

# FOUNDER AGREEMENT

Location: \_\_\_\_\_ Effective Date: \_\_\_\_\_

## PARTIES:

Founder 1 Name: \_\_\_\_\_

Founder 1 Address: \_\_\_\_\_

Founder 2 Name: \_\_\_\_\_

Founder 2 Address: \_\_\_\_\_

## RECITALS:

WHEREAS, the Founders wish to establish a company (the “Company”) to conduct business together and desire to set forth their agreement with respect to the ownership, management, and operations of the Company.

## 1. DEFINITIONS

In this Agreement, unless the context requires otherwise, the following terms shall have the meanings set forth below:

“Board” means the board of directors of the Company. “Shares” means shares of the Company’s equity stock.

“Confidential Information” means all non-public information disclosed by any Founder or the Company.

## 2. FORMATION AND PURPOSE

The Founders agree to incorporate the Company under the laws of the United Kingdom. The purpose of the Company shall be to engage in lawful business activities as agreed by the Founders.

## 3. CAPITAL CONTRIBUTIONS AND OWNERSHIP

Each Founder shall contribute capital to the Company as agreed. Ownership of the Company shall be divided among the Founders in proportion to their respective contributions, as detailed in the Shareholding Schedule attached hereto.

## 4. MANAGEMENT AND DECISION MAKING

The Company shall be managed by the Board. Unless otherwise agreed, decisions of the Board shall require a majority vote. Certain decisions, including but not limited to amendments to this Agreement, issuance of new Shares, or sale of the Company, shall require unanimous consent.

## 5. RESTRICTIVE COVENANTS

Founders agree not to compete with the Company during the term of this Agreement and for a period of 12 months thereafter within the territories the Company operates. Each Founder agrees to maintain confidentiality of the Company’s trade secrets and proprietary information.

## 6. TRANSFER OF SHARES

No Founder shall transfer, sell or otherwise dispose of any Shares except pursuant to the terms of this Agreement. Any proposed transfer shall be subject to a right of first refusal in favor of the other Founders and the Company.

## **7. DIVIDENDS AND DISTRIBUTIONS**

Dividends and other distributions of profits shall be declared and paid at the discretion of the Board, subject to applicable law and the Company's articles of association.

## **8. TERMINATION**

This Agreement may be terminated upon mutual written consent of the Founders or in accordance with the terms set forth herein. Termination shall not affect accrued rights or liabilities of the parties.

## **9. DISPUTE RESOLUTION**

All disputes arising out of or relating to this Agreement shall be resolved by mediation, and if unsuccessful, by arbitration in accordance with the Arbitration Act 1996 (UK). The seat of arbitration shall be London, United Kingdom.

## **10. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

## **11. CONFIDENTIALITY**

Each Founder shall keep all Confidential Information strictly confidential and shall not disclose or use such information except as necessary for the performance of their obligations under this Agreement.

## **12. MISCELLANEOUS**

12.1 Entire Agreement: This Agreement constitutes the entire agreement between the parties. 12.2 Amendments: No amendment shall be effective unless in writing and signed by all Founders. 12.3 Severability: If any provision is held invalid, the remainder shall remain in full force and effect. 12.4 Counterparts: This Agreement may be executed in counterparts, each deemed an original.

**FOUNDER 1 SIGNATURE**

**FOUNDER 2 SIGNATURE**

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

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

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