

## FOUNDER AGREEMENT V3

This Founder Agreement (this “**Agreement**”) is entered into as of the date set forth on the signature page hereto (the “**Effective Date**”), by and between Founder Institute, Incorporated, a Delaware corporation (“**FII**”), the individual whose name is listed on the signature pages hereto (“**Founder**”), and the Founder’s company that has attached its signature page to this Agreement (the “**Graduate Company**”).

FII, the Founder and the Graduate Company hereby agree as follows:

1. Founder Institute Program Participation. During the time in which Founder is enrolled in the Founder Institute program (the “**Semester**”), Founder will be eligible to receive:

- A. Participation with peers in company building exercises;
- B. Education by experienced executive officers of start-up companies;
- C. Mentorship by experienced executive officers on business issues;
- D. Multiple opportunities to meet investors and investor groups;
- E. Discounted or free services by third party providers;
- F. Certification as an Founder Institute graduate; and
- G. Participation in the Bonus Pool (described in Section 4 below).

2. Obligations of Founder. As a participant in the Founder Institute program and unless Founder terminates his or her participation in the Founder Institute program by the Termination Deadline as defined in below, Founder hereby agrees to:

- A. Attend every session during the Semester in person;
- B. Complete all weekly session projects and assignments on time;
- C. Participate in weekly peer working group meetings and assignments;
- D. Provide feedback on each mentor that teaches a session, once immediately after such session and again within three (3) months of the end of the Semester;
- E. Form one (1) company during the Semester that uses the corporate form and basic corporate documents approved by FII as defined in Section 6.A and 6.B, and FII shall at its sole discretion choose one (1) such company to be the “Graduate Company” under the terms of this Agreement;
- F. Cause the Graduate Company to (i) execute a signature page to this Agreement, and upon such execution and delivery of the signature page become a party to this Agreement, and (ii) issue Equity Consideration within seven (7) days of its selection to join the Bonus Pool (the “**Invitation Period**”);

G. Pay FII a one-time fee for course administration and materials in the amount specified on the signature page hereto;

H. Notify FII of Founder's intent to leave the Founder Institute program by no later than the earlier of (i) the expiration of the Invitation Period, or (ii) forty-five (45) days before the last scheduled session of the Semester (the "**Termination Deadline**"); and

I. Guarantee that Graduate Company fulfills its obligations under this Agreement, including the obligation to deliver the Equity Consideration or Acquisition Value as defined in Section 6.D to FII under Section 3, and indemnify FII for (i) any failure of Graduate Company to execute this Agreement, and (ii) any and all breaches by Graduate Company of its obligations under this Agreement.

3. Obligations of Graduate Company. By executing this Agreement, Graduate Company agrees to:

A. Execute and deliver to FII a warrant, option or other equity agreement, in a form provided by FII that grants FII equity rights to 4% of the equity of the Graduate Company for contribution to the Bonus Pool, together with any required approvals, including corporate governance approvals and any applicable government approvals during the Invitation Period ("**Equity Consideration**");

B. In the event that the Graduate Company is unable to issue Equity Consideration in a form acceptable to FII in accordance with Section 3.A, pay FII 4% of the Acquisition Value for contribution to the Bonus Pool, and not take any action to circumvent the rights of FII to any Acquisition Value;

C. Indemnify FII for the costs (including attorneys' fees and expenses) of any action to enforce the payment of any amounts owed to FII under this Agreement, including the payment of the Acquisition Value, and hereby grants and conveys to FII the Collateral Security for any unpaid balances of the Acquisition Value;

D. Notify FII at least fourteen (14) days prior to the consummation of any financing or liquidity event by the Graduate Company, and authorize and direct legal counsel to the Graduate Company to do the same;

E. Within twenty-four (24) months of the last session of the Semester, launch a commercially viable product to the standard of related or competing offerings of similarly situated companies, as determined by FII in its reasonable judgment.

4. Bonus Pool. FII may, at its sole discretion, select any Founder Institute Graduate Company formed during the Semester by an Founder Institute program participant attending sessions at the same time and location as Founder to participate in the Bonus Pool (each an "**Eligible Company**"). All Equity Consideration and Acquisition Value Rights granted to FII by the Eligible Companies shall be collectively referred to as the "**Bonus Pool.**" Each Bonus Pool is limited to the Eligible Companies participating in the same session and at the same location. Founder shall be eligible to participate in the Bonus Pool by contributing Equity Consideration or Acquisition Value Rights from an Eligible Company to the Bonus Pool, subject to the terms below:

A. Any proceeds actually received by FII resulting from the Acquisition Value Rights and the sale of the Equity Consideration in the Bonus Pool or the sale of any securities underlying such Equity Consideration or Acquisition Value Rights shall be referred to as “**Bonus Proceeds**.”

