

NZ-CPopt02

Share option agreement: non-employee; exercisable on higher share valuation

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

Background

[[Mr Racer] 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 Racer]
- “Notice of Exercise” means notice in writing posted to or served upon the Company by [Mr Racer] in which []
- “Option” means the option granted by this agreement.
- “Option Price” means the price to be paid now for the Option, by [Mr Racer] to the ,
- “Subject Matter” means the number of ordinary \$ [1]
- “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 \$ [amount].
- 4.2. The Last Exercise Date is [date]
- 4.3. The Exercise Price is \$ [amount]
- 4.4. The Subject Matter is [10,000] shares
, [25 %]

5. Grant of option

- 5.1. [Mr Racer] 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

7. Premature termination of Service Contract

7.1. If either party terminates the Service Contract [for

]

7.2. Termination of the Service Contract does not reduce the

[]

7.3. [Mr Racer] shall enter into a

[]

8. Warranties by the Company

8.1. The Company may issue shares to any person at any time. If it does, then

8.2. The Company shall not issue shares or other instruments

8.3. The Company shall, on the happening of any Vital Information

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 Racer]

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: The number of shares: The price or value of the shares: The name of the transferor:
The completion of a shareholders' agreement	
50 %	
The resignation or dismissal of any employee.	

Explanatory notes:

Share option agreement: non-employee; exercisable on higher share valuation

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 or remove. These items are not “lawyer’s blurb”. Every item has

4. **Option data**

Essential basic information all in

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