

STOCK OPTION AGREEMENT

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This Stock Option Agreement (this "**Agreement**") is entered into as of [GRANT DATE] (the "**Grant Date**") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. corporation] with its principal place of business at [COMPANY ADDRESS] (the "**Company**"); and

[OPTIONEE NAME], an individual residing at [OPTIONEE ADDRESS] (the "**Optionee**").

The Company and the Optionee are each a "**Party**" and together the "**Parties**."

Recitals. The Company maintains the [NAME OF PLAN, e.g. 20[YY] Equity Incentive Plan] (the "**Plan**"), under which the Company may grant options to purchase shares of its common stock. The Company's board of directors or a committee of the board (the "**Administrator**") has approved the grant of an option to the Optionee on the terms below as compensation for service to the Company. This Agreement documents that grant, is subject in all respects to the Plan, and is entered into in consideration of the Optionee's continued service and the mutual promises below. The Parties agree as follows.

1. Grant of Option

1.1 **Grant.** The Company grants to the Optionee an option (the "**Option**") to purchase up to [NUMBER] shares of the Company's common stock (the "**Shares**"), subject to the terms of this Agreement and the Plan.

1.2 **Type of option.** The Option is intended to be a [INCORPORATE ONE: incentive stock option ("ISO") qualifying under the applicable tax rules for incentive stock options / non-qualified stock option ("NSO")]. If any portion of an Option intended as an ISO fails to qualify as an ISO, that portion will be treated as an NSO. The Optionee understands that ISO tax treatment depends on holding-period and other requirements that the Optionee is responsible for satisfying.

1.3 **Exercise price.** The exercise price is [\$ AMOUNT] per Share (the "**Exercise Price**"), which the Administrator has determined to be no less than the fair market value of a Share on the Grant Date. The total cost to exercise the full Option is the Exercise Price multiplied by the number of Shares purchased.

1.4 **Subject to the Plan.** This Agreement is governed by the Plan, a copy of which has been made available to the Optionee. Capitalized terms not defined here have the meanings given in the Plan. If this Agreement conflicts with the Plan, the Plan controls, except where this Agreement is expressly permitted to vary a Plan term.

2. Vesting Schedule

2.1 **General vesting.** Subject to the Optionee's Continuous Service (defined in Section 2.4), the Option vests and becomes exercisable as follows: [e.g. 25% of the Shares vest on the first anniversary of the Vesting Commencement Date (the "cliff"), and the remaining Shares vest in equal monthly installments over the

following 36 months].

2.2 Vesting commencement date. The "Vesting Commencement Date" is [DATE, often the Optionee's service start date].

2.3 No partial-period vesting beyond schedule. No Shares vest after the Optionee's Continuous Service ends, except as expressly provided in Section 4 or in a separate written agreement signed by the Company.

2.4 Continuous Service. "Continuous Service" means the Optionee's uninterrupted service to the Company or a parent or subsidiary as an employee, director, or consultant. Service is not interrupted by an approved leave of absence or a change in the capacity in which the Optionee serves, except as required by applicable law or the Plan.

2.5 Acceleration. The Administrator may, in its discretion, accelerate vesting in whole or in part. [OPTIONAL: describe any agreed acceleration on a change of control or involuntary termination — discuss with counsel.]

3. Exercise of the Option

3.1 Manner of exercise. To exercise the vested portion of the Option, the Optionee must deliver to the Company a written or electronic notice of exercise in the form the Company specifies, identifying the number of Shares being purchased, together with full payment of the aggregate Exercise Price and any required tax withholding.

3.2 Payment of the exercise price. The Exercise Price may be paid by [SELECT PERMITTED METHODS: cash or check; wire transfer; a cashless or net-exercise method if and to the extent the Administrator permits; or other consideration permitted by the Plan and applicable law].

3.3 Partial exercise. The Optionee may exercise the vested Option in whole or in part at any time before expiration, subject to any minimum-share requirement the Administrator sets.

