

NZ-CPopt04

Employee share option agreement: 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] is the managing director of RSL. In order to provide a suitable incentive to his success, the shareholders 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 per ordinary share of one dollar at which []
.

“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.

[“Sales” means the value of sales made by the company as shown on the annual accounts, [audited by]
.]

“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 \$ [1 . 00 ()].

4.2. The Last Exercise Date is [date]

4.3. The Exercise Price is \$ []

4.4. The Subject Matter is [10,000] shares
[10] %

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 Option may be exercised []

6.2. The Option shall be exercised by written []
].

6.3. The Notice of Exercise

6.4. The Notice of Exercise shall be

.

7. Premature termination of Employment Contract

7.1. If either party terminates the Employment Contract for one

[]

,

.

7.2. Termination of the Employment Contract at any time does not

[]

.

7.3. [\[Mr Racer\]](#) shall enter into

.

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. Immediately upon receiving Notice of Exercise, the

[]

.

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 1: Notice of Exercise: model communication

[]

.

[]

[[,]]

.

OR

[, .]

]

[

]

[

]

,

[28] .

.

Dated:

Signed:

Schedule 2: Vital Information Events and information to be provided

The following are mere examples

Vital Information Events	List of information provided
.	<p>The name of the new shareholder:</p> <p>The number of shares:</p> <p>The price or value of the shares:</p> <p>The name of the transferor:</p>
The completion of a shareholders' agreement	.
50 %	.
The resignation or dismissal of any employee.	The name of any such employee and reasons for the resignation or dismissal.
.	

Explanatory notes:

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Paragraph specific notes:

Notes referable to specific paragraphs

1. Definitions

We have no comment

2. Contract is supplemental

Your employee will have a contract of employment. A reference to it makes clear the context

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

7. Premature termination of Employment Contract

We refer to specific paragraphs. Clearly, this

8. Warranties by the Company

Mr Racer needs to know that when he has

,

.

End of notes