B. FII will set aside twenty-five percent (25%) of all Bonus Proceeds received within fifteen (15) years of the start of the Semester from the Bonus Pool (the “**Available Bonus Proceeds**”) for the Eligible Participants (as defined below).

C. The Available Bonus Proceeds will be divided by the number of Eligible Companies contributing Equity Consideration or Acquisition Value Rights to the Bonus Pool and the resulting quotient will be referred to as a “**Bonus Pool Share**.”

D. All of the Founders of an Eligible Company that contributes Equity Consideration or Acquisition Value Rights to the Bonus Pool (each an “**Eligible Participant**”) shall collectively be entitled to receive a Bonus Pool Share. Such Bonus Pool Share shall be shared equally among the Founders of any such Eligible Company. For instance, if two (2) Eligible Participants form one (1) Eligible Company that contributes Equity Consideration or Acquisition Value Rights to the Bonus Pool, then each such Eligible Participants will be entitled to one-half (or 50%) of a Bonus Pool Share.

E. FII will attempt to distribute any Available Bonus Proceeds received by FII to the Eligible Participants twice annually in accordance with their Bonus Pool Shares. At FII’s option, Available Bonus Proceeds will be distributed in cash or by check, wire transfer, cancellation of indebtedness or any combination thereof. Each distribution will include a statement of expenses providing reasonable detail on the taxes, fees, expenses and other costs that were deducted from such distribution. No Eligible Participant shall have any audit rights pertaining to the Bonus Pool, any Bonus Proceeds or any Available Bonus Proceeds.

F. FII will attempt to notify each Eligible Participant of a distribution using the contact information provided to FII in writing by such Eligible Participant. If FII is unable to notify an Eligible Participant using such contact information within forty-five (45) days of FII’s initial attempt, such Eligible Participant shall be terminated from the Bonus Pool and all Available Bonus Proceeds owed to such Eligible Participant shall be allocated to FII. In addition, any Available Bonus Proceeds that such Eligible Participant would have been entitled to in the future will be allocated to FII.

G. Bonus Proceeds shall be net of the exercise prices of the Equity Consideration, applicable taxes and any legal, arbitration, escrow, banking, administrative and other reasonable fees, expenses and costs incurred by FII in connection with administering the Bonus Pool, the exercise or sale of the Equity Consideration or Acquisition Value Rights and the sale of the securities underlying the Equity Consideration or Acquisition Value Rights.

H. The exercise or sale of any Equity Consideration or Acquisition Value Rights and/or the sale of any securities received upon exercise of Equity Consideration or from the Acquisition Value Rights shall be in FII’s sole discretion.

5. Confidentiality.

A. Definition of Confidential Information. **“Confidential Information”** means any non-public information that relates to the actual or anticipated business and/or products, research or development of FII, any other participant in the Founder Institute program, any company formed by another participant in the Founder Institute program during the Semester or any of their respective affiliates (each a **“Disclosing Party”**), including but not limited to technical data, trade secrets, know-how, research, product plans, or other information regarding a Disclosing Party’s products or services and markets therefor, customer lists and customers, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by a Disclosing Party, either directly or indirectly, in writing, orally or by drawings or inspection rights granted to Founder. The fact that a person is participating or has participated in the Founder Institute program shall be considered Confidential Information hereunder. Notwithstanding the foregoing, Confidential Information shall not include any such information which Founder can establish (i) was publicly known or made generally available prior to the time of disclosure to Founder; (ii) becomes publicly known or made generally available after disclosure to Founder through no wrongful action or inaction of Founder; or (iii) is in the rightful possession of Founder, without confidentiality obligations, at the time of disclosure as shown by Founder’s then-contemporaneous written records.

B. Nonuse and Nondisclosure. During and after the term of this Agreement, Founder will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Confidential Information, and Founder will not (i) use the Confidential Information for any purpose whatsoever other than as necessary for Founder’s participation in the Founder Institute program, or (ii) disclose the Confidential Information to any third party without the prior written consent of an authorized representative of the Disclosing Party. Founder may disclose Confidential Information to the extent compelled by applicable law; *provided however*, prior to such disclosure, Founder shall provide prior written notice to such Disclosing Party and seek a protective order or such similar confidential protection as may be available under applicable law. Founder agrees that no ownership of Confidential Information is conveyed to Founder by any Disclosing Party. Each Disclosing Party (other than FII) is an express third party beneficiary of this Section 5.B. Founder agrees that Founder’s obligations under this Section 5.B shall continue after the termination of this Agreement.

