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ESOP Checklist for Kenyan Startups

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Setting up an Employee Stock Option Plan (ESOP) is a powerful way for Kenyan startups to attract and retain top talent. To help you navigate the process, Herman Tambo Law Advocates has created this checklist of the essential legal steps.

- Design the core terms of your ESOP and secure board approval.
- Determine the total number of shares to allocate to the employee option pool.
- Draft the formal ESOP plan document and individual grant agreements.
- Obtain the necessary shareholder approvals, often via a special resolution.
- Conduct a formal valuation of the company's shares to set the exercise price.
- Issue official option grant letters to all eligible employees.
- Ensure compliance by filing all required documents with the Registrar of Companies.

Recommended Resources

- The Companies Act, 2015
- The Capital Markets Act (Cap 485A)
- Capital Markets (Employee Share Ownership Plans) Regulations, 2017

This checklist is for general informational purposes only and does not constitute legal advice from Herman Tambo Law Advocates.

Need help implementing this checklist? Talk to our team at Herman Tambo Law Advocates — Clear Law. Fair Fees. Fast.

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