

UK-CPopt03

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] []
[]

“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 []
[]

[“Sales” means the value of sales made by the company []
[]
[]
[]

6.1.4 to a maximum [30 , 000] .

OR

6.2. The Option may [] :

6.2.1 on achieving: Sales of widgets to a value £ [10] [31 20xx]: (10 , 000);

6.2.2 on achieving: Sales of widgets to a value £ [15] [31 20xx]: (10 , 000);

6.2.3 on achieving: Sales of widgets to a value £ [20] [31 20xx]: (10 , 000).

6.3. The Option expires on [30th September 20xx].

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

6.5. The Notice of Exercise shall be [] .

7. Premature termination of Employment Contract

7.1. [] , [] .

7.2. [] .

7.3. [] [] .

8. Warranties by the Company

[illegible][illegible][illegible][illegible][illegible]

Signed by [Racer]

Schedule 1: Notice of Exercise: model communication

..... [.....]

[REDACTED]

[REDACTED]

[illegible]

OR

[illegible]

[]

[]

,

[28]

.

[]

Dated:

Signed:

Explanatory notes:

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General notes

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

[illegible]

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:

- [illegible]

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 ■ ■ ■ ■ , ■ .

You can find detailed guidance ■ ■ ■ ■ : ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ :

<https://www.gov.uk/guidance/employee-shareholders>

3. Recognition of our copyright in this document

[illegible][illegible]

4. Document review service

If you would like our legal team to check _____, _____
_____.
_____.

Please contact our support team at support@netlawman.co.uk for further information.

Paragraph Specific notes

Notes referable to specific paragraphs

1. Definitions

[illegible][illegible]