6. Construction of Certain Phrases; Definitions.

A. For the purposes of this Agreement, a company or other business entity shall be deemed to be formed **“during the Semester”** if such company or other business entity was formed between the date of the first session of the Semester and the date six months after the date of the last session of the Semester, inclusive; provided, however, that a company or other business entity formed by one (1) or more participants in the Founder Institute program before or after such time period may be deemed to be formed during the Semester if mutually agreed upon by FII and such participant(s).

B. A company or other business entity shall be deemed to be **“formed”** by a participant in the Founder Institute program if (i) such entity is incorporated, registered or otherwise

formed by a participant or at a participant's request through one (1) or more intermediaries; (ii) a participant owns, or has an agreement pursuant to which such participant may acquire beneficial ownership of, ten percent (10%) or more of the securities or other ownership interests of such entity (unless such securities or other ownership interests were acquired by such participant through a bona fide sale or transfer not intended to impair the rights of FII hereunder); or (iii) in the reasonable good faith judgment of FII, a participant has or will acquire a substantial interest in such entity, either directly or indirectly.

C. **"Change of Control"** means the occurrence of any of the following events: (i) the acquisition of the Graduate Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation or stock transfer, but excluding any such transaction effected primarily for the purpose of changing the domicile of the Graduate Company), unless the Graduate Company's stockholders of record immediately prior to such transaction or series of related transactions hold, immediately after such transaction or series of related transactions, at least fifty percent (50%) of the voting power of the surviving or acquiring entity (provided that the sale by the Graduate Company of its securities for the purposes of raising additional funds shall not constitute a Change of Control hereunder), and (ii) a sale, assignment, exclusive license, lease or other disposition or transfer of all or substantially all of the assets of the Graduate Company.

D. In connection with a Change of Control (including a transaction that results in the liquidation, dissolution or winding up of the Graduate Company), **"Acquisition Value"** (and FII's rights of payment therein, **"Acquisition Value Rights"**) means the sum of the net proceeds derived from the cash and the fair market value of any securities, other property, or any other form of consideration paid by an acquiror of the assets or business of the Graduate Company, including any amounts distributed after the closing date of such transaction pursuant to any escrow, earn-out or other similar arrangement.

E. **"Collateral Security"** means a security interest in all right, title and interest in all assets, including all intellectual property, owned by the Graduate Company for the amounts due to FII under this Agreement, including the payment of Acquisition Value. FII shall have the right at any time there are overdue amounts under this Agreement, provided that FII has given at least ten (10) days prior notice to the Graduate Company, to convert any overdue amounts owed to FII that have not been paid or otherwise satisfied into either (i) equity of the Graduate Company at the same price and subject to the same terms and conditions as the last bona fide equity financing of the Graduate Company at the time of the conversion, or (ii) a convertible debt instrument on the same terms and conditions as the last bona fide convertible debt financing of the Graduate Company at the time of conversion. This Collateral Security shall be canceled upon the issuance of Equity Consideration or the payment of Acquisition Value as required under Section 3.

## 7. Termination from Program or Bonus Pool.

A. **FII Right to Terminate.** Notwithstanding anything in this Agreement to the contrary, FII reserves the right to terminate Founder's participation in the Founder Institute program and, if applicable, the Bonus Pool: (i) for Founder's breach of this Agreement; (ii) for Founder's conviction or plea of nolo contendere to any felony; (iii) if necessary or advisable to comply with applicable law, including without limitation local or international securities laws; (iv)

for Founder's breach of FII's Terms of Use; or (v) for any action or inaction by Founder that, in the good faith determination of FII, adversely affects, or otherwise reflects negatively on, FII, the Founder Institute program or the participants of the Founder Institute program. The right of FII to terminate Founder's participation in the Bonus Pool pursuant to this Section 7.A shall survive any termination of this Agreement. In the event that FII elects to terminate Founder's participation in the Founder Institute program and the Bonus Pool pursuant to this Section 7.A, then FII will provide Founder written notice of such termination, either prior to or within a reasonable time after the termination date, which notice shall also provide for the termination of the Equity Consideration or Acquisition Value Rights and the removal of the Equity Consideration or Acquisition Value Rights from the Bonus Pool.

