



**Option Agreement document can be found on page 2.**

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# OPTION AGREEMENT

between

.....

and

.....

## 1 INTERPRETATION

Save where the context otherwise requires, the following words and expressions shall have the meanings assigned to them hereunder:

- 1.1 "the Company" means , a public company incorporated with limited liability according to the company laws of the Republic of South Africa and listed on the JSE;
- 1.2 "delivery address" means the address at which all notices are to be delivered by the Grantee in terms of this agreement being , or such other address as the grantor may advise the Grantee in writing from time to time;
- 1.3 "the effective date" means the date of signing of this agreement by the last signing party hereto;
- 1.4 "grantee" means
- 1.5 "grantor" means
- 1.6 "the JSE" means the Johannesburg Stock Exchange;
- 1.7 "the option" means the option granted in terms of clause 2.1 below;
- 1.8 "the option period" means the period commencing and terminating
- 1.9 "option shares" means the shares which are the subject of the option;
- 1.10 " shares" means ordinary shares in the issued share capital of the Company having a par value of cents each and which:
  - 1.10.1 - *rank* pari passu in all respects;
  - 1.10.2 - are listed on the JSE;
- 1.11 words importing natural persons shall include a reference to bodies corporate and other legal *personae* and *vice versa*;
- 1.12 words importing the masculine shall include a reference to the feminine;
- 1.13 words importing the singular shall include a reference to the plural and *vice versa*;
- 1.14 the captions appearing in this agreement are for reference purposes only and shall not affect the interpretation hereof.

## 2 OPTION

- 2.1 The grantor hereby grants to the Grantee an option for the option period to purchase the option shares at a purchase price of per share.
- 2.2 The grantee shall be entitled to exercise its rights under the option in the manner set forth in clause 3 below at any time prior to the expiry of the option period when, if not exercised, the option will lapse.

## 3 EXERCISE OF OPTION

- 3.1 If the grantee shall wish to exercise his rights under this option, it shall do so

timeously by notice in writing addressed and delivered to the grantor at the delivery address in a sealed envelope marked "For the personal attention of . The notice shall be dated and shall record that the grantee has elected to exercise his option.

3.2 Upon the grantee exercising his rights in terms of the option, a sale of the option shares shall be deemed to have taken place at the price set out above and on the date upon which the notice aforesaid is delivered to the grantor.

3.3 The grantee shall make payment of the purchase price of the option shares in cash against delivery of the scrip relating thereto.

#### **4 RESTRICTION ON SALE OF OPTION SHARES**

4.1 The grantee hereby agrees that for the whole of the option period and for a period of thereafter (the "restricted period") he shall not alienate, sell, dispose of or in any other manner encumber (collectively "sell") any of the option shares which he shall have purchased, save in terms of the following provisions.

4.2 If, during the restricted period, the grantee shall wish to sell any of the option shares, he shall deliver a notice to the grantor, which notice shall be dated and shall set out that number of option shares which the grantor is desirous of selling.

4.3 The grantor shall have a period of seventy two hours calculated from the date of delivery of the notice within which to purchase such shares from the grantee at a price equal to the seller's closing price at which such shares shall have traded on the JSE on the day preceding the date of the notice or if no shares shall have traded on such date, then on the last date on which the shares shall have traded prior to the date of the notice. Any dispute in regard to such price shall be referred to the sponsoring brokers of the Company for the time being, whose certificate as to such price shall be final and binding upon the parties and not subject to review.

4.4 In the event of the grantor wishing to purchase any of the shares offered by the grantee, then he shall advise the grantee in writing and upon receipt by the grantee of such written notification, a sale shall be deemed to have taken place in respect of that number of shares which the grantor wishes to purchase and at the price as determined in terms of clause 4.3 above.

4.5 In the event of the grantor not wishing to purchase any of the shares offered by the grantee, or wishing to purchase only portion of the shares offered by the grantee, then upon the expiry of the seventy two hour period aforesaid, the grantee shall be entitled to sell to any third party that number of shares not purchased by the grantor.

#### **5 DEEMED EXERCISE OF OPTION**

5.1 In the event of the grantor receiving an offer by a *bona fide* third party purchaser for all or the majority of its shares then, subject to clause 5.3, the grantee shall be deemed to have:

5.1.1 exercised the option on the date of receipt by the grantor of the offer by such third party purchaser;

5.1.2 sold the option shares to such third party purchaser at the same price as offered to the grantor.

5.2 The grantee shall be entitled to request the grantor to use his best endeavours to cede and delegate his rights and obligations in terms of the option to such third party purchaser in respect of the unexpired portion of the option. To the extent that the grantor is unable to do so, then subject to clause 5.3, the grantee shall be deemed to have exercised the option in the manner set forth in clause 5.1.

5.3 If the price per share offered by the third party purchaser shall be less than , then subject to clause 5.2, the option shall be deemed to have been cancelled.

## **6 DOMICILIA**

6.1 For all the purposes of this agreement or with regard to any matter arising hereout or in connection herewith, the parties hereby choose the following addresses as their respective *domicilia citandi et executandi*:

6.1.1 The grantor at :

6.1.2 The grantee at :

6.2 Any notice which may be required to be given to a party to this agreement, shall be sent to such parties address as set out above, or duly altered from time to time, and shall-

6.2.1 be sent by registered prepaid post, in which case it shall have been deemed to have been received in the fifth day after posting.

6.2.2 be delivered by hand, in which event it shall have been deemed to have been received on the day of delivery

## **7 ENTIRE AGREEMENT**

This agreement constitutes the entire agreement between the parties with regard to the matters dealt with herein and no representations, terms, conditions or warranties not contained in this agreement shall be binding on the parties.

## **8 VARIATION AND CANCELLATION**

No agreement varying, adding to, deleting from or cancelling this agreement, shall be effective unless reduced to writing and signed by or on behalf of the parties. It is recorded that there exists no collateral and/or other agreements and that this is the sole agreement entered into by and between the parties and no party shall be entitled to seek rectification of any of the terms hereof.

## **9 INDULGENCES**

No indulgence granted by a party shall constitute a waiver of any of that party's rights under this agreement; accordingly, that party shall not be precluded as a consequence of having granted such indulgence, from exercising any rights against the other which may have arisen in the past or which may arise in the future.

THUS DONE AND SIGNED BY THE RESPECTIVE PARTIES AS FOLLOWS:

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Name

Place:

Date :

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Name

Place:

Date :