FOUNDER EQUITY VESTING AGREEMENT

1. 1. Parties

This Founder Equity Vesting Agreement (the "Agreement") is entered into as of [EFFECTIVE DATE] between [COMPANY NAME], a [STATE] corporation with its principal office at [COMPANY ADDRESS] (the "Company"), and [FOUNDER NAME], an individual residing at [FOUNDER ADDRESS] (the "Founder"). The Company and the Founder are referred to individually as a "Party" and together as the "Parties." This Agreement is entered into in connection with the issuance of shares described in Section 2 and, where applicable, supplements the restricted stock purchase agreement, subscription agreement, or board resolution dated [ISSUANCE DOCUMENT DATE]. Each Party represents that it has the authority to enter into this Agreement, and the Company represents that its board of directors has approved the terms below. Notices are effective when delivered to the addresses above or to [COMPANY EMAIL] and [FOUNDER EMAIL].

2. 2. Shares Subject to Vesting

The Founder holds [TOTAL SHARE COUNT] shares of [SHARE CLASS, e.g., Common Stock] of the Company, purchased or issued at a price of [PURCHASE PRICE PER SHARE] per share, representing approximately [OWNERSHIP PERCENTAGE] of the outstanding equity of the Company on a fully diluted basis as of the Effective Date (the "Shares"). Of the Shares, [VESTED AT SIGNING COUNT] are fully vested as of the Effective Date in recognition of [PRIOR CONTRIBUTION DESCRIPTION, e.g., work performed before incorporation], and the remaining [UNVESTED SHARE COUNT] shares are unvested and subject to the vesting schedule and repurchase right in this Agreement (the "Unvested Shares"). The Shares are issued subject to the certificate of incorporation, the bylaws, and any stockholders agreement of the Company. Any shares issued in respect of the Shares through a stock split, dividend, recapitalization, or similar event are subject to the same vesting terms.

3. 3. Vesting Schedule and Cliff

The Unvested Shares vest over a total period of [VESTING PERIOD, e.g., four years] measured from [VESTING COMMENCEMENT DATE], which may precede the Effective Date to credit earlier service. No Unvested Shares vest before the Founder completes [CLIFF PERIOD, e.g., twelve months] of Continuous Service measured from the Vesting Commencement Date (the "Cliff"). On the first day after the Cliff is satisfied, [CLIFF PERCENTAGE, e.g., 25 percent] of the Unvested Shares vest in a single installment. Thereafter, the remaining Unvested Shares vest in equal monthly installments of [MONTHLY VESTING FRACTION, e.g., 1/48th of the original Unvested Share count] on the same day of each month, so that all Unvested Shares are fully vested at the end of the Vesting Period. If the Founder ceases Continuous Service before the Cliff is satisfied, no Unvested Shares vest and all of them remain subject to repurchase under Section 6. Fractional shares are rounded down until the final installment.

4. 4. Continuous Service and Leaves of Absence

For purposes of this Agreement, "Continuous Service" means uninterrupted service to the Company as a founder, employee, officer, director, or full-time consultant, at a commitment level of not less than [MINIMUM COMMITMENT, e.g., 40 hours per week]. Continuous Service is not interrupted by a change in the capacity in which the Founder serves, provided there is no break in service. Vesting continues during an approved leave of absence for up to [PAID LEAVE PERIOD, e.g., 90 days] or for any longer period required by applicable law or by a written company leave policy. If an approved leave extends beyond that period, vesting is suspended as of the first day after it and resumes on the date the Founder returns to active service, with the vesting schedule extended by the length of the suspension. Continuous Service ends on the last day the Founder actually performs services, not on the last day of any severance or notice period, unless the board determines otherwise in writing.

5. 5. Termination for Cause, Without Cause, and Good Reason

This Agreement does not create any right to continued service, and the Founder serves at will unless a separate written employment agreement provides otherwise. "Cause" means, as determined in good faith by the board: (a) a material breach of this Agreement, of an invention assignment agreement, or of a fiduciary duty; (b) conviction of, or a plea of no contest to, a felony or a crime involving dishonesty; (c) fraud, embezzlement, or misappropriation of company property; (d) gross negligence or willful misconduct that materially harms the Company; or (e) continued failure to perform assigned duties that is not cured within [CAUSE CURE PERIOD, e.g., 30 days] after written notice. "Good Reason" means a material reduction in duties, title, or compensation, or a relocation of the principal workplace by more than [RELOCATION DISTANCE, e.g., 50 miles], without the consent of the Founder and after written notice and a [GOOD REASON CURE PERIOD, e.g., 30 day] cure opportunity. A resignation for Good Reason is treated as a termination without Cause for purposes of Section 8.

