Thank you for downloading your free Founder Collaboration Agreement from [www.foundercatalyst.com](http://www.foundercatalyst.com)

**A heads up**

The documents on the FounderCatalyst platform are created intelligently using a ‘wizard’ system and downloads details from Companies House and combines that with details you provide on your company, funding round and investors.

As you aren’t yet incorporated, we can’t do that, so this Founder Collaboration Agreement is a simple but unsophisticated ‘download, edit, print, sign’ document.

There is also a [blog](https://www.foundercatalyst.com/blog/why-a-founder-collaboration-agreement-is-vital) which provides more details about the Founder Collaboration Agreement, which you should read before completing.

**How to complete your Founder Collaboration Agreement**

* Start by using this document as a tool to discuss each of the decision points with your co-founders and to reach consensus on each item.
* Pay attention to anything in yellow markup - you need to edit these sections.
* Pay attention to anything between [ … ] - it is optional depending upon your circumstances.
* *Don’t forget to delete this front page* before each founder prints, signs and scans copies of this document.

Once you have finished your Founder Collaboration Agreement, you should read our guide to the journey from pre-incorporation to fully funded, which is available for free on the [FounderCatalyst site](https://www.foundercatalyst.com/blog/from-unicycle-to-unicorn-your-funding-journey).

**Please note:** This document template is provided under the terms of the FounderCatalyst site, which can be found [here](http://www.foundercatalyst.com/terms).

Finally, if you have any questions, comments or observations then please let us know via [info@foundercatalyst.com](mailto:info@foundercatalyst.com).

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1. **Introduction**
   1. This document (**this** **agreement**) sets out the key terms under which the signatories (each a **Founder**, together the **Founders**) agree to collaborate on developing a new Business Concept (as defined below) with a view to transferring the Business Concept to a limited company (the **Company**) [by [date] OR *when will you incorporate the business*].
   2. This agreement shall commence on the date of its signature by all parties to it.
2. **Definitions and interpretation** 
   1. Unless the context otherwise requires, the following words and expressions shall have the following meanings in this agreement and in the Schedule attached to it.

|  |  |
| --- | --- |
| **Assigned IPRs** | means the Know How, the Materials, the Patents, the Technologies, the Trade Marks and all Intellectual Property Rights within or represented by the Know How, the Materials, the Patents, the Technologies and the Trade Marks, but excludes any Excluded IPRs; |
| **Business Concept** | means [*describe what you company will do*]; |
| **Excluded IPRs** | means any and all Intellectual Property Rights specified in Part 3 of the Schedule; |
| **Intellectual Property** | means all intellectual property of whatever nature, including all patents, trade marks, service marks, domain names, registered designs, utility models, design rights, database rights, copyright (including copyright in software and computer algorithms), trade secrets and other confidential information, Know-How, and all other intellectual and industrial property and rights of a similar or corresponding nature in any part of the world, whether registered or not or capable of registration or not, and including the right to apply for and all applications for any of the foregoing rights, the right to claim priority, the right to sue for past infringements and common law or equitable remedies in respect of any of the foregoing rights, and any renewals, extensions or restorations, and divisional, continuation and reissued applications of the foregoing rights, together with rights to sue for unfair competition or for passing off, including in respect of past activities (and Intellectual Property Rights means rights, title and interest in such Intellectual Property, to the extent it relates to the Business Concept); |
| **Know-How** | means, in relation to the Business Concept, any and all data, information, know-how, inventions, formulae, processes, methods, techniques, technologies, technical information, specifications and trade secrets, in each case whether or not patentable and in any format, whether oral, written, graphic, electro-magnetic, in machine readable form, computerised or otherwise stored in any media and which is not in the public domain (except through disclosure in breach of any obligation of confidentiality); |
| **Materials** | means all and any physical material and any information in any form whatever, whether oral, written, graphic, electro-magnetic, in machine readable form, computerised or otherwise stored in any media, and that has in each case at any time on, before or after the date of this agreement been created by a Founder in relation to the Business Concept; |
| **Patents** | means any patents and applications listed in Part 4 of the Schedule, together with any foreign counterparts thereof, including all provisional applications, divisions, renewals, continuations, continuations-in-part, extensions, reissues, re-examinations, substitutions, confirmations, registrations, revalidations, restorations and additions of or to them, as well as any supplementary protection certificate, or like form of protection, on file with the appropriate governmental agencies; |
| **Technologies** | means: (i) all Know-How held or stored by a Founder in relation to the Business Concept and all Know-How that is applied, used or intended to be applied or used within the Company’s business; and (ii) all inventions claimed in the Patents; and |
| **Trade Marks** | the registered trade marks (if any), short particulars of which are set out in Part 5 of the Schedule. |

