

FOUNDERS AGREEMENT CHECKLIST

Items to Be Discussed / Agreed

Issue	Notes
Allocation of Share Capital	<i>How much of the company does each founder have?</i>
Right of Repurchase & Reverse-Vesting	<i>Does each founder get all of their shares in the company from day one? Or do they receive them over time? This might be smart to have because it ensures that someone who leaves after two months doesn't come asking for all of their shares after two years of which the others were working their asses off...</i>
Right to Transfer Shares; No-Sale	<i>Can the founders sell their shares from day one? Or do they need to wait (3 years)?</i>
Board of Directors	<i>How many votes does each founder have during board meetings or other important decision makings?</i>
Signature Rights	<i>How will you sign expenses and obligations? How many signatures are required for each type of decision?</i>
Expenses	<i>How much money is each founder going to put into the company for immediate expenses?</i>
Salaries	<i>Will the founders receive salaries? If so how much and for how long?</i>
Non-Competition and Non-Solicitation	<i>How long are the founders not allowed to compete with the company of work in the same of operation if they leave?</i>
Assignment of Intellectual Property	<i>Usually all IP belongs to the company unless someone brought it with him to the table. In this case you need to discuss all senarios regarding this IP – i.e. what happens to it if the company fails...</i>
Founders Employment or Consulting Agreements	<i>What is the scope of work of each of the founders through out the initial stages of the company – i.e. until investment, until company formulation, until employee one, etc.</i>
Tasks and Titles	<i>Who does what and what are each founder's titles.</i>
Separation from a Founder	<i>How can founders be removed or remove them selves from the company?</i>
Definitions	<i>Define what is considered an expense, and investment, scope of work etc.</i>
Amendment of the Founders Agreement	<i>What is required to amend these terms? How many founders need to agree?</i>