B. Termination upon Death. Founder's participation in the Founder Institute program and, if applicable, the Bonus Pool shall automatically terminate upon Founder's death.

C. Effect of Termination. Upon Founder's termination from the Founder Institute program, Founder will no longer be eligible for the benefits listed under Section 1. Upon the termination of Founder's participation in the Bonus Pool, if applicable, all Available Bonus Proceeds owed to Founder as well as all future Available Proceeds Founder would have been eligible to receive had Founder's participation in the Bonus Pool not been terminated will be allocated to FII. No refunds will be given to Founder upon any termination.

8. Miscellaneous.

A. Term. The term of this Agreement will begin on the Effective Date of this Agreement and will continue until the date that is fifteen (15) years from the start of the Semester or Founder's earlier termination from the Founder Institute program or, if applicable, the Bonus Pool. Sections 2.F, 2.G, 2.H, 2.I, 3, 4, 5, 6 and 8 shall survive any termination of this Agreement.

B. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to the conflicts of law provisions of any jurisdiction.

C. Dispute Resolution.

i. If a dispute arises from or relates to this Agreement, and if the dispute cannot be settled through direct discussions, FII, the Founder, and the Graduate Company agree to endeavor first to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures in San Francisco, California. If the parties cannot settle the dispute by mediation, the dispute shall adjudicated in accordance with Section 8(C)ii.

ii. FII, the Founder, and the Graduate Company hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court,

and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

D. Assignability. This Agreement will be binding upon Founder's assigns, administrators, and other legal representatives, and will be for the benefit of FII, its successors, and its assigns. There are no intended third-party beneficiaries to this Agreement, except as expressly stated. Founder may not sell, assign or delegate, including without limitation by gift, will, devise or intestate succession, any rights or obligations under this Agreement, including but not limited to any rights to Available Bonus Proceeds. Notwithstanding anything to the contrary herein, FII may assign this Agreement and its rights and obligations under this Agreement to any successor to all or substantially all of FII's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, or otherwise.

E. Entire Agreement. This Agreement and the Terms of Use of the Founder Institute website constitute the entire agreement and understanding between the parties with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between the parties. To the extent any terms set forth in any exhibit or schedule conflict with the terms set forth in this Agreement, the terms of this Agreement shall control unless otherwise expressly agreed by the parties in such exhibit or schedule.

F. Severability. If a court or other body of competent jurisdiction finds, or the parties mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

G. Modification, Waiver. Subject to Section 8.J, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in a writing signed by the parties. Waiver by FII of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

H. Notices. Each such notice or other communication required or permitted under this Agreement shall be treated as effective or having been given (i) if delivered by hand messenger or courier service, when delivered; (ii) if sent by mail, at the earlier of its receipt or seventy-two (72) hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid; or (iii) if sent by electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address.

I. Graduate Promotion. FII may use Founder's name, likeness, image and quotes, and the names of the Graduate Company, in promotional materials, including press releases, presentations and customer references regarding the Founder Institute program.

J. Reservation of Rights. FII reserves the right to change the terms and conditions of Founder's participation in the Founder Institute program and the Bonus Pool at any time and from time to time provided that such change shall be of general applicability to all participants enrolled in the Founder Institute program during the Semester in the same location as Founder.

K. Conflict. In case of any conflict between this Agreement and FII's Terms of Use or Privacy Policy, the terms of this Agreement shall govern.

L. No Impairment. Founder shall not, through any voluntary action or inaction, avoid or seek to avoid the observance or performance of any of the terms of this Agreement required of Founder, but shall at all times in good faith assist in carrying out of all the provisions hereof and taking all action as may be necessary or appropriate to protect FII rights under this Agreement against impairment.

*[Signature page follows]*



IN WITNESS WHEREOF, the undersigned have executed this Founder Agreement as of \_\_\_\_\_, 20\_\_.

Course Fee: \_\_\_\_\_

**FOUNDER INSTITUTE, INCORPORATED**

By: \_\_\_\_\_

Name: Adeo Ressi

Title: CEO

Address: 548 Market St # 30380

San Francisco, California 94104

**FOUNDER**

Signature: \_\_\_\_\_

**SIGN HERE**

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## FOUNDER COMPANY

Company: \_\_\_\_\_

Place of Incorporation: \_\_\_\_\_

Signature: \_\_\_\_\_

**SIGN HERE**

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_  
(Date after Incorporation)