TEMPLATE SHARE OPTION PLAN TERMS – USER NOTES

This is a set of terms for use when a company wishes to issue options to purchase shares in the company to an employee. This is a simple template - there are no "good leaver/bad leaver" provisions, nor does it provide for options to vest as KPIs are achieved.

The form of this document is a set of terms (or rules) which apply to the share option scheme as a whole. The accompanying letter issued to each recipient under the share option scheme refers back to these terms. This type of ESOP document is increasingly being used in NZ. By having a global set of terms, it avoids individual deeds being completed for, and signed by, all recipients. This approach is also more familiar to overseas investors. Alternatively, you could use our template option deed and offer letter to set individual terms for each recipient (see the resources section of our website). Our template option deed and offer letter also have simpler terms than this document.

This document does include optional drafting for use by companies who wish to provide for some level of claw-back of the recipient's vested options, and any shares that have been issued to the recipient upon the exercise of vested options, if he or she ceases to work for the company. Companies choosing to include that optional drafting will need to ensure that the company's constitution expressly permits share buy backs (see the Kindrik Partners template constitution, which expressly permits share buy backs, in the resources section of our website). We also recommend companies seek legal advice about the process of buying back any shares before doing so.

These share option plan terms are for use when the company wishes to issue options to an employee in reliance on the exclusion for employee share purchase schemes under the Financial Markets Conduct Act 2013 (**FMCA**). Please do not use these terms if your offer is not covered by the employee share purchase scheme exclusion under the FMCA.

Briefly, to qualify for the employee share purchase scheme exclusion under the FMCA, the company must meet the following requirements:

- the offer must be made as part of the employee's remuneration, or in connection with their employment or engagement
- the primary purpose of the offer must not be to raise funds for the company
- the company must limit the number of shares and/or options issued under the scheme in any 12 month period to 10% of the total number of shares on issue.

The company must also provide limited disclosure documents to each employee containing:

- a description of the scheme and its terms and conditions
- the company's latest annual financial statements and latest annual report, with a statement that (if applicable) the financial statements are not audited. Alternatively, the company may state that the employee

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

has a right to receive those documents free of charge from the company
- a warning statement in the form prescribed under the FMCA.

See our template offer letter accompanying these share option plan terms (see the resources section of our website), which is intended to cover that limited disclosure package, and should be provided to the employee before the employee accepts the offer.

The company needs to take tax and accounting advice before adopting any form of share option scheme, including any claw-back arrangement. Share option schemes are simple to set up but may not necessarily be the most effective share scheme from a tax perspective because, generally speaking, the employee will be taxed on the difference between the exercise price and the market value of the share on the date the option is exercised.

These terms must be used in conjunction with a constitution that adequately deals with small minority shareholdings, including tag, drag and pre-emption rights. The template Kindrik Partners constitution deals with these matters - see the resources section of our website.

The Companies Act 1993 requires the board of the company to resolve, and certify, certain mandatory statements before options are granted. Our template ESOP resolutions include these mandatory statements – see the resources section of our website.

USING THIS TEMPLATE

The ***User Notes*** and the statements in the footer (all marked in red) are included to assist you to prepare this document. They are for reference only. You should delete all user notes and the statements in the footer from the final form of your document.

The use of [*square brackets*] around black text means that:

- the requested details need to be inserted
- there are different options for you to consider within a clause
- the whole clause is optional and you need to consider whether to include it, based on the company's circumstances and the user notes.

Before finalising your document, check for all square brackets to ensure you have considered the relevant option and deleted the brackets.

If you delete any clause or schedule, remember to cross reference check the document.

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

[*INSERT*] LIMITED

SHARE OPTION PLAN TERMS

[*INSERT YEAR*]

1 INTERPRETATION

1.1 **Definitions:** In these Terms:

TERM	MEANING
Act	the Companies Act 1993.
Board	the board of directors of the Company from time to time.
Business Day	Monday to Friday, other than any public holiday within the meaning of section 44 of the Holidays Act 2003 that occurs in [*insert the city where the Company is located*].
Company	[*insert*] Limited, company number [*insert*].
Exercise Price	the exercise price per share set out in Part A of Schedule 1 to the Offer Letter (adjusted for any of the matters referred to in clause 4). ***[User note: The Exercise Price is the price per share that the employee will pay when the options are exercised. This should be the market price of the share at the date of grant of the option (i.e. the date of the offer letter). As noted above, the employee will be liable for tax when he/she exercises or sells the option on the difference between the Exercise Price and the market price of the shares at the time the option is exercised or sold.]***
Expiry Date	the [*seventh*] anniversary of the Issue Date. ***[User note: This is the final date on which an employee can exercise his/her options. Consider what is appropriate for your company – consider the likely time frame for a liquidity event v/s the period during which you are comfortable having options outstanding.]***

