

ADVISORY BOARD AGREEMENT - EXAMPLE

Notice: this is educational material to provide an example of the type of topics typically covered by a board of advisor agreement. It does not constitute legal advice, and StartupSOS does not warranty this document to be free of defects.

I, _____ (“Advisor”) agree to serve as an advisor to _____ a (state) corporation (“Company”) on the terms described below, beginning on the date when Company has signed this agreement.

1. Services.

1.1 General Advice. While this agreement is in effect, as requested or as otherwise agreed, by telephone, email, or video conference, or other means not requiring travel, Advisor will consult with Company in Advisor’s area of expertise, on matters that may arise from time to time. The time required for such consultations will be limited to ___ hours per month.

1.2 Meetings. While this agreement is in effect, Advisor will attend advisory meeting(s) as requested by the President, upon reasonable notice and at mutually convenient times, to review the state of Company’s business, strategy, products, services, and market opportunities, as well as other matters within Advisor’s field, and to advise Company with respect to that information. The frequency with which Company will schedule advisory meetings is _____, unless Advisor and Company agree in writing to more frequent meetings.

1.3 Compliance with Law and Policies. In performing the work required under this Agreement, Advisor will comply with all applicable laws and regulations, and with Company’s policies and procedures.

2. Company’s Duties.

2.1 Expenses. Company will reimburse Advisor for any reasonable expenses incurred in performing services under this Agreement, subject to advance approval or otherwise consistent with the Company's policy for senior employees. Advisor will be promptly reimbursed for approved expenses upon receipt of Advisor’s written request and such reasonable documentation of the expenses as the Company may request.

2.2 Scheduling. Company will give Advisor as much advance notice as is reasonably feasible of meetings, and work with Advisor to schedule other consultations at convenient times.

2.3 Stock Options. For Advisor’s service as an Advisory Board member, the Company will grant to Advisor options to purchase up to _____ shares of Company's common stock. The exercise price per share for the warrant will be equal to the fair market value of the Company's common stock as determined by the Board of Directors on the date of grant. The warrant will be subject to the approval of the Company's Board of Directors, and will be governed by the terms and conditions of Company’s Stock Option Plan. The Stock Option Plan will include a vesting schedule.

3. Term.

3.1 Usual Course. This Agreement begins on the date this agreement is signed by Company and continues until terminated as provided below (upon termination, vesting of the warrant shall immediately cease):

- (a) by mutual consent of the parties hereto;
- (b) by either party on sixty (60) days notice;
- (c) after a period of ___ years;
- (d) upon the dissolution or winding up of the business of the Company.

3.2 Breach. Either party may terminate this Agreement immediately by written Notice, if there is a material breach of this Agreement by the other party and if the breach has not been cured within thirty (30) days after Notice.

3.3 Survival. Paragraphs 5, 6 and 8 shall survive termination of this Agreement.

4. Status of Consultant. Advisor is not an employee of the Company. Advisor will not be covered under any health, liability or disability or other insurance policies maintained by the Company, and will not receive any overtime, vacation, holiday, sick leave, seniority or other benefits available to Company employees. Advisor will have no right to claim unemployment compensation, worker's compensation or disability compensation based on this Agreement, or as a result of Advisor's relationship with Company. All activities and work performed under this Agreement will be at Advisor's own risk and liability.

5. Confidentiality. In the course of providing services and advice to Company, Advisor may acquire knowledge (both orally and in writing) relating to confidential affairs of Company, including but not limited to: (a) matters of a technical nature, such as know-how, formulas, software, trade secrets, secret processes or machines, inventions or research projects; (b) matters of a business nature, such as information about costs, profits, pricing policies, markets, sales, suppliers, plans for future development, plans for future products, marketing plans or strategies; (c) client and customer information; and (d) personnel and other information, all of which is not generally disclosed by the Company to the public (collectively, "Confidential Information"). Advisor agrees to not use or disclose to third parties Confidential Information, in any form, for any purpose, except in the course of performing services for the Company, and that Advisor will return all Confidential Information to the Company immediately at the Company's request. Confidential Information and related information will remain the sole property of the Company, and Advisor will not acquire any interest in or rights to that information. This paragraph does not apply to information obtained from third parties, without limitations.

6. Conflicts of Interest. Advisor will avoid conflicts of interest. Unless the Company approves the engagement, a conflict exists if Advisor is other than a purely passive investor in, or serve as an advisor, officer, representative, consultant or employee of, an entity that competes with the Company while Advisor is serving as a Company advisor or at any time in the one-year period after Advisor's service to the Company ends. A conflict also exists if Advisor directly or indirectly induce or solicit (1) any of the Company's employees to leave their employment to work elsewhere, or (2) any of the Company's clients, customers, vendors or suppliers, to cease or reduce their business with the Company, while Advisor is serving as a Company advisor or at any time in the one-year period after Advisor's service to the Company ends. Advisor represents and assures the

Company that providing services to the Company under this Agreement does not violate Advisor’s confidentiality, non-disclosure, or non-competition obligations, if any, to any other person or entity.

7. **Authority.** Unless the Company has agreed to it in advance, Advisor will not have any authority to incur any expenditure in the name of the Company, or to represent that Advisor has the authority to act or speak for the Company.

8. **Miscellaneous.**

8.1 **Notice.** Notice will be sent, if to Advisor, to Advisor’s address as shown below; and if to Company, to the address shown below. Notice is effective when received by the person to whom Notice is required to be given, if sent by any means that leaves a permanent record in the recipient’s hands. Notice is also effective if properly addressed and sent postage prepaid by any method resulting in a return receipt from the courier. Notice sent by this method is effective on the earlier of the date actually received, or on the date the return receipt shows it was refused or returned undeliverable. Either party may change its Notice address, by Notice.

8.2 **Governing Law, Enforcement, Priority.** This Agreement is governed by (state) and U.S. law. Company is entitled to an injunction for Advisor’s breach, because money damages would not cure the harm from the breach. The exclusive jurisdiction for enforcing this Agreement is in (City, State), where Advisor and Company both consent to jurisdiction. This Agreement supersedes all prior agreements between the parties as to the terms of any advising arrangement.

8.3 **Severability.** If any provision of this Agreement or its application is held invalid, the provision will be modified as necessary to render it valid and enforceable. If any provision of this Agreement or its application is held invalid and cannot be modified to render it valid and enforceable, the invalidity will not affect other provisions or applications of this Agreement that can be given effect.

Company:	Advisor
_____	_____
Signature	Signature
Date: _____	Date: _____
(Name)	(Name)
(Title)	
(Company name)	
Company address:	Advisor address
_____	_____
_____	_____
_____	_____