

IN-CPopt01

## **Share option agreement: non-employee; performance based**

**This agreement is dated:** [date]  
**It is made between** [Raving Supercars Ltd],  
**whose registered office is at** [address],  
**company number** [number] (“RSL” “ ”)  
**and** [Prateek Rathore]  
**of** [address] (“Mr Rathore”)

## Background

[[Mr Rathore] drives cars owned by RSL. In order to provide a suitable incentive to his success, the directors of RSL have agreed to provide to [ ]  
.]

**It is now agreed as follows:**

## 1. Definitions

The following definitions apply in this agreement:

“Exercise Price” means the price payable to exercise the Option.

“Last Exercise Date” means the last date by when [Mr Rathore]

“Notice of Exercise” means notice in writing posted to or served upon the Company by [Mr Rathore] in which [ ]

“Option” means the option granted by this agreement.

“Option Price” means the price to be paid now for the Option, by [Mr Rathore] to the ,

“Subject Matter” means the number of

“Vital Information Event” means an event relevant to a decision by [

]

## 2. Contract is supplemental

[This agreement is supplemental to a

[ ] ( “ ”)]

## 3. Interpretation

In this agreement unless the context otherwise requires:

3.1. A reference to a person includes reference to that person’s successors, legal representatives,

3.2. A reference to a paragraph or schedule is to

3.3. The headings to the paragraphs and schedules ( )

3.4. Any agreement by any party not to do or

3.5. A reference to the knowledge, information, belief or awareness

3.6. This agreement is made only in the English language. If there is any

## 4. Option data

- 4.1. The Option Price is Rs [amount].
- 4.2. The Last Exercise Date is [date]
- 4.3. The Exercise Price is Rs [amount]
- 4.4. The Subject Matter is [10,000] shares  
, [ 25 %]

## 5. Grant of option

- 5.1. [Mr Rathore] acknowledges that he has
- 5.2. The Company shall at no time be or become liable [ ]
- 5.3. The Company now grants the [ ]

## 6. Conditions for exercise

- 6.1. The [terms / targets / criteria / ]  
[ ] 2 .
- 6.2. The Option must be
- OR*
- 6.3. The Option may be exercised ,
- 6.4. The Option shall be exercised by written Notice of Exercise [valid on  
the day  
] [ ] [ ]  
].

6.5. The Notice of Exercise

6.6. The Option may not be exercised [ ]  
/ : [ ]

6.6.1 Formula One World Champion

6.6.2 The times of India Personality of the Year

6.6.3 etc, etc

*OR, [example]*

6.6.4 sold 10,000 Encyclopaedia of China

6.6.5 the Company has achieved  
31 2018

## 7. Premature termination of Service Contract

7.1. [ ]  
]

7.2. [ ]

7.3. [ ]  
[ ]

## 8. Warranties by the Company

8.1.

8.2.

,  
,

8.3.

,  
2, [  
[ ]],

8.4.

[ ]

Signed by [\[personal name\]](#) on behalf of the Company as its / his representative who personally accepts liability for the proper authorisation to enter into this agreement.

Signed by [\[Mr Rathore\]](#)



## Schedule 2: Vital Information Events and information to be provided

The following are mere examples

| Vital Information Events                       | List of information provided  |
|--|---|
| The acquisition of shares by a new shareholder | The name of the new shareholder:<br>The number of shares:<br>The price or value of the shares:<br>The name of the transferor: |
| The completion of a shareholders' agreement    |   |
| 50 %   |   |
| The resignation or dismissal of any employee   |   |
| The annual accounts of the company as provided |   |



# Explanatory Notes:

Share option agreement: non-employee; performance based

## General notes

### 1. Why use defined terms?

Just in case you are new to legal agreements: defined terms are given cap initial letters so that you are aware, as you read and come across caps, that the meaning of a word or phrase is “ ” .

- so that you know what technical or obscure ,
- to give a limited meaning to words or ,
- to enable a necessarily long definition to be given, so that when you come ,

50 .

### 2. What can be changed?

This document is not regulated by any particular law. The law is therefore the common law: negligence, other , .

## Paragraph Specific notes:

Notes referable to specific paragraphs

### 1. Definitions

We have no comment

### 2. Contract is supplemental

In most cases you will have some other contract under which the optioner works. A reference to it makes .

### 3. Interpretation

Leave these items in place unless there is a good reason to edit

“ ”

**4. Option data**

Essential basic

**5. Grant of option**

Includes the critical words of the grant.

**6. Conditions for exercise**

This paragraph may contain whatever conditions you decide to impose. They may relate

You can either set them out in the agreement, if very simple, or

**7. Premature termination of Service Contract**

We have no comment.

**8. Warranties by the Company**

Mr Racer needs to know that when he has

**End of notes**