**FOUNDER ADVISOR STANDARD TEMPLATE (“FAST”)**

|  |  |
| --- | --- |
| **About this document** For illustrative purposes – you may delete this section before signing the document. | |
| * The Advisor renders services in exchange for a minority share in the authorized capital of the Company. | * The term for the provision of services is 2 years. |
| * There are three levels of engagement for an Advisor that influence the compensation: standard, strategic, or expert. The scope of Advisor’s involvement for each level is provided in Appendix A. | * This FAST Agreement includes a three-month cliff period on equity vesting, allowing for an unproductive advisory relationship to be terminated without having the burden of allocating any equity within the first three months. |
| * This FAST was developed and published by the Founder Institute on <https://fi.co/fast>. Buzko Krasnov expressly disclaims all liability in respect to actions taken or not taken based on information contained in or missing from this document. | * The use of this template is not intended to create an attorney-client relationship between you and Buzko Krasnov law firm. This FAST contains information on legal issues and is not a substitute for legal advice from a qualified attorney licensed in the appropriate jurisdiction. |
|  | |

This Founder Advisor Standard Template (this “**Agreement**”) is entered into as of the date of the later signature by and between:

1. [NAME AND ADDRESS OF THE COMPANY] (the “**Company**”), and
2. [NAME AND ADDRESS OF THE ADVISOR] (the “**Advisor**”),

hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.

**THE PARTIES HAVE AGREED AS FOLLOWS**:

1. **Services**. Advisor agrees to act as a mentor or advisor to the Company and provide advice and assistance to the Company from time to time as further described on Schedule A attached hereto or as otherwise mutually agreed to by the parties (collectively, the “**Services**”).
2. **Compensation**. For the provision of the Services, Advisor shall not be entitled to receive cash compensation; however, Advisor shall be entitled to receive the equity compensation indicated in the table below at an exercise or purchase price equal to the fair market value of the Company’s Common Stock, which will be documented in the applicable Stock Option Agreement or Restricted Stock Purchase Agreement to be entered into by Advisor and the Company. The Company will seek written approval or have a meeting of the Board of Directors to authorize the Advisor compensation and deliver definitive stock purchase or option agreements regarding the stock compensation within 90 days from the date of this Agreement.

|  |  |  |  |
| --- | --- | --- | --- |
| **Advisor  Performance Level** | **Stage** | | |
| **Idea Stage** | **Startup Stage** | **Growth Stage** |
| **Standard** | 0.25% of the Company’s Common Stock | 0.20% of the Company’s Common Stock | 0.15% of the Company’s Common Stock |
| **Strategic** | 0.50% of the Company’s Common Stock | 0.40% of the Company’s Common Stock | 0.30% of the Company’s Common Stock |
| **Expert** | 1.00% of the Company’s Common Stock | 0.80% of the Company’s Common Stock | 0.60% of the Company’s Common Stock |

The percentages are general percentages based on the outstanding on the number of outstanding shares of Common Stock calculated on a fully-diluted basis of all outstanding and issuable securities as of the date the Board of Directors approves the foregoing equity compensation. The exact number of shares shall be provided in the definitive document which shall supersede this provision. If the Company fails to provide the foregoing documentation within such 90-day period, then the Advisor shall have right to contact directors of the Company and to the extent the Advisor needs to take action to enforce this Agreement, then the Company agrees to pay all Advisor’s reasonable expenses in connection therewith.

1. **Expenses**. Subject to the prior written approval of the Company following a detailed request by Advisor which includes a maximum amount to be reimbursed, the Company shall reimburse the reasonable travel and related expenses incurred by Advisor in the course of performing services hereunder.
2. **Exercise/Purchase Price**. The exercise or purchase price for the Company’s Common Stock to which the Advisor is entitled shall be equal to the fair market value of the Company’s Common Stock, which will be documented in the Restricted Stock Purchase Agreement or Stock Option Agreement to be entered into by Advisor and the Company. The fair market value of the Company’s Common Stock is to be determined by the Company on the date of conclusion of the corresponding agreement by and between Advisor and the Company.
3. **Vesting**. All shares (other than the bonus level of shares) shall vest on a pro rata basis monthly over a 2-year period with a 3-month cliff period. The bonus shares shall vest if Advisor has satisfied the bonus level of service as determined by the Company at the end of the 2-year period or prior to the sale of the Company.
4. **Term and Termination**. The term of this Agreement shall continue until terminated by either party for any reason upon five (5) days prior written notice without further obligation or liability except for the compensation earned by Advisor through such date of termination.
5. **Independent Contractor**. Advisor’s relationship with the Company will be that of an independent contractor and not that of an employee. Advisor will not be eligible for any employee benefits, nor will the Company make deductions from payments made to Advisor for employment or income taxes, all of which will be Advisor’s responsibility. Advisor will have no authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company.
6. **Non-disclosure of Confidential Information**.
   1. **Agreement Not to Disclose**. Advisor agrees not to use any Confidential Information (as defined below) disclosed to Advisor by the Company for Advisor’s own use or for any purpose other than to carry out discussions concerning, and the undertaking of, the Services. Advisor agrees to take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the Company in order to prevent it from falling into the public domain or the possession of persons other than agents of the Company or persons to whom the Company consents to such disclosure. Upon request by the Company, any materials or documents that have been furnished by the Company to Advisor in connection with the Services shall be promptly returned by Advisor to the Company.
   2. **Definition of Confidential Information**. “**Confidential Information**” means any information, technical data or know-how (whether disclosed before or after the date of this Agreement), including, but not limited to, information relating to business and product or service plans, financial projections, customer lists, business forecasts, sales and merchandising, human resources, patents, patent applications, computer object or source code, research, inventions, processes, designs, drawings, engineering, marketing or finance to be confidential or proprietary or which information would, under the circumstances, appear to a reasonable person to be confidential or proprietary. Confidential Information does not include information, technical data or know-how that:
7. is in the possession of Advisor at the time of disclosure, as shown by Advisor’s files and records immediately prior to the time of disclosure; or
8. becomes part of the public knowledge or literature, not as a direct or indirect result of any improper inaction or action of Advisor.

