

**Orrick's Technology Companies Group**

**Start-Up Forms Library**

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**Rev 2/19**

 [Company Name] [Stock Plan Name]

Summary of Key Provisions

|  |  |
| --- | --- |
| ***Share Reserve:*** | [\_\_\_\_\_\_\_\_\_\_] shares of common stock. |
| ***Eligibility:*** | Employees, consultants and advisors of the Company or any parent, subsidiary or affiliate of the Company; provided that incentive stock options (“ISOs”) may only be granted to employees or any parent or subsidiary.Directors of the Company.. |
| ***Types of Awards Authorized:*** | ISOs, nonstatutory stock options (“NSOs”), and restricted stock. |
| ***Exercise Price:*** | ISOs:100% of fair market value (110% of fair market value for 10% shareholders).NSOs/Restricted Stock:To be determined by the plan administrator.*Note that, due to certain tax issues related to the treatment of awards as nonqualified deferred compensation, all options should be issued with an exercise price that is at least 100% of the fair market value unless discussed in advance with Orrick.* |
| ***Vesting:*** | Vesting of all awards to be determined by the plan administrator on a grant-by-grant basis; typical vesting would be 25% of the shares subject to an award will vest on the 1-year anniversary of the date of grant, and 1/48th of the total number of shares subject to the award will vest on a monthly basis thereafter.The plan administrator has discretion to suspend vesting during a leave of absence. Absent action by the plan administrator or to the extent otherwise required by law, vesting will be suspended during an unpaid leave of absence. |
| ***Exercisability:*** | Options: Options generally become exercisable as the underlying shares vest.Restricted Stock: Shares are purchased and outstanding on the date of grant, but are subject to a right of repurchase by the Company until vested. |
| ***Forms of Payment:*** | Cash or check.Cashless exercise (following an IPO). |
| ***M&A Transactions:*** | Generally, if the acquiring corporation does not assume or cash out outstanding options, all outstanding options will terminate on the effective date of the change of control.Individual award agreements may contain special vesting provisions. |
| ***Post-Termination Exercise Periods for Options:*** | An option must be exercised (to the extent that the option was vested and previously unexercised) within the following periods following a termination of service with the Company:Generally: [3] month(s) (ISOs must in fact be exercised within 3 months to retain ISO status)Disability: [12] month(s).Death: [12] month(s).Cause: Option expires immediately upon termination. |
| ***Term of Options:*** | 10 years (5 years for ISOs granted to 10% shareholders). |
| ***Right of First Refusal:*** | Prior to an IPO, the Company has a right of first refusal on any proposed transfer of shares acquired pursuant to the plan. |
| ***Repurchase Rights:*** | Prior to an IPO, the Company may repurchase any unvested shares acquired pursuant to the plan following a termination of service at the original purchase price of the shares. |
| ***Transferability of Options:*** | Generally, options are not transferable except by will or the laws of descent and distribution.The plan administrator may, in its discretion, permit participants to make limited transfers of NSOs. |
| **[*Transferability of Stock underlying Awards:*]** | The stock underlying Awards cannot be transferred without Board approval. |
| ***Securities/Tax Law Compliance:*** | State securities laws must be reviewed to ensure compliance in all states in which awards will be granted under the plan.Local counsel must generally be consulted for awards made outside of the United States. |
| ***Effective Date:*** | [Date] (the date the board will approve the plan). Stockholder approval required within 12 months of Board approval. |
| ***Stockholder Approval Date:*** | [Date]. |