

Masterclass: Negotiating Venture Capital & Private Equity Term Sheets

REGISTER TODAY !



IBF Programme Code:
P220928DDL

**21 & 23 November,
13, 15 & 16 December 2022**
2:00pm to 6:00pm (Daily)

**100%
ONLINE**

Live instructor-led
course via Zoom

**UP TO
50% - 90%***

IBF- FTS Enhanced
Funding Support

(*Subject to eligibility)

16.5 CPD & PL Hours

(Each participant will get an E-Certificate upon
completion)



COURSE DIRECTOR

**Arvind P. Mathur,
CFA, FRM**

COURSE FEE

**CFA Society Singapore member:
S\$1,780***

**Non member:
S\$1,980***

(*Price subject to 7% GST)

**Group discount available.
Contact us to find out more!**

COURSE HIGHLIGHTS



- According to PEI International, private equity funds were seeking nearly \$ 1.2 trillion as of April, 2022. The Assets Under Management of private equity and venture capital funds are projected to exceed \$ 5-10 trillion in the next 5 years.
- This wave of private equity and venture capital will **need to be invested** and the **terms of each investment will need to be negotiated on a bespoke basis** between fund managers and the recipient portfolio companies.
- Those fund managers who plan to play a role in investing this capital as well as professionals working in portfolio companies will **need to develop the skill sets for negotiating a successful investment**.
- **Negotiating skills are an intangible asset** that each player in the private equity and venture capital space needs to master. This Masterclass in Negotiating Venture Capital & Private Equity Term Sheets will be an important step in your goal to progress your career in the world of private equity, venture capital, and more generally, principal finance.
- The success of the masters of private equity and venture capital like KKR, Blackstone, Bain Capital, Sequoia Capital, and others can be attributed to, among other things, the terms of their investments which they skillfully negotiate in each deal.
- In addition to discussing the various elements and areas of negotiation of a term sheet, the **crescendo of the Masterclass will be a Negotiation Game** to enable participants to **apply the skills they learn during the course**. You cannot afford to miss it!
- The Masterclass will be conducted in a **highly interactive manner** and will include **discussions of insightful case studies**.

LEARNING OUTCOMES

WHO SHOULD ATTEND?

- Venture Capital and Private Equity Fund Managers
- Angel and Impact Investing Fund Managers
- Business Consultants
- Capital Market Regulators
- CFA, CA, CAIA & CS
- Commercial Bankers
- Hedge Fund Managers
- Investment and Merchant Bankers
- Investment Officers
- Lawyers
- Mutual Fund Managers
- Pension Fund Managers
- Start-up and Established Founders
- Wealth Managers

- Appreciate how a properly structured term sheet helps in capturing the upside for all parties in venture capital or private equity transactions.
- Learn how startups are valued and how such valuations are negotiated.
- Learn how to mitigate investment risks and also enhance the negotiation skills of existing managers and entrepreneurs.
- Explore the anatomy of a term sheet, deal protection terms, and tricks and traps of liquidation preference.
- Explore how to structure exits, employee stock options, and how the choice of an instrument affects the negotiation of a term sheet.
- Engage in a unique Term Sheet Negotiation Game that will enhance your business negotiation skills.
- By the end of the course, each participant will be able to highlight the key elements of a high-quality term sheet.

COURSE OUTLINE

DAY 1

Anatomy of Term Sheet

- Integrated View: Tradeoff Between Terms
- Binding & Non-Binding Terms
- Confidentiality & Non Disclosure Agreement
- Negotiating the NDA

The Environment of Negotiation

- How many term sheets
- Building Trust: Whose Interest? Who's advice?
- Structure of Term Sheets: Categories of Clauses

Deal Protection Terms

- At Entry: Exclusivity
- Exclusivity Period
- At Ext: Right of First Refusal

DAY 2

Liquidation Preference

- Tricks & Traps of Liquidation Preference
- Analyzing Liquidation Preference
- Cost of Liquidation Preference
- Negotiating Liquidation Preference