Notwithstanding the foregoing, Advisor may disclose Confidential Information with the prior written approval of the Company or pursuant to the order or requirement of a court, administrative agency or other governmental body.

1. **No Rights Granted**. Nothing in this Agreement shall be construed as granting any rights under any patent, copyright or other intellectual property right of the Company, nor shall this Agreement grant Advisor any rights in or to the Company’s Confidential Information, except the limited right to use the Confidential Information in connection with the Services.
2. **Assignment of Intellectual Property**. To the extent that Advisor jointly or solely conceives, develops or reduces to practice any new inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws or other intellectual property which would be deemed to be Confidential Information of the Company (collectively, “**Intellectual Property**”) which clearly relates to the Company’s business or technology and has been created by Advisor in the course of the performance of Services, Advisor hereby acknowledges that it is “work made for hire” for the benefit of the Company and hereby assigns all rights, titles and interest to such Intellectual Property to the Company.
3. **Duty to Assist**. As reasonably requested by the Company and only with respect to Intellectual Property created by Advisor for the Company as provided in paragraph 8 above, Advisor shall take all steps reasonably necessary to assist the Company in obtaining and enforcing in its own name any such Intellectual Property right. Advisor’s obligation to assist the Company shall continue beyond the termination of Advisor’s relationship with the Company.
4. **Company’s Right to Disclose**. During the term of this Agreement, the Company shall have the right to disclose the existence of this Agreement, Advisor’s status as an Advisor, and to include Advisor’s name, image and profile in various promotional materials, including, but not limited to, private placement memos or other offering materials, executive summaries and the Company’s world wide web page.
5. **No Conflicts**. Advisor represents that Advisor’s compliance with the terms of this Agreement and provision of Services hereunder will not violate any duty which Advisor may have to any other person or entity (such as a present or former employer), and Advisor agrees that Advisor will not do anything in the performance of Services hereunder that would violate any such duty. In addition, Advisor agrees that, during the term of this Agreement, Advisor shall promptly notify the Company in writing of any competitor of the Company which Advisor is also performing services. It is understood that in such event, the Company will review whether Advisor’s activities are consistent with Advisor remaining as an advisor of the Company.
6. **Modification; Waiver**. This Agreement may not be modified or amended except by a written instrument signed by both Parties. No waiver will be implied from conduct or failure to enforce rights, and no waiver will be effective unless in writing signed on behalf of the Party against whom the waiver is asserted. The exercise of any right or remedy provided in this Agreement will be without prejudice to the right to exercise any other right or remedy provided by law or equity, except as expressly limited in this Agreement.
7. **Governing Law**. This Agreement and all actions arising out of or in connection with this Agreement will be governed by and construed in accordance with the laws of the State of New York, USA, excluding its conflict-of-laws provisions.
8. **Resolution of Disputes**. The Parties will attempt to resolve any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or invalidity of this Agreement through negotiation lasting up to 30 days. If the Parties do not resolve their dispute through negotiation, they will attempt to do so through binding arbitration conducted in accordance with the rules of the American Arbitration Association in New York. Any award issued as a result of such arbitration will be enforceable in any state or federal court.
9. **Waiver of Jury Trial**. The Parties waive their rights to a trial by jury of any dispute relating to this Agreement.
10. **Assignment**. Neither Party may assign this Agreement or any interest in it or delegate any of its duties under it to any third party without the other Party’s prior written consent. Any attempted assignment or delegation without that consent will be void.
11. **Notices**. All notices and other communications required or permitted by this Agreement to be in writing will be effective upon receipt, which must be acknowledged by the receiving Party, and must be sent by hand, email, facsimile, or air courier to the address provided below.

