Founders' Agreement

This Founders' Agreement (hereafter referred to as "Agreement") is established on the ________ day of ________________, 20______. It outlines the collaborative principles among the Founders, detailing their respective responsibilities and related measures. The undersigned individuals (each referred to as "Founder" and collectively as "Founders") are committed to working together for mutual benefit and the growth of their business.

____ [Official business name] is in the field of ____ [Business industry] which concerns ____ ____ _______________________ [Business concept description] (hereby referred as the "Project").

The founders agree to work together in support of their shared business goals and wish to establish specific rights and obligations related to the Project, in accordance with the following terms and conditions:

I. Analysis. The Founders agree to interpret the following words with the following meanings:

A. Board. The Board of Directors of the Operational Company.
B. Constitution. The Articles of Incorporation of the Operational Company, along with any amendments made over time.
C. Exit Date. The date on which a Founder stops being part of the Project due to the transfer of all their shares.
D. Shareholder. A Founder who holds at least one share.
E. Party. Refers individually to a Founder who subscribes to this Agreement, whose name will be listed below.
F. Project. Any endeavor undertaken collaboratively or individually by the Founders to achieve a specific outcome for the business.
G. Applicable law. The laws, statutes, ordinances, or any legal instruments relevant to this Agreement in _____________________ [Governing state], excluding any conflicting laws.

II. Incorporation and Transfer of Ownership. Each Founder declares that he/she owns the business concept and any associated right thereof and shall develop the Project through a corporation to be incorporated under the laws of _____________________ [State in which the business will be registered] promptly after the execution of this Agreement.

Each Founder shall transfer and assign to the Operational Company (Check one) □ within _______ days following the execution of this Agreement □ immediately upon its formation, all rights, titles, and interests related to the Project. This includes any intellectual property rights, ideas—whether registered or not—along with any labor and work products resulting from all work conducted by the Founders related to the Project during its duration, or as otherwise mutually agreed upon by the Founders in the future.

The responsibilities of any Founders under this entire Agreement include the duty to execute any necessary documents, forms, and instruments required by applicable law to secure the title for the Project.

The Founders commit to utilizing the assets and capital contributions in a commercial manner, making reasonable efforts to ensure that the business progresses in line with sound business practices.

III. Titles & Responsibilities. The Parties involved in this Agreement commit to performing their duties in alignment with the Operational Company's business operations, prioritizing the interests of the Company. All intangible and other property rights generated during or directly associated with the Operational Company's business development will be owned by the Operational Company, unless a different arrangement is mutually agreed upon in writing by all Parties.

Tasks and roles of the Founders

______________________________ [Founder name], ____________________ [Title]

Main tasks & responsibilities:

____

____

______________________________ [Founder name], ____________________ [Title]

Main tasks & responsibilities:

____

____

______________________________ [Founder name], ____________________ [Title]

Main tasks & responsibilities:

____

____

________________________________ [Founder name], _____________________ [Title]

Main tasks & responsibilities:

____

____

IV. Time Commitment. The Founders agree to the following:

________________________________ [Founder name] hereby agrees to commit (Check one)
□ full-time □ part-time for _______ day(s) a week, _______ hour(s) a day.
________________________________ [Founder name] hereby agrees to commit (Check one)
□ full-time □ part-time for _______ day(s) a week, _______ hour(s) a day.
________________________________ [Founder name] hereby agrees to commit (Check one)
□ full-time □ part-time for _______ day(s) a week, _______ hour(s) a day.
________________________________ [Founder name] hereby agrees to commit (Check one)
□ full-time □ part-time for _______ day(s) a week, _______ hour(s) a day.

V. Decisions. The Founders possess diverse expertise across various fields and areas. To serve the collective interests of the Operational Company, the framework for equity and decision-making is assigned to the Founders based on their respective areas of expertise. The Founders hereby agree to the following:

____ [Founder(s) name(s)] hereby agree(s) to make decisions regarding ____.
____ [Founder(s) name(s)] hereby agree(s) to make decisions regarding ____.
____ [Founder(s) name(s)] hereby agree(s) to make decisions regarding ____.

The deadline for making a decision should not surpass _______ day(s). In exceptional cases where the issue is complex and an informed decision cannot be reached within this timeframe, an extension of _______ day(s) may be permitted. The choice to extend...
the limit can be taken by (Check one) □ all Founders □ the Founders with expertise on the decision to be taken.

For instances where there is a deadlock between the Founders over decision making, the Founders will

____

____ [Method to handle deadlock]

VI. Initial Capital Contribution. Each Founder agrees and is obligated to contribute the following amount(s) of non-refundable initial capital commitment to account for initial company expenses:

_________________________________ [Founder name]
Initial contribution: ____
Total value: $_________________________________

_________________________________ [Founder name]
Initial contribution: ____
Total value: $_________________________________

_________________________________ [Founder name]
Initial contribution: ____
Total value: $_________________________________

_________________________________ [Founder name]
Initial contribution: ____
Total value: $_________________________________

Each Founder acknowledges that further capital contributions may be feasible to cover the operational expenses of the Project, as long as there is written consent from all Founders.

