

The 2019–2020 annual European venture capital deal terms survey

Compiled by Withers tech, Schnittker Möllmann Partners (SMP),
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The 53 venture deal terms in the 2019–2020 annual European venture capital deal terms survey

1. Milestone investments
2. Future financing rounds
3. Subscription rights/matching rights
4. Anti-dilution
5. Full-ratchet/weighted average (broad based/narrow-based) downround protection
6. Pay-to-play
7. Time limitation (date, event, other)
8. Representations and warranties/remedies
9. Warrantors/guarantors (company/existing shareholder/founder)
10. Knowledge qualifiers
11. Limitation of liability (de minimis/baskets/caps)
12. Type of remedy (cash/compensatory capital increase/compensatory share transfer)
13. Board composition
14. Board representation
15. Board member compensation
16. Board member protection (D&O, indemnification letter, other)
17. Advisory board
18. Reserved matters/investor voting rights
19. Voting rights of preferred and common shares
20. Reserved shareholders matters
21. Reserved board matters
22. Information rights (management rights letter, other)
23. Founder-vesting/lock-up/protective covenants
24. Founder lock-up/vesting period
25. Cliff period
26. Percentage of vesting shares
27. Accelerated vesting
28. Good/bad leaver definitions
29. Founder non compete/non-solicitation
30. Disposals of shares
31. Permitted transfers
32. Right of first refusal
33. Tag-along/co-sale provisions
34. Drag-along specifics (floor/multiple)
35. Purchase options/compulsory transfer
36. IPO trigger and structured M&A process
37. Liquidation preference ((non-)participating)
38. Liquidation preference amount
39. Participating/non-participating
40. Liquidation preference trigger
41. Contractual and/or articles
42. Voluntary conversion into common shares
43. Mandatory conversion into common shares
44. (Minority) shareholder pooling
45. Employee participation ((v)esop)
46. Volume (in %)
47. Typical form of employee participation (stocks, options, phantom stocks, other)"
48. Duration of (reverse) vesting
49. Cliff period
50. Good/bad leaver definition
51. Cost/expenses
52. Exclusivity/break-up fees/binding effect
53. Typical documentation