

**Why this guideline?** This document helps founders build a cap table that is investable. The guideline is based on experiences from 4TU and reflects how investors typically assess cap table structures. A future-proof cap table should distinguish between active and non-active founders, recognize the value of academic advisors, and ensure any equity granted reflects long-term strategic value.

## Role at the spin-off: what requirements apply?

No role	Advisor	Part-time (1-<4 days)	Near full-time (4-5 days)	Full-time
University employment possible.	University employment possible.	University employment possible (0.2 -0.8 fte).	University employment possible (< 0.2 fte).	No university employment possible.
Combined university + spin-off employment cannot exceed 1.0 fte.				
No spin-off service agreement.	Spin-off service agreement.	Spin-off employment agreement or service agreement.	Spin-off employment agreement.	Spin-off employment agreement.
<b>No shares</b> if you have no role in the spin-off.	Very limited percentage of shares. Preferably <b>0.1% - 4.99%</b> for all advisors combined.	Limited percentage of shares. <b>0.1% - 10%</b> per part-timer.	<b>No limit</b> on share percentage.	<b>No limit</b> on share percentage.
All shares are subject to a vesting arrangement.				

## What needs to be formally arranged?

Short checklist:

- Arrangements with the advisor/employee need to be documented in a service agreement / employment agreement (rights & obligations). You can use the Founder Institute FAST template for the service agreement. *Please note that a service agreement is about consultancy services for the spin-off. You can arrange additional arrangements about research and resulting IP with the university (faculty).*
- Vesting and leaver arrangements need to be included. For advisors this can be arranged in the service agreement and/or is part of the employee participation plan (ESOP) and for employees also being a shareholder in the shareholders' agreement
- University employees need approval from their employer (faculty) for side activities. The faculty might agree to part-time activities (1-<4 days) for a maximum duration (e.g. max 3 years).

## What does the percentage depend on?

Three questions founders should ask themselves:

1. What exactly is this person's role?
2. How much time is this person spending (now and in the future)?
3. Is this person's technical contribution unique to the company's (future) roadmap?

## What this means for you

This guideline protects your company's investability, prevents misaligned incentives, and ensures that advisors contribute under clear and fair conditions - ultimately helping you build a future-proof company.