6. 6. Company Repurchase Right on Unvested Shares

If the Continuous Service of the Founder ends for any reason, including resignation, termination with or without Cause, death, or disability, the Company has an irrevocable option to repurchase all or any portion of the Unvested Shares that have not vested as of the date service ends (the "Repurchase Right"). The repurchase price is the original price paid per share by the Founder, or, if the Shares were issued for services or other non-cash consideration, [NOMINAL REPURCHASE PRICE, e.g., $0.0001 per share], in each case without interest and regardless of the then-current fair market value of the Shares. Shares that have already vested are not subject to the Repurchase Right and remain the property of the Founder, subject to any separate transfer restrictions, right of first refusal, or co-sale obligation. The Repurchase Right applies equally to any securities into which the Unvested Shares are converted.

7. 7. Exercise of the Repurchase Right and Escrow

The Company may exercise the Repurchase Right by delivering written notice to the Founder within [REPURCHASE EXERCISE WINDOW, e.g., 90 days] after Continuous Service ends, identifying the number of shares being repurchased and the aggregate price. Payment may be made by check, wire transfer, cancellation of indebtedness owed by the Founder to the Company, or any combination of these. The repurchase is effective on the date of the notice whether or not the certificates have been surrendered, and from that date the Founder has no further rights as a holder of the repurchased shares other than the right to receive the repurchase price. To secure performance, the certificates representing the Unvested Shares, together with a stock assignment signed in blank by the Founder, will be held in escrow by the Secretary of the Company or another escrow holder designated by the board, who will release vested shares to the Founder on written request at reasonable intervals. If the Company does not exercise the Repurchase Right within the exercise window, it lapses as to the shares not repurchased.

8. 8. Acceleration on a Change of Control

If a Change of Control occurs while the Founder is in Continuous Service, [SINGLE TRIGGER PERCENTAGE, e.g., 25 percent] of the then-unvested Shares vest immediately before the transaction closes (single-trigger acceleration). If, within [DOUBLE TRIGGER WINDOW, e.g., 12 months] after a Change of Control, the Continuous Service of the Founder is terminated by the Company or its successor without Cause, or the Founder resigns for Good Reason, then [DOUBLE TRIGGER PERCENTAGE, e.g., 100 percent] of the then-unvested Shares vest immediately on the termination date (double-trigger acceleration). "Change of Control" means a merger, consolidation, sale of all or substantially all assets, or a transfer of more than [CONTROL THRESHOLD, e.g., 50 percent] of the voting power of the Company to a person or group that did not previously hold it, excluding an equity financing conducted primarily to raise capital and any reincorporation or holding-company reorganization. Acceleration under this section is conditioned on the Founder signing a general release of claims in a form reasonably acceptable to the Company if the board so requires.

9. 9. Restrictions on Transfer

The Founder may not sell, assign, pledge, hypothecate, gift, or otherwise transfer any Unvested Shares, or any interest in them, and any attempted transfer is void and will not be recorded on the books of the Company. Vested Shares may be transferred only in compliance with applicable securities laws and only after complying with any right of first refusal, co-sale right, market standoff, or transfer approval requirement in the bylaws or in a stockholders agreement of the Company. A transfer to a revocable trust for estate planning, or to a family member who agrees in writing to be bound by this Agreement, is permitted with the prior written consent of the board, which will not be unreasonably withheld, and the transferred shares remain subject to the vesting schedule and the Repurchase Right. Certificates representing the Shares will bear legends referencing these restrictions and any applicable securities law restrictions.

10. 10. Voting Rights and Dividends

Until the Repurchase Right is exercised, the Founder is the record owner of all of the Shares, including the Unvested Shares, and may vote them on all matters submitted to stockholders, subject to any voting agreement, proxy, or drag-along provision the Founder has signed. Cash dividends and other distributions paid on Unvested Shares will be [PAID CURRENTLY TO THE FOUNDER / HELD BY THE COMPANY AND RELEASED AS THE UNDERLYING SHARES VEST], and any distribution held back will be forfeited to the extent the underlying shares are repurchased. Stock dividends, split shares, and any securities received in exchange for Unvested Shares are subject to the same vesting schedule, Repurchase Right, escrow, and transfer restrictions as the shares they relate to, and will be delivered to the escrow holder. Nothing in this section limits the right of the Company to take corporate actions that affect all holders of the same class equally.