3.4 Issuance of shares. The Company will issue the purchased Shares as soon as practicable after a valid exercise, subject to satisfaction of all tax obligations and compliance with applicable securities laws. The Optionee has no rights as a stockholder with respect to any Shares until the Shares are issued.

4. Expiration and Termination of Service

4.1 Maximum term. The Option expires and may no longer be exercised after [e.g. 10 years] from the Grant Date (the "Expiration Date"), regardless of any other provision, unless terminated earlier under this Section.

4.2 Termination without cause. If the Optionee's Continuous Service ends for any reason other than Cause, death, or Disability, the vested portion of the Option remains exercisable for [e.g. 90 days] after the service-end date, and then expires.

4.3 Death or Disability. If service ends due to the Optionee's death or Disability, the vested portion remains exercisable for [e.g. 12 months] after the service-end date, and then expires.

4.4 Termination for cause. If the Optionee's service is terminated for Cause, the entire Option (whether or not vested) terminates immediately on the service-end date. "Cause" has the meaning given in the Plan or, if none, the meaning given in any written service agreement, or absent that, as reasonably determined by the Administrator.

4.5 No extension past expiration. In no event may the Option be exercised after the Expiration Date, even if a post-termination period would otherwise extend beyond it.

5. Tax Matters and Withholding

5.1 Optionee responsibility. The Optionee is solely responsible for all taxes arising from the grant, vesting, exercise, or disposition of the Option or the Shares. The Company has made no representation about tax consequences, and the Optionee is encouraged to consult a personal tax advisor.

5.2 Withholding. As a condition to exercise and issuance of Shares, the Optionee must satisfy all federal, state, local, and foreign tax withholding the Company determines is required, by a method the Company permits, including withholding from Shares or other compensation.

5.3 ISO disqualifying disposition. If the Option is an ISO, the Optionee agrees to promptly notify the Company in writing of any sale or other disposition of the Shares within **[e.g. two years]** of the Grant Date or **[e.g. one year]** of the exercise date, which may cause the Option to lose ISO tax treatment.

6. Transfer Restrictions and Company Rights

6.1 Non-transferability of the Option. The Option may not be sold, pledged, assigned, or transferred other than by will or the laws of descent and distribution, and during the Optionee's lifetime is exercisable only by the Optionee, except as the Plan otherwise permits.

6.2 Restrictions on Shares. The Shares are subject to all transfer restrictions, rights of first refusal, repurchase rights, and market-standoff ("lock-up") obligations set out in the Plan, the Company's governing documents, and any stockholders' agreement, as amended from time to time.

6.3 Securities-law compliance. The Option and the Shares have not been registered under applicable securities laws and are being granted in reliance on exemptions. The Optionee may be required to make representations and to hold the Shares subject to applicable restrictions and legends.

7. No Service or Employment Rights

7.1 At-will status preserved. Nothing in this Agreement or the Plan confers any right to continued service or employment, or interferes with the right of the Company or the Optionee to terminate the service relationship at any time, with or without cause, subject to applicable law and any separate written agreement.

7.2 Not a term of employment. The grant of the Option is a one-time benefit and does not create a contractual or other right to receive future grants or other benefits in lieu of grants.

8. General Provisions

8.1 Entire agreement. This Agreement and the Plan are the entire agreement between the Parties on the subject of the Option and supersede prior discussions. This Agreement may be amended only by a writing signed by the Company and, where required, the Optionee, except as the Plan permits.

8.2 Governing law. This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules, and subject to the governing-law terms of the Plan.

8.3 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver of it.

8.4 Successors. This Agreement binds and benefits the Parties and their permitted successors, heirs, and assigns.

8.5 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

8.6 **Acknowledgment.** The Optionee acknowledges receiving and reviewing the Plan and this Agreement, has had the opportunity to consult advisors, and accepts the Option subject to all of their terms.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Grant Date.

COMPANY

OPTIONEE

Signature: _____

Signature: _____

Printed name: **[NAME]**

Printed name: **[OPTIONEE NAME]**

Title: **[TITLE]**

Title: N/A

Date: _____

Date: _____

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