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" \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare ")

and

[Peter Racer] of [address] (" ■ ■ ■ ■ ■ ■ ")

Background

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 shares of R [1]

each

.

"Vital Information Event" means an event relevant to a decision by [Mr

2. Contract is supplemental

[This agreement is supplemental to a contract for services between the same parties and dated [$\blacksquare \blacksquare \blacksquare \blacksquare$] ($\blacksquare \blacksquare \blacksquare$ ")].

3. Interpretation

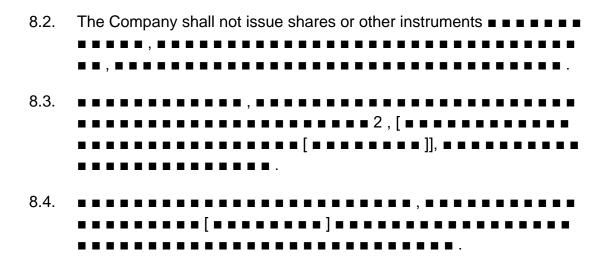
In this agreement unless the context otherwise requires:

	•
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 R [amount].		
	4.2.	The Last Exercise Date is [date].		
	4.3.	The Exercise Price is R [amount].		
	4.4.	The Subject Matter is [10,000] shares		
		 , , , [25]% 		
5.	Grant of option			
•	5.1.	[Mr Racer] acknowledges that he has ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
	5.1.			
	5.2.	The Company shall at no time be or become liable ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
	0.2.			
		•		
	5.3.	The Company now grants the •••• [•••••]•••		
6.	Conditions for exercise			
	6.1.	The [terms / targets / criteria / • • • •] • • • • • • • • • • • • • •		
	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 BBC 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 • • • • • • • • • • • • • • • • • • •			
7.	Pre	mature 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 sees sees sees sees sees sees sees s			
8.	Warranties by the Company				
	8.1.	The Company may issue shares to any person at any time. If it does, then			



Signed by [personal name] on behalf of the Company as its / his representative who personally accepts liability for the proper authorization 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 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; ■ ■ ■ ■ ■ ■ General notes 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 ■ ■ Paragraph specific notes Notes referable to specific paragraphs 1. **Definitions** You should first decide on the contents of the document, then return to check what definitions are needed and whether they really fit the text you have left in place. By all means use the search/replace function in your word processor to change them. If you do -------Remember too, that when a word or phrase is defined, the defined meaning capitalized, takes precedence over ---------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. Under the Companies Act 2008, the new legislation states that the share will not have Par
	•••••
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