VII. Business and Ownership Structure at Formation. When the Company is established, the complete issued share ownership of the Operational Company will be represented by the following equity:

_________________________________ [Founder name]
Shares: ___________
Equity Percentage: ___________%

_________________________________ [Founder name]
Shares: ___________
Equity Percentage: ___________%

_________________________________ [Founder name]
Shares: ___________
Equity Percentage: ___________%

______________________________ [Founder name]

Shares: __________

Equity Percentage: __________%

The Company shall be managed by the Board of at least __________ directors elected by the Founders. The Founders may be elected as a director.

At any time, if a Founder chooses to sell, assign, or transfer a portion of their shares in the Operational Company to another party, the Selling Founder must inform the other Non-selling Founders and provide them with a reasonable period to consider the offer. If a Non-selling Founder fails to give written notice of their intent to exercise within _______ day(s), it will be considered a rejection of the Selling Founder's option to sell. Consequently, the Selling Founder is free to offer the shares to a third party under the same terms initially presented to the Non-selling Founders.

Each share counts for one vote.

VIII. Vesting Schedule. The shares allocated to the founders will vest according to the terms outlined in this section. Following ____________________ [Cliff period] from the signing of this Agreement, or any other time mutually agreed upon in writing by all the Founders, each Founder will have _______% of their shares vested.

On ______________________________ [Vesting frequency] thereafter, the remaining shares will be apportioned in equal increments. In all cases, each Founder's shares shall be 100% fully vested after ____________________ [Duration of vesting schedule] of the execution of this Agreement.

If a Founder, who is bound by the vesting schedule, leaves the Operational Company before fully vesting their shares, any unvested shares will be returned to the Operational Company as outlined in the vesting schedule.

IX. President's Engagement. During _______________ [Term] after the execution of this Agreement, ______________________________ [President name] will serve as President of the Operational Company reporting to the Board of Directors. In such a position, the President shall have such duties, authorities, and responsibilities as shall be determined in the Constitution of the Operational Company or as it may be granted from time to time by the Board of Directors.

Throughout the duration of this engagement, the President is allowed, without needing the Board's consent, to serve as a director, trustee, committee member, or principal of any business association, provided these activities are disclosed in writing to the Board of Directors and do not pose a conflict of interest. Likewise, the President is not restricted from acquiring or owning any other entity unless such ownership creates a conflict of interest with the primary operations of the Operational Company.

The Operational Company will compensate the President with an annual base salary of $_____________________. The Board of Directors has the authority to adjust the President's base salary to a higher amount than stated here, following a salary review conducted at least once a year.

If the President becomes involved or is threatened with involvement in any action, suit, or proceeding—be it civil, criminal, or administrative—other than a case initiated by the Operational Company, due to their role as President, the Operational Company will indemnify and hold harmless the Company to the fullest extent allowed by applicable law and the Operational Company's constitutional documents. This indemnification covers any liabilities, costs, claims, or expenses incurred, including all costs and expenses related to defending against any proceeding.

The engagement of the founder as a President of the Company may be terminated at any time by the Board of Directors.

With respect to each calendar year of the Operational Company, the President shall be eligible to receive an additional long-term incentive award of not less than _______% of his base salary.

X. Expenses. The Founders will provide written approval for the Company's budgeted expenses on a continuous basis. Any Founder is allowed to cover budgeted expenses on behalf of the Company, and the Company will promptly reimburse each Founder for these expenses within a reasonable timeframe after the payment report is submitted by the Founder, accompanied by receipts.

XI. Duration and Termination. This Agreement may be concluded in writing by all involved parties, and if not terminated beforehand, it will expire on _____________________ [Agreement term] following its execution. Upon termination, any business assets transferred to the Company shall be executed and distributed according to the percentage allocation of the Company’s shares.

Any Founder may voluntarily terminate any services with the Company at any time for any reason, provided however, such Founder notifies the other Founders thirty (30) days in advance. The Founder shall compulsorily offer to transfer the shares held by him or her, to the remaining Founders in proportion to their interest in the shares of the Operational Company.

A Founder may be excluded or removed for cause if he or she has (a) significantly breached their fiduciary duty or duty of care; or (b) engaged in fraudulent activities, willful misconduct, dishonesty, gross negligence, or abuse of authority. This includes, but is not limited to, leaking confidential information of the Operational Company, collaborating with competitors, or intentionally and substantially undermining the Company's interests, or attempting any of these actions. In such cases, the remaining Founders will be offered the shares of the Founder in breach at a price determined by an independent expert appointed by the Operational Company, in proportion to their interests. The breaching Founder will also be required to resign from any corporate position or role within the company.

In the event of a Founder's death or permanent disability, the transfer of their shares will occur as follows: the vested shares will be offered to the remaining Founders at a price set by an independent expert appointed by the Company, based on the ratio of their interests. The Company will acquire any unvested shares.

XII. Other Covenants.

- **Non-competition.** None of the Founders, without the prior written consent of disinterested The Founder(s), during the lock-in period of ____________________ [Lock-in period], may not compete or assist in competing with the Operating Company, either directly or indirectly, in any transactions or activities related to the Project. Additionally, they cannot provide financial support for such activities as long as they possess shares in the Operating Company or sit on the Board. These restrictions will remain in effect until the lock-in period concludes.

