for the benefit of the Company-to-be) all right, title, and interest in any inventions, software, designs, content, trademarks, and other intellectual property the Founder creates that relates to the Company's business or is developed using Company resources (the "**Company IP**"). Each Founder will sign any documents reasonably needed to perfect the Company's ownership.

5.2 Pre-existing IP. Each Founder retains ownership of intellectual property it created before the Effective Date and independently of the Company, listed in **Exhibit B**. To the extent any such pre-existing IP is incorporated into the Company IP, the Founder grants the Company a perpetual, worldwide, royalty-free license to use it for the Company's business.

5.3 Confidentiality. Each Founder will keep the Company's non-public business and technical information confidential, use it only for the Company's benefit, and not disclose it except to persons bound by confidentiality

obligations. This obligation continues after a Founder leaves the Company.

5.4 Non-solicitation. For [NUMBER, e.g. 12] months after a Founder ceases to provide services, that Founder will not solicit the Company's employees, contractors, or customers to leave or stop doing business with the Company, to the extent permitted by applicable law.

6. Departure of a Founder

6.1 Departure events. A Founder may cease to provide services voluntarily (by resignation) or involuntarily (by removal for cause, death, or disability), each a "Departure."

6.2 Effect on equity. On a Departure, the departing Founder keeps its vested equity, subject to the transfer restrictions and any company repurchase rights in the governing documents, and the Company may repurchase unvested equity under Section 3.3.

6.3 For cause. A Founder may be removed for cause, including material breach of this Agreement, fraud, or willful misconduct, by [the other Founders / the board]. The governing documents will define "cause" with precision; this Agreement provides the framework.

6.4 Continued obligations. A departing Founder remains bound by Sections 5 (intellectual property and confidentiality), 7, and 8, and will cooperate in an orderly transition of its responsibilities.

7. Transfer Restrictions and Right of First Refusal

7.1 Restrictions. No Founder may sell, pledge, or transfer its equity except as permitted by this Agreement and the governing documents. Any attempted transfer in violation is void.

7.2 Right of first refusal. Before transferring equity to a third party, a Founder must first offer it to the Company and then to the other Founders on the same terms, who have [NUMBER, e.g. 30] days to accept.

7.3 Drag-along and tag-along. The Founders [intend to / may] include drag-along and tag-along provisions in the governing documents to coordinate a future sale of the Company. [Discuss these terms with counsel.]

8. Dispute Resolution and General Provisions

8.1 Good faith and fair dealing. The Founders will deal with one another in good faith and will not take action intended to harm the Company or another Founder.

8.2 Dispute resolution. Before filing suit, the Founders will attempt in good faith to resolve any dispute through discussion, and then through [MEDIATION / ARBITRATION] as the Founders agree. [Discuss the dispute clause with counsel.]

8.3 Governing law and venue. This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Founders submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

8.4 Relationship to governing documents. This Agreement controls until the Company's governing documents are adopted. To the extent those documents address a matter covered here, the governing documents control once signed, and the Founders will implement this Agreement's intent through them.

8.5 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

8.6 Entire agreement; amendment. This Agreement, together with its Exhibits, is the entire agreement among the Founders on its subject and supersedes prior discussions. It may be amended only by a writing signed by all

Founders.

8.7 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Founder's failure to enforce a provision is not a waiver.

8.8 **Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Founders have executed this Agreement as of the Effective Date.

FOUNDER 1

Signature: _____

Printed name: **[NAME]**

Title: **[ROLE]**

Date: _____

FOUNDER 2

Signature: _____

Printed name: **[NAME]**

Title: **[ROLE]**

Date: _____

FOUNDER 3 (if any)

Signature: _____

Printed name: **[NAME]**

Title: **[ROLE]**

Date: _____

FOUNDER 4 (if any)

Signature: _____

Printed name: **[NAME]**

Title: **[ROLE]**

Date: _____

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