|  |  |  |
| --- | --- | --- |
|  | E-mail: | Address: |
| Advisor: | [INSERT] | [INSERT] |
| Company: | [INSERT] | [INSERT] |

1. **Force Majeure**. Neither Party will be liable to the other Party for any delay or failure in performance under this Agreement due to causes beyond the reasonable control of the Party unable to perform, but only if those causes could not have been prevented by reasonable precautions and could not have been circumvented through the use of reasonable alternative sources, workaround plans, or other means. These causes include strikes, shortages, failure of suppliers, riots, insurrection, fires, floods, storms, earthquakes, acts of god, war, governmental action, labor conditions, and power outages.
2. **Entire Agreement**. This Agreement contains the entire understanding of the Parties with respect to the matters contained in it and supersedes all previous agreements and undertakings of the Parties relating to the same subject matter. This Agreement may be modified only by a written agreement signed by the Parties.
3. **Severability**. If any of the provisions of this Agreement are or become illegal, unenforceable, or invalid (in whole or in part for any reason), the remainder of this Agreement will remain in full force and effect without being impaired or invalidated.
4. **Counterparts**. This Agreement is executed in two counterparts, each of which will be deemed an original for the purposes of this Agreement and will be kept by the Parties.

[*Signature Page Follows*]

**SCHEDULE A:**

**Services Based on Performance Level**

The Advisor Compensation and Services are determined using the guidelines below.

|  |  |  |
| --- | --- | --- |
| **Level** | **Monthly Commitment** | **Services** |
| **Standard Performance Level** | **Time:** Commit 5 hours.  **Meetings:** Attend quarterly strategy meetings and scheduled Advisory Board meetings.  **Responsiveness:** Provide reasonable response to email requests by the Company. | **Promotion**:On top of the regular advice and insights, Advisor agrees to actively promote and make introductions on behalf of the Company through Advisor’s overall network of business contacts, including forwarding the Company’s business plan and other materials as requested by the Company. |
| **Strategic Performance Level** | **Time:** Commit 10 hours.  **Meetings:** Attend monthly strategy meetings, scheduled Advisory Board meetings and at least one meeting with a potential customer, investor, strategic partner, vendor or employee.  **Responsiveness:** Provide quick responses to email requests from the Company and from others associated with the Company. | *Standard Performance plus:*  **Recruiting**:Advisor agrees to assist Company in finding additional, potential founding team members and employees through the Advisor’s overall network of business contacts. |
| **Expert Performance Level** | **Time:** Commit 20 hours.  **Meetings:** Attend bi-monthly strategy meetings, scheduled Advisory Board meetings, internal project-related meetings and meetings with potential customers, investors, strategic partners, vendors or employees.  **Responsiveness:** Provide quick responses to email requests and phone calls from the Company and from others associated with the Company. | *Strategic Performance plus:*  **Contacts**:Advisor agrees to make introductions to and assist in the acquisition of marquee customers, strategic partners and key industry contacts and attend meetings with such potential customers, partners and key contacts.  **Projects**: Advisor agrees to assist the Company on at least one strategic project as requested by the Company during the term of this Agreement. |

**SCHEDULE A:**

**Company Stage**

The Company Stage is determined using the guidelines below.

|  |  |
| --- | --- |
| **Stage** | **Characteristics** |
| **Idea** | Team: The team consists of only part-time founder(s).  Customers: The company is in discussions with potential customers to determine demand in the market. The pricing/revenue structure has been developed, but needs market validation.  Revenue: The company has no revenue.  Investors: At least one group consisting of the founder(s), their friends or family has invested.  Product: The specifications for a minimum viable product including wireframes and system designs are complete. |
| **Startup** | Team: The team consists of full-time founder(s) and is in the process of hiring initial employees as needed.  Customers: The company has received letters of intent or customer commitments and the market need has been validated.  Revenue: The company may be collecting revenue.  Investors: Investment may have been raised via friends/family or professional investors (angel, venture capital, etc.).  Product: The launch of the minimum viable product is imminent. |
| **Growth** | Team: The team consists of full time founder(s) and is in the process of hiring employees as needed.  Customers: The company has achieved significant traction and user-based growth.  Revenue: The company is collecting revenue.  Investors: Prior investment may have been raised and the founders are prepared to pitch to professional investors if additional capital is needed.  Product: The product has been launched and is periodically refined based on customer feedback. |

**SIGNATURES OF THE PARTIES**

|  |  |  |  |
| --- | --- | --- | --- |
| **COMPANY:** | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | **ADVISOR:** | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Signature: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |