

Founder's Agreement Template (Indian Context):

1. Introduction:

Date of agreement

Names of all founders

Name of the company

2. Purpose:

Brief description of the business venture

3. Roles and Responsibilities:

Description of each founder's role and responsibilities within the company

Division of labor and decision-making authority among founders

4. Equity Ownership:

Initial equity ownership percentage for each founder

Vesting schedule for equity ownership (if applicable)

Procedure for allocating additional equity in the future.

5. Capital Contributions:

Details of cash or non-cash contributions made by each founder.

Procedure for making additional capital contributions (if necessary)

6. Intellectual Property Rights:

Agreement on ownership and use of intellectual property created by founders.

Procedure for handling intellectual property disputes

7. Confidentiality and Non-compete:

Confidential obligations to protect sensitive information of the company.

Non-compete clauses preventing founders from engaging in competitive activities during or after their involvement with the company.

8. Decision-making Process:

Mechanism for resolving disputes and making key decisions within the company (voting rights, quorum, etc.). Veto powers if any.

Procedure for adding new founders or removing existing founders.

9. Management and Governance:

Structure of the management team and board of directors

Procedures for appointing and removing officers and directors.

10. Salary and Compensation:

Agreement on founder salaries and compensation packages (if any)

Procedure for adjusting salaries and compensation in the future.

11. Exit Strategy:

Conditions and procedures for voluntary or involuntary withdrawal of founders from the company

Buyout provisions in case of a founder's departure

12. Dispute Resolution:

Mechanisms for resolving disputes among founders, including mediation, arbitration, or litigation.

13. Governing Law:

Choice of law governing the agreement (Indian law in this case)

Additional Elements for Special Circumstances:

1. Intellectual Property Assignment:

Detailed provisions for transferring ownership of intellectual property to the company.

2. Founder's Employment Agreement:

Employment terms and conditions for founders who will also serve as employees of the company.

3. Equity Vesting Schedule:

Specific schedule outlining the timeline for vesting of equity ownership for each founder.

4. Drag-Along and Tag-Along Rights:

Rights of founders to compel other founders to sell their shares (drag-along) or to join in the sale of shares initiated by another founder (tag-along)

5. Founder Restrictions:

Restrictions on founders' ability to transfer or sell their equity to third parties without the consent of other founders or the company.

6. Specific Performance Metrics:

Performance metrics or milestones that must be achieved by founders to maintain their equity ownership or other privileges within the company.

7. Succession Planning:

Procedures for appointing successors or interim leaders in case of a founder's incapacitation or death