Employee share option agreement: performance based

This agreement is dated: [date]

It is made between [Raving Supercars Ltd]

whose registered office is at [address],

company number [number] ("[RSL]" or the "Company")

And [Peter Racer]

Of [address] ("[Racer]")

Background

[Racer] is employed to drive 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:

"Last Exercise Date"	means the last date by when [Racer] Recer] Recer] Recer Recer
"Notice of Exercise"	means notice in writing posted to or served upon the Company by [Racer] in which [
"Option"	means the option granted by this agreement.
"Option Price"	means the price to be paid now for the Option, by [Racer] to the SECOND .
["Sales"	means the value of sales made by the company , [,, [

"Vital Information Event"	means an event relevant to a decision • • • • [•
"Subject Matter"	means [the number of $\blacksquare \blacksquare \blacksquare$

2. Contract is supplemental

[This agreement is supplementa	I 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 ■ ■ ■
0.0.	
	,

3.6.	This agreement is made only in the English language. If there is any
Opt	ion data
4.1.	The Option Price $\blacksquare \blacksquare \blacksquare \blacksquare \pounds [1.00] (\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare).$
4.2.	The Last Exercise Date is [date].
4.3.	The Subject Matter is 10,000 shares • • • • • • • • • • • • • • • • • • •
Gra	nt of Option
5.1.	[Racer] acknowledges that he has been • • • • • • • • • • • • • • • • • •
5.2.	The Company shall at no time be or become • • • • • • [• • • •]
5.3.	The Company now grants ••••••[••••]••••
Cor	nditions for exercise
6.1.	The Option may • • • • • • • • • [• • • •] • • • • •
	6.1.1 on achieving: first place at •••••• ;
	6.1.2 on achieving: •••••• (10,000 •••
	6.1.3 on achieving: BBC = = = = = = = = = = (10,000

4.

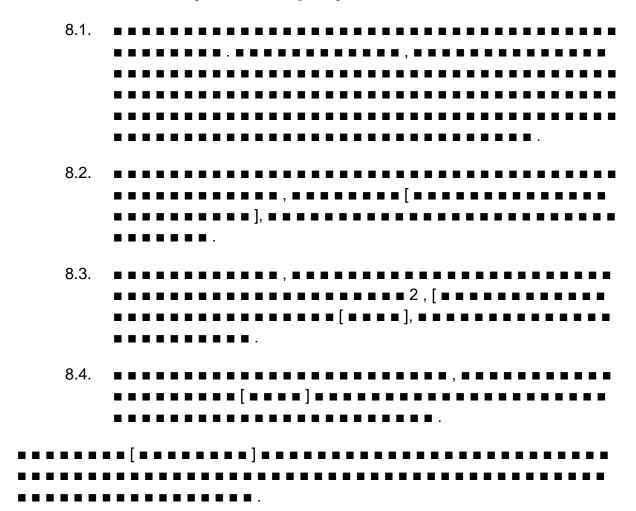
5.

6.

to a maximum • • • • • [30 , 000] • • • • . OR 6.2. -----6.2.1 on achieving: Sales of widgets to a value ■ ■ ■ £ [10 ■ ■ ■ ■ 1 • • • • • • • • • • • • [31 • • • • 20xx]: (10 , 000 **---**): on achieving: Sales of widgets to a value $\blacksquare \blacksquare \blacksquare \pounds [15 \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$ 6.2.2 **---**); 6.2.3 on achieving: Sales of widgets to a value ■ ■ ■ £ [20 ■ ■ ■ ■ \blacksquare \blacksquare \blacksquare \blacksquare). 6.3. The Option expires on [30th September 20xx]. 6.4. The Notice of Exercise shall be **EXECUTE EXECUTE EXE** 6.5. ____. **Premature termination of Employment Contract** ------7.2. 7.3. [....]..............................[....].....

7.

8. Warranties by the Company



Signed by [Racer]

Schedule 1: Notice of Exercise: model communication

OR
Dated:
Signed:

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:

Employee share option agreement: performance based

	4
Genera	I MALAA
74114	

1.	This document is not regulated by any particular law. The law is therefore the common law: negligence, other torts, contract and so on. That means you are
2.	Employee-shareholder requirements
	When an employee owns shares then his status is changed to an employee-shareholder. Employment laws do apply slightly differently to such employees. This is the legal way even a shareholder works as an employee ■ ■ ■ ■ ■ ■
	•••••
	Under section 205A of the Employment Rights Act 1996 if you have an employee shareholder then you must provide specific information to him – in a separate written
	The information must explain:
	 whether there are any voting rights attached to any of the shares being ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ;
	2. whether the shares carry any rights to dividends;
	3. whether the shares would, if the company were wound up, confer any rights to participate in
	4. if the company has more than 1 class of shares, and any voting or dividend rights, explain how those rights differ from the equivalent rights that attach to the shares in the largest class; if the shares offered are already part of the
	5. whether the shares are redeemable and if they are,

	6.	whether there are any restrictions on the transferability of the shares and ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ;	
	7.	whether any pre-emption rights are excluded in the case of the shares ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
	8.	whether the shares are subject to drag-along or tag-along rights, and if they \blacksquare	
		You can find detailed guidance	
		https://www.gov.uk/guidance/employee-shareholders	
3.	Recognition of our copyright in this document		
	ag	e assert our copyright in this document. When you downloaded it, you reed to our terms and conditions, which set out in full how it may and may be used. Without amending those terms,	
	•		
	Or ■	nce you have edited the document for final use,	
4.	Do	ocument review service	
	If y	you would like our legal team to check ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ , ■ ■ ■ ■ ■ ■ ■ ■	
		ease contact our support team at support@netlawman.co.uk for further formation.	
Par	ag	raph Specific notes	
Notes	ref	erable to specific paragraphs	
1.	De	efinitions	
	You	ou should first decide on the contents of the document, then return to check	
		ne definition relating to the subject matter of the agreement requires	

	By all means use the find/replace function in your word processor to change a defined = = = . = = = = = = = = = = = = = = =
2.	Contract is supplemental
	It is important to establish the relationship between the contract of ••••••
	A reference to employment contract makes
3.	Interpretation
	Leave these items in place unless there is a good reason to edit
4.	Option data
	This paragraph provides ••••••••••••••••••••••••••••••••••••
5.	Grant of Option
	This paragraph includes
6.	Conditions for exercise
	This paragraph may contain whatever conditions you decide to impose. They may relate
7.	Premature termination of Employment Contract
	We refer to specific paragraphs. Clearly, this

8.	Warranties by the Company
	The optioner needs to know that when he has

End of notes