Employee share option agreement: performance based

This agreement is dated: [date]
It is made between: [
whose registered office is at: [address],
company number [number] ("RSL" ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ " ■ ■ ■ ")
and [Peter Racer] of [address] (" ■ ■ ■ ■ ■ ■ ■ ■ ")
Background

It is now agreed as follows:

1. Definitions

The following definitions apply in this agreement:

"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" ["Sales"	means the option granted by this agreement. means the value of sales made by the company as shown on the annual accounts, [audited by
"Subject Matter"	means the number of ordinary shares of R [1] each
"Vital Information Event"	means an event relevant to a decision by [Mr Racer] as to whether he wishes

2. Contract is supplemental

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

3. Interpretation

In this agreement unless the context otherwise requires:

A reference to a person includes reference to that person's successors, 3.1. legal representatives, 3.2. A reference to a paragraph or schedule is to **E E E E E E E E E E E** ------3.3. The headings to the paragraphs and schedules ($\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$) ---------------------------3.4. Any agreement by any party not to do or ■ ■ ■ ■ ■ ■ ■ ------A reference to the knowledge, information, belief or awareness 3.5. This agreement is made only in the English language. If there is any 3.6. -------

4. Option data

- 4.1. The Option Price is R [amount].
- 4.2. The Last Exercise Date is [date].

	4.3.	The Subject Matter is [10,000] shares • • • • • • • • • • • • • • • • • • •		
5.	Gra	nt 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 • • • • • • [• • • • • •] • • • • • •		
		6.1.1 on achieving: first place at = = = = = = = = = = = = = = = = = =		
		6.1.2 on achieving: •••••• (10,000 •••		
		6.1.3 on achieving: BBC • • • • • • • • • • • • • • • • • •		
	0.5	6.1.4 to a maximum ■ ■ ■ ■ ■ ■ [30 , 000] ■ ■ ■ ■ .		
	OR 6.2.	The Option may be •••••[•••••]••••]		
		6.2.1 on achieving: Sales of widgets to a value • • • • • [10 • • • •] • • • • • • • [31 • • • • 2022]: (10 , 000 • • • •);		

		6.2.2	on achieving: Sales of widgets to a value • • • • • [15 • • • •] • • • • • • • [31 • • • • 2013]: (10 , 000 • • • •);
		6.2.3	on achieving: Sales of widgets to a value = = = = = [20 = = =] = = = = = = = = = [31 = = = 2024]: (10 , 000 = = = =).
	6.3.	The O	ption expires on [30th September 2024].
	6.4.	The O	ption shall be exercised by written • • • • • • • • • [• • • • • • • • •
	6.5.	The No	otice of Exercise shall be = = = = = = = = = = = = = = = = = =
7.	Pre	matur	e termination of Employment Contract
	7.1.		er party terminates the Employment Contract for one
	7.2.		nation of the Employment Contract does not reduce the
	7.3.		acer] shall enter into
8.	Waı	rrantie	es by the Company
	8.1.	The Co	ompany may issue shares to any person at any time. If it does,

8.4.	
8.3.	The Company shall, on the happening of any Vital Information
	,,
8.2.	The Company shall not issue shares or other instruments

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 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
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:

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4. Option data

	document is not regulated by any particular law. The law is therefore the non law: negligence, other torts, contract and so on. That means you are		
Par	agraph Specific notes		
Notes	s 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		
2			
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		

Essential basic information all in \blacksquare
Grant of option
Includes the critical words of the grant. Under the Companies Act 2008,
Conditions for exercise
This paragraph may contain whatever conditions you decide to impose. They may relate ••••••••••••••••••••••••••••••••••••
Premature termination of Employment Contract
We refer to specific paragraphs. Clearly, this
Warranties by the Company
Mr Racer needs to know that when he has

End of notes