* 1. The clause and paragraph headings used in this agreement are inserted for ease of reference only and will not affect construction.
  2. References to the words **include** or **including** (or any similar term) are not to be construed as implying any limitation, and general words introduced by the word other (or any similar term) will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
  3. References to statutory provisions or enactments will include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision or enactment (whether before or after the date of this agreement), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision or enactment.

1. **Collaboration items**
   1. Each Founder hereby represents and warrants to the other Founder(s) that they are not a party to any agreement or arrangement which would restrict such Founder’s ability to perform its obligations set out in this agreement, and that no third party can claim any rights to the Intellectual Property which may be developed by each Founder that is the subject of this agreement.
   2. Each Founder will negotiate in good faith in due course to formalise this agreement into a standard document set, including:

## one founder service agreement per Founder;

## one intellectual property assignment deed per Founder;

## a subscription and shareholder's agreement; and

## new articles of association.

* 1. Each Founder will provide reasonable non-competition and non-solicitation undertakings, as well as undertakings relating to the conduct of the Company's business.
  2. Upon incorporation of the Company, equity will be allocated to the Founders as indicated within Part 2 of the Schedule. This equity will be subject to market standard leaver provisions within the future articles of association. All shares will be “ordinary” and will all carry voting rights, as well as full rights to dividends and distributions.
  3. [An aggregate employee share option pool of [*x shares / x% of shares*] will be agreed within the subscription and shareholder's agreement.]
  4. If, following the Company’s incorporation, the holder(s) of the majority of the Company’s shares wish(es) to sell the Company to a third party, they shall have the right to require the other shareholders to sell their shares to such third party on the same terms.
  5. The individuals set out in Part 1 of the Schedule will become statutory directors of the Company upon incorporation.
  6. Job titles and levels of remuneration will be as indicated within Part 2 of the Schedule.
  7. Founders will contribute capital investment to provide working capital to the Company [*by way of director’s loan*] as detailed within Part 2 of the Schedule.
  8. No payment or remuneration to any Founder will be due until [*incorporation / completion of the first funding round / some other event*].
  9. Upon incorporation of the Company, each Founder will promptly assign all Assigned IPRs to the Company, with full title guarantee.
  10. If a Founder wishes to spend more than [*£xxx*], as a capital expenditure or expense, then they should seek consent from [*a majority in number of the / all other*] Founders prior to committing to that spend.
  11. Whilst not legally binding, the Founders wish to document alignment covering other aspects of the Company included in Part 6 of the Schedule.

1. **Confidentiality**
   1. Except as provided elsewhere in this agreement, and excluding any information which is in the public domain (other than through the wrongful disclosure of any Founder), or which any Founder is required to disclose by law, each Founder agrees to keep secret and confidential and not to use, disclose or divulge to any third party (other than a Founder’s professional advisors) any:

## confidential information relating to the Business Concept (including in relation to Intellectual Property, customer lists, reports, notes, memoranda and all other documentary records pertaining to the Business Concept); or

## information relating to the negotiation, provisions or subject matter of this agreement (or any document referred to in it).

1. **Announcements**

The Founders will not make any public announcement or issue a press release or respond to any enquiry from the press or other media concerning or relating to this agreement or its subject matter, or any ancillary matter.

1. **Costs**

Except as may otherwise be agreed in writing, the Founders will bear their own costs and disbursements incurred in the negotiations leading up to and in the preparation of this agreement, and of all matters incidental to this agreement.

1. **Waiver**

The express or implied waiver by any Founder of any of its rights or remedies arising under this agreement or by law will not constitute a continuing waiver of the right or remedy waived or a waiver of any other right or remedy.

1. **Binding effect**

Subject to clause 3.13, this agreement is legally binding on the Founders.