- No solicitation. While the Founder maintains an interest in the Company, serves on the Board, or has the right to elect any board member, they shall not solicit, contact, or propose to any individual or entity that was employed by the Operational Company or provided services as an independent contractor. This restriction applies if the intent of such solicitation or proposal is to engage in business related to the operational company or the Plan.

- **Confidentiality.** Each Party must keep this Agreement, its terms and existence confidential. Furthermore, any information that each Founder receives about other Founders and/or the business shall be kept strictly confidential. Such information must not be used without the prior written consent of the other party unless (a) disclosure is required by law, (b) the confidential information is already in the public domain or generally known, or (c) it is reasonably necessary in connection with any proposed sale of that party's interest in the Company, part or all of the business, or shares. In any case, the Founder will be promptly made sure to put on notice the owner of the information if the disclosure is required by law or by any governmental agency.

- **Intellectual Property Rights.** Each Founder acknowledges that all intellectual property rights, whether registered or unregistered, created for or in connection with the operational company or the Project as a whole, will be the exclusive property of the operational company. Furthermore, each Founder agrees to transfer any rights developed for the Company's purposes, regardless of whether company resources were used, to the Operational Company. If the Founders consent to allow any party to retain such rights in a manner that contradicts the previous statements, this must be mutually agreed upon by all parties and documented in writing with attached signatures.

- **Entire Agreement.** This Agreement contains all of the terms agreed between the parties relating to the subject matter dealt with herein and supersedes and cancels all prior discussions and agreements covering the subject of this Agreement. The Parties have not relied on any representation, warranty, or agreement relating to the matters herein negotiated that is not expressly set out in this Agreement, or any amendment thereof, and no such representation, warranty, or covenant has any effect from the date of this Agreement.

- **Amendments.**This Agreement may be amended by writing consent of the Parties only.

- **No Partnership.** The Parties expressly declare that anything contained in this Agreement will be deemed or construed to constitute any party to be a partner, agent, or representative of any other Founder, or to create any trust or commercial partnership different from that created in regard to the operational company.

- **Severability.** If any provision of this Agreement becomes invalid or unenforceable to any extent, the remainder of this Agreement and its application will not be affected and will remain enforceable to the greatest extent permitted by law.

- **Notices.** All notices and communications given under this Agreement must be in writing and will be delivered both personally and by email.

- **Buyback Clause: The** Founders agree not to transfer their shares to outside parties until _______ month(s) after the initial execution of the Shareholders' Agreement. Each Founder must notify the others of any intention to transfer their shares and provide relevant information that will be shared with third parties regarding that transfer. The Founders retain the right to repurchase shares for a period of _______ month(s) following a Founder's resignation if the buyback has not already occurred.

- **No Warranties or Representations.** The Parties do not provide any warranties or representations, whether express or implied, regarding the potential for successful business outcomes resulting from the rights and obligations granted in this Agreement. Each Party acknowledges that the business development of this Project carries inherent risks, and their obligation is to exert reasonable efforts to cultivate the business area described herein. No special knowledge or expertise is represented by any Party.

- **Waiver.** The failure of any party, arbitrator, or judge to demand the fulfillment of any covenant, rights, or obligations stated herein shall not be construed as a waiver of any breach of other covenants, duties, agreements, or conditions. Any waiver must always be documented in writing.

XIII. Exit. In case of a liquidation event, any net consideration shall be distributed pro rata between the shareholders.

XIV. Governing Law. The Parties agree that all matters concerning interpretation, validity, and any claims, disputes, controversies, or differences—whether contentious and arising from or related to this Agreement, including tort claims or those stemming from its termination, language, and/or intent of the Parties—along with any disputes arising from the interpretation, validity, applicability, or scope of this Agreement (collectively referred to as a "Dispute" for the purposes of this Agreement), shall be governed by the laws of ____________________ [Governing state].

XV. Dispute Resolution. (Check one)
☐ Any disputes will be resolved solely and conclusively through institutional arbitration, which will take place in ____________________ [Governing state], in accordance with the Regulations of the American Arbitration Association. The Arbitration Court will be formed by one or more arbitrators. The arbitration award will be provided in writing and will be final and binding for both Parties. By agreeing to this arbitration clause, the Parties express their clear

and express consent to exclude the jurisdiction of the courts over any Dispute that would originally have jurisdiction on the subject matter. ◻ Any dispute shall be resolved exclusively, and definitively by the Courts of _____________________ [Governing state] whose jurisdiction the Parties herein submit to exclusively.

(Check if applicable) ◻ Any dispute between or among the Parties, the Parties shall first proceed in good faith to submit the matter to mediation. Costs related to mediation shall be mutually shared between or among the Parties. Unless otherwise agreed in mediation, the Parties retain their rights to proceed to arbitration or litigation.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

Founder Signature	**Founder** Name	Date
Founder Signature	**Founder** Name	Date
Founder Signature	**Founder** Name	Date
Founder Signature	**Founder** Name	Date