Founder Shares & Employee Stock Options

- Founder Agreement
- Founder Lock-In
- How many Stock Options & Vesting
- Eligibility

Exit - I

- Put Option; Buybacks
- Negotiate a Put Option Clause
- Case Study: GIC investment in Square

DAY 3

Exit - II

- Right-of-First-Refusal: A game-theoretic option
- Tag Along, Co-sale & Drag Along Clauses
- Tag-Along & Drag Along Clauses

DAY 3 (Cont'd)

Choice of Instrument

- Straight Equity, Voting Rights
- Convertible Preferred
- Convertible Bonds/Mezzanine Instruments
- Convertible Notes

Valuation of Start-Ups

- The VC Method
- The Valuation Clause

Anti-Dilution

- Types of Anti-Dilution
- Types of Ratchets
- Negotiating Ratchets

DAY 4

Management & Control Rights

- Shareholder Approvals
- Board Approvals
- Negotiating Management
- Control Rights
- Case Study: Alibaba, Uber, FB

Key Considerations in Term Sheets for Subsequent Rounds

DAY 5

Negotiation Game: Part I

- Term Sheet Negotiation
- Role Play

Negotiation Game: Part II

- Term Sheet Preparation by
- Participants
- Team Presentations

FEATURED COURSE DIRECTOR



Arvind has rubbed shoulders with the world's leading venture capital and private equity funds like KKR, Apax Partners, Carlyle, Sequoia, ACCEL Partners, and many others. Arvind has held a variety of positions, including Head of Capital Markets at the Asian Development Bank, Vice President, Citibank, and Senior Adviser, Citi. He was the President of the Indian Private Equity & Venture Capital Association, reporting to the CEO of KKR in India and to an Executive Committee including leading private equity and venture capital fund managers, such as Carlyle and the Canada Pension Plan.

He has structured and invested in over 30 private equity funds, including venture capital funds. He has worked on funds with LPs such as CalPERS, La Caisse de Depot et Placement du Quebec, the Prudential Insurance Company of America, and other large institutional investors. He has engineered several IPOs and has successfully negotiated an exit of a financial services startup with the CEO of a US-based MNC in New York.

He has promoted corporate governance in many funds, particularly those involving CalPERS. He has played a key role in the creation, structuring, and placement of a nearly \$ 1 billion Infrastructure Fund. He has co-invested and partnered with some of the world's largest institutional investors including pension funds and sovereign wealth funds.

Arvind P. Mathur, CFA, FRM, has taught complex financial topics to fund managers and senior executives in Singapore and other countries for the past 12 years, including venture capital, private equity, M&A, valuation, and negotiation techniques. He has delivered a lecture on Asian buyouts at the Harvard Business School and has delivered more than 100 masterclasses in complex financial disciplines such as private equity, venture capital, and term sheet negotiations in several countries. He has also advised a start-up woman entrepreneur under a Goldman Sachs startup program.

Arvind has attended executive management courses at the Columbia School of Business and Cornell University, and an investment management workshop at the Harvard Business School.

IBF-FTS Enhanced Funding Support

This programme is approved for listing on the Financial Training Scheme (FTS) Programme Directory and is eligible for FTS claims subject to all eligibility criteria being met. Please note that in no way does this represent an endorsement of the quality of the training provider and programme. Participants are advised to assess the suitability of the programme and its relevance to participants' business activities or job roles.

This scheme is only eligible for only company-sponsored (Financial Institutions and eligible FinTech Firms) participants who are Singapore Citizens or Singapore Permanent Residents, physically based in Singapore and who have successfully completed the FTS programme.

For IBF recognised courses commencing between 1 July to 31 December 2022, the subsidies will cover up to 50% funding support of direct training cost. However, Singapore Citizens aged 40 years old and above will be eligible for 90% funding support, subject to a cap of S\$2,000 per candidate per programme subject to all eligibility criteria being met.

Please refer to www.ibf.org.sg for more information.

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