1. **Entire agreement** 
   1. This agreement and the documents referred to or incorporated in it constitute the entire agreement between the Founders relating to the subject matter of this agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the Founders in relation to the subject matter of this agreement.
   2. Each Founder acknowledges and agrees that they have not entered into this agreement in reliance on any statement or representation of any person (whether a party to this agreement or not) other than as expressly incorporated in this agreement and the documents referred to or incorporated in this agreement.
2. **Variation, termination and survival**
   1. All and any of the provisions of this agreement may be deleted, varied, supplemented, restated or otherwise changed in any way at any time with the prior written consent of all Founders.
   2. This agreement shall terminate on the earlier of:

## the written agreement of all Founders;

## the date falling [*Period*] from the date of this agreement, if the Company has not yet been incorporated; and

## the Company’s incorporation, and all of the consequential requirements in this agreement having been fulfilled (or waived in writing by all Founders).

* 1. Termination of this agreement does not affect any claim or demand that any Founder may have against any other(s) under or in connection with this agreement arising before the termination date.
  2. On termination of this agreement, the following clauses shall continue in force: clauses 4 to 11 (inclusive), 13 and 16.

1. **Further assurance**

Each Founder shall do and execute all such further acts and things as are reasonably required to give full effect to the rights given and the transactions contemplated by this agreement.

1. **No partnership**

Nothing in this agreement is intended to or will be construed as establishing or implying any partnership of any kind between the parties.

1. **Assignment and transfer** 
   1. This agreement is personal to the Founders, and no Founder will:
2. assign any of their rights under this agreement:
3. transfer any of their obligations under this agreement;
4. sub-contract or delegate any of their obligations under this agreement; or
5. charge or deal in any other manner with this agreement or any of their rights or obligations.   
   1. Any purported assignment, transfer, sub-contracting, delegation, charging or dealing in contravention of clause 13.1 will be ineffective.
6. **Counterparts**

This agreement may be executed in any number of counterparts, each of which will constitute an original, and all the counterparts will together constitute one and the same agreement. The exchange of a fully executed version of this agreement (in counterparts or otherwise) by electronic transmission in PDF format will be sufficient to bind the parties to the terms and conditions of this agreement, and no exchange of originals is necessary.

1. **Consideration**

The consideration under this agreement consists of the obligations of the Founders to each other. The Founders further agree that payment by each Founder to every other Founder of £1.00 (receipt of which is hereby acknowledged) alone amounts to good consideration in respect of the obligations of the Founders under this agreement.

1. **Governing law and jurisdiction**
   1. This agreement (and any dispute or claim relating to it or its subject matter, including non-contractual claims) is governed by and is to be construed in accordance with English law.
   2. The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any claim, dispute or issue (including non-contractual claims) which may arise out of or in connection with this agreement.

**Schedule**

**Part 1 – Directors**

We have agreed that the following individuals will be statutory directors of the Company upon incorporation:

* [Founder name 1]
* [Founder name 2]
* [ … ]

**Part 2 – Founder details**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Founder Name** | **Expected Start Date** | **Founder Equity Allocation (fully-diluted)%** | **Founder Job Title** | **Founder Remuneration** | **Time to be allocated to the Company** | **Capital Investment** |
| [Ms Example] | [Either a date or an event] | [Percentage]% | [Title] | £[Amount] | [Full time / x hours per week etc] | [£AMOUNT/£0] |
|  |  |  |  |  |  |  |

**Part 3 – Excluded Intellectual Property Rights**

[*Detail any specific IP that Founders have agreed will be excluded from transfer to the Company upon incorporation.*]

**Part 4 – Patents**

[*Detail any patents that Founders will be assigning to the Company upon incorporation.*]

**Part 5 – Trade marks**

[*Detail any trade marks that Founders will be assigning to the Company upon incorporation.*]

**Part 6 – Founder alignment**

[*Detail any other items that it would be useful to record; examples include:*

* *approach to funding*
* *exit aspirations*
* *decision making process*
* *a high level plan*
* *a summary of what the business will and won't do*
* *declaration of any conflicts of interest*

Note: items in this part 6 are **not** legally binding.]

**Signed by each Founder:**

|  |  |  |
| --- | --- | --- |
| **Name** | **Date** | **Signature** |
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