

The Co-Founder Agreement Checklist

Topic	You both agree to	Our default recommendation
Work Commitment	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>You commit the whole of your working time.</p> <p>It's hard enough to do a startup full time, let alone part time. You should usually both be fully focused on your company as soon as possible.</p>
Normal Work Hours	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>You normally work 9am to 5pm Monday to Friday (or similar).</p> <p>While you will probably work much more than this, your co-founder relationship and future employees will probably benefit from at least being on a similar schedule.</p>
Normal Work Location	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>An address you can be together in person.</p> <p>While remote working is viable for some teams, we find co-founding relationships do better in person - especially if you're new to working together.</p>
Other Work Commitments	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>None.</p> <p>If you have minor outside commitments, which don't prevent you from working full time, now's the time to bring them up.</p>

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Salary expectations once the company raises or has sufficient capital	<hr/>	<p>The minimum you can afford to live on without money worries damaging the prospects of your company.</p> <p>This can be different for each founder, depending on your circumstances. In practice you'll probably a maximum like \$1 on your legal agreement, and then pay yourself more when you can. Nonetheless, it's important to make sure you understand each other's financial needs.</p>
Equity Split	<hr/> <hr/> <hr/> <hr/>	<p>Both founders will receive an equal equity percentage.</p> <p>More in our article here.</p>
Equity Vesting	<hr/>	<p>You'll both have four year vesting (or reverse vesting) with a one year 'cliff' from the company's incorporation date.</p> <p>This means that if either of you leave within one year of incorporation, you give up all your shares. If you leave within four years, you give up a percentage of your shares. More in our article here.</p>

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Directors	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>You'll both become Directors of the company, and make up the company Board at incorporation.</p> <p>This means you both have the same rights to make important decisions about the formal governance of the company.</p>
Intellectual Property	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>You will assign to the company all the intellectual property and know how you have created or will create in relation to the company.</p> <p>This is important - the company needs to have all the rights to do business, and investors will want to know this.</p>
Competition	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<p>If you leave the company once it's set up, you won't start a competitive company within six months.</p> <p>Hopefully it goes without saying why this is useful.</p>
Date	<hr/>	
Signatures	<hr/>	