Determining (co)Founder Equity & Compensation

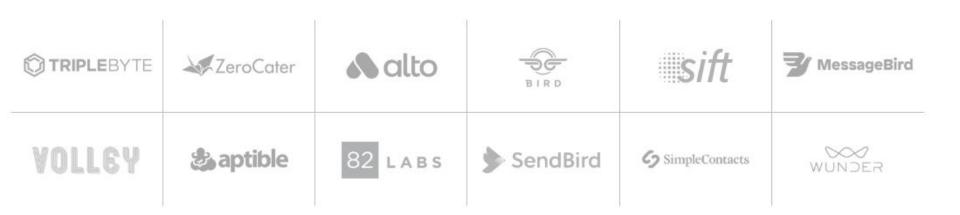
Learn the importance of having the tough discussions early on

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Meet our speaker



Natasha Allen Managing Counsel, Atrium



Today's discussion

Consideration when allocating shares

- Defining what's critical to decide upfront
- Tips for managing your cap table
- Founder stock split & compensation
- Equity-based comp & early exercise options
- Q&A

Consideration when allocating shares

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Defining what's critical to decide upfront



Defining what's critical to decide upfront

- When will your co-founder be added? Before or after incorporation.
- What will a co-founder contribute to the future growth of the business?
- Impose time-based vesting.



Tips for managing your cap table



Tips for managing your cap table

- Set the option pool after you've allocated the founder shares.
- Upon incorporation the majority of the shares should be allocated to the founders with a small portion going to the option pool.



Founder stock split & compensation



Founder stock split & comp

- Salary replacement
- Idea generation
- Startup stage
- Seed capital



Equity-based comp & early exercise options



Equity-based comp & early exercise options

- Early-exercise options allows an employee to exercise their option shortly after grant and before the stock appreciates in value.
- 83(b) election to lock in lower value





Natasha Allen Managing Counsel, Atrium