11. 11. Section 83(b) Election and Tax Matters

The Founder understands that under Section 83 of the Internal Revenue Code, the excess of the fair market value of the Shares over the amount paid for them is generally taxed as ordinary income as the Shares vest, unless the Founder files an election under Section 83(b) with the Internal Revenue Service within thirty (30) days after the date the Shares are transferred to the Founder. That thirty-day deadline is set by statute, cannot be extended by the Company, and no relief is available for a late filing. The Founder is solely responsible for deciding whether to make the election, for preparing and timely filing it, and for retaining proof of mailing, and will deliver a copy of any filed election to the Company. The Company makes no representation about the tax consequences of the Shares or of any election, and the Founder has been advised to consult an independent tax adviser. A sample election form is attached as Exhibit A for convenience only.

12. 12. Intellectual Property Assignment and Confidentiality

The Founder confirms that all inventions, software, designs, content, trademarks, know-how, and other intellectual property created by the Founder relating to the business of the Company, whether before or after the Effective Date, are assigned to the Company under the separate confidential information and invention assignment agreement dated [IP AGREEMENT DATE], and the Founder will sign that agreement concurrently if it is not already in place. Equity vesting under this Agreement does not by itself transfer any intellectual property, and the Company relies on that separate assignment. The Founder will promptly deliver to the Company all source code, domain names, accounts, credentials, and registrations held in a personal name, and will sign any further documents reasonably needed to perfect ownership. The Founder will keep the confidential information of the Company confidential during and after service, and a breach of the assignment or confidentiality obligations is grounds for termination for Cause.

13. 13. Amendment, Waiver, and General Provisions

This Agreement, together with the issuance documents, the invention assignment agreement, and any stockholders agreement referenced here, is the entire understanding of the Parties about vesting of the Shares and supersedes any prior discussion, term sheet, or side letter on the subject. It may be amended only by a writing signed by the Founder and by an authorized officer of the Company acting with board approval, and any acceleration of vesting granted by the board must be recorded in the minutes. The failure of the Company to exercise the Repurchase Right or to enforce any provision on one occasion is not a waiver of that right later. If any provision is held unenforceable, the remainder stays in effect and the provision will be reformed to the minimum extent necessary. This Agreement binds and benefits the successors and permitted assigns of the Parties, including any acquirer of the Company.

14. 14. Governing Law and Dispute Resolution

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and matters of internal corporate governance are governed by the law of the state of incorporation of the Company. The Parties will first attempt to resolve any dispute through direct discussion for at least [NEGOTIATION PERIOD, e.g., 30 days]. Any dispute not resolved that way will be brought exclusively in the state or federal courts located in [VENUE COUNTY AND STATE], and each Party consents to personal jurisdiction and waives any objection to that venue. The Parties agree that money damages would be an inadequate remedy for a breach of the transfer restrictions or the Repurchase Right, and that the Company is entitled to seek specific performance and injunctive relief without posting a bond. The prevailing Party may recover reasonable attorney fees and costs.

15. 15. Signatures

By signing below, each Party confirms that it has read this Agreement, has had the opportunity to consult independent legal and tax counsel, and agrees to be bound by its terms as of the Effective Date. COMPANY: [COMPANY NAME]. Signature: ______________________. Printed Name: [COMPANY SIGNER NAME]. Title: [TITLE]. Date: [DATE]. FOUNDER: Signature: ______________________. Printed Name: [FOUNDER NAME]. Date: [DATE]. SPOUSE CONSENT (if applicable in a community property state): Signature: ______________________. Printed Name: [SPOUSE NAME]. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures.

16. Disclaimer

This template is provided for general informational purposes only and is not legal or tax advice. Founder equity involves corporate, securities, and tax rules that differ by state and by the specific structure of your company, and mistakes are expensive and often permanent. The Section 83(b) election in particular carries a strict thirty-day statutory deadline that no one can extend for you. Have a licensed attorney and a tax adviser review any equity document before you sign or file anything. Use of this template does not create an attorney-client relationship with ScanContract.