

FOUNDER CONSULTING AGREEMENT

This Consulting Agreement (this “**Agreement**”) is entered into as of **INSERT DATE HERE**, by and between **UNC STARTUP COMPANY** (“**Company**”), and **FACULTY MEMBER NAME** (“**Consultant**”) who is an employee of the University of North Carolina at Chapel Hill (“**University**”). Company and Consultant desire to enter into this Agreement for the purpose of setting forth the general terms under which Consultant will provide consulting services as a founder of the Company and as an independent contractor to Company.

Therefore, in consideration of the services to be provided to Company by Consultant, the consideration to be made to Consultant by Company, and the other promises set forth below, the parties agree as follows:

1. Relationship of Parties. Consultant shall perform under this Agreement as a founder of the company.
2. Description of Services. Consultant agrees to provide consulting services to Company as duly elected **Chair/Member of the Scientific Advisory Board**, described in **Exhibit A** (the “**Services**”). Consultant represents to Company that Consultant has the knowledge and skills required to undertake all Services.
3. Term. The term of this Agreement begins on the date hereof and shall continue until such time as the Board of Directors dismisses the Consultant or the Consultant resigns from such positions.
4. Compensation. Compensation will be provided on the following basis:
 - **Equity vested per the schedule detailed in the Form Incentive Stock Option Agreement**
 - **\$XX per hour for providing services outlined in Exhibit A**
 - **10% of the annual sales of the Company**

Monetary compensation will be paid at the end of each calendar year, based on the Company’s ability to pay and approved by a majority vote of the Board of Directors. Any or all of the compensation the Company cannot pay will be forfeited by the Consultant for that calendar year and may not be deferred to the next calendar year.

5. Termination. Either party may terminate this Agreement at any time in its individual discretion upon written notice to the other party. Upon notice of termination of this Agreement being given, Consultant shall inform Company of the extent to which performance has been completed through the anticipated time for termination, and shall immediately take steps to wind down work in progress in an orderly fashion during the notice period. Any provision of this Agreement which by its terms imposes continuing obligations on the parties shall survive the expiration or termination of this Agreement.
6. Waiver. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of such right or remedy with respect to such occurrence or event in the future. No waiver of any of Consultant’s or Company’s obligations under this Agreement shall be effective unless in writing and signed by the parties.
7. Reformation/Severability of Agreement. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such decision shall not affect, impair or invalidate the remainder of this Agreement but shall be confined in its operation to the provision of this Agreement directly involved in the controversy in which the decision was rendered. If the invalid or unenforceable provision cannot be reformed, the other provisions or applications of this Agreement shall be given full effect, and the invalid or unenforceable provision shall be deemed omitted.

8. Intellectual Property. As a condition to the Consultant's employment at University and/or use of University facilities, the inventor does hereby assign any and all such Inventions to the University, as part of the consulting services.
9. Assignment. This Agreement shall inure to the benefit of and be binding upon Company, its successors and assigns, including without limitation any entity which may acquire all or substantially all of Company's assets and business or into which Company may be consolidated or merged, and to Consultant, Consultant's heirs, executors, administrators and legal representatives and its successors and assigns. Consultant may not assign or otherwise in any manner transfer any of Consultant's obligations under this Agreement.
10. Dispute Resolution. The parties agree that this Agreement shall be governed and construed by the laws of the state of North Carolina (without giving effect to conflict of laws principles). The parties agree that all claims or disputes arising between the parties bound by this Agreement which relate to this Agreement or the breach thereof shall be submitted to one arbitrator for binding arbitration in Raleigh, North Carolina, which arbitration shall be conducted by the American Arbitration Association and in accordance with its Commercial Arbitration Rules. Notwithstanding the foregoing, either party may bring an injunction proceeding before a court of equity in the event that damages for a breach are not likely to be an adequate remedy, such proceeding to be brought in a judicial district that includes Raleigh, North Carolina, and the parties hereby consent to the jurisdiction of such court. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The provisions of this Agreement to arbitrate and any other written agreement to arbitrate referred to herein shall be specifically enforceable under the prevailing arbitration law of North Carolina.
11. Entire Agreement; Amendment. This Agreement, together with the University's Patent and Invention Policy, dated April 22, 2013, embodies the entire agreement between Company and Consultant relating to the subject matter hereof. No changes, modifications or amendments of any term hereof shall be valid unless agreed upon by the parties in writing.
12. Taxes. Consultant will be responsible for the payment of taxes on Consultant's entire compensation under this Agreement, including income taxes, employment and unemployment, Medicare and social security taxes, and other or similar taxes required by applicable of law. Company shall not withhold any taxes in connection with the compensation paid to Consultant hereunder. Such payments shall be the sole responsibility of Consultant, and Consultant agrees to file all required forms and make all required payments appropriate to Consultant's tax status when and as they become due. Consultant agrees to fully indemnify Company, and each of its managers, members and employees from and against all payments, losses, costs, liability, expenses, damages, fines, penalties and judgments (including, without limitation, actual attorneys' fees and expenses) incurred by Company or any of its managers, members or employees as a result of a failure by Consultant: (a) to pay all the taxes due in connection with the compensation paid to Consultant under this Agreement, (b) to respond to any administrative inquiry concerning Consultant's payment of such taxes, or (c) to defend against any administrative or judicial proceeding with respect to Consultant's payment of such taxes.
13. Reporting. Consultant shall report hours through a monthly report that should be provided to the Board of Directors for review.

COMPANY:

CONSULTANT:

By: _____

Name:

Title: Member, Board of Directors

Name:

Title: Chair of the Scientific Advisory Board

Exhibit A

SERVICES

The Consultant will provide the expertise and time appropriate to the functions of Chair of the Scientific Advisory Board including but not limited to the following areas:

- (a) Complete all technical research related to Company to reach agreed upon scientific milestones;
- (b) Developing new IP for the University that may be licensed to the Company and write disclosures that can be turned into patent applications.
- (c) Developing new products and technologies for the Company
- (d) Preparing product development plans acceptable to the Company including, but not limited to, idea generation, idea screening, and concept development; as well as supporting the efforts of the Company, to the extent possible, with business analysis, implementation, and commercialization;
- (e) Participate in initial fundraising activities of the Company, including preparation and submission of grant applications to public and private funding agencies such as, but not limited to, SBIR/STTR and other incubator funds, as well as engage potential strategic partners;
- (f) Oversee and drive the completion of the specific aims set forth in SBIR/STTR and other funding awards
- (g) Oversee the hiring process for new technical/scientific staff for the Company as new personnel are needed.