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

TERM	MEANING
[***Fair Market Value***	*has the meaning set out in clause 5.6.*] ***[User note: Delete this definition if clauses 6.2 to 6.7 are deleted.]***
Issue Date	the issue date set out in the Offer Letter.
Offer Letter	the letter from the Company to the Recipient offering options to subscribe for ordinary shares in the Company, to which these Terms form Schedule 2.
Options	the number of options set out in Part A of Schedule 1 to the Offer Letter (adjusted for any of the matters referred to in clause 3), each being a right to subscribe for one Share at the Exercise Price.
Option Shares	Shares issued to Recipients on exercise of Options.
Recipient	the person to whom the Offer Letter is addressed.
Share	an ordinary share in the Company.
Terms	this document, the Offer Letter, and the Appendix attached to this document.
Vest	the right to exercise an Option which arises on the vesting date of that Option as set out in the Vesting Schedule and Vested has a corresponding meaning.
Vested Options	Options that have Vested.
Vesting Schedule	the vesting schedule set out in Part B of Schedule 1 to the Offer Letter.

1.2 **Interpretation:**

a A reference to:

i an **appendix** is to an appendix to these Terms;

ii a **clause** is to a clause in these Terms;

iii a **schedule** is to a schedule to the Offer Letter;

iv a **person** includes bodies corporate, unincorporated associations or partnerships;

v **including** and similar words do not imply any limitation;

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

vi a **statute** includes references to that statute, and to regulations, orders or notices made under or in connection with that statute, in each case as amended or replaced from time to time; and

vii **$** or **dollars** is to New Zealand currency;

b The headings in these Terms are for convenience only and have no legal effect.

c The singular includes the plural and vice versa.

1 ISSUE OF OPTIONS

The Company will grant the Options on the Issue Date and the Recipient will accept the Options on the terms and conditions set out in these Terms.

2 VESTING AND EXERCISE OF THE OPTIONS

2.1 **Vesting of Options:** The Options will Vest progressively in accordance with the Vesting Schedule. Subject to clause 2.2, the Recipient may exercise a Vested Option at any time during the period commencing on the date on which the Option Vested and ending on the Expiry Date.

2.2 **Expiry:** Despite any other provision of these Terms, and any provision of the Offer Letter, any Option that is not exercised on or prior to the Expiry Date lapses on the Expiry Date.

2.3 **Exercise by written notice:** Subject to clause 2.2 [*and 5.2*], an Option that has Vested may be exercised by the Recipient:

a providing at least 10 Business Days' written notice to the Board in the form set out in Appendix 1; and

b paying to the Company the Exercise Price in respect of each of the Options being exercised on or before the date set out in the notice provided to the Company in accordance with clause 2.3a, in cleared funds and into the nominated bank account of the Company.

2.4 **Issue of Shares:** Subject to the Recipient complying with the provisions of clause 2.3, the Company will issue the relevant Shares to the Recipient.

2.5 **Failure to pay:** If the Recipient fails to pay the Exercise Price in accordance with clause 2.3b, unless otherwise determined by the Board, the Recipient's entitlement to those Options lapses, even though the Expiry Date of those Options may not have passed.

2.6 **Recipient's indemnity:** The Recipient indemnifies the Company against any taxes, levies or penalties which the Company may be liable to deduct, withhold or pay by reason of the

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

Recipient being issued Shares upon the exercise of the Options, or otherwise receiving any benefit in connection with the Options.

2.7 **No distribution:** By holding Options, the Recipient is not, except as provided in clauses 3 and 4, entitled to participate in any distribution nor any issue of Shares or other securities in or in respect of the Company other than the Shares to be issued upon the exercise of the Options under these Terms.

2.8 **No transfer:** The Options are personal to the Recipient and are not transferable without the approval of the Board, which approval may be withheld in the Board's absolute discretion.

3 ADJUSTMENTS

3.1 **Bonus issue, consolidation or subdivision:** If there is any bonus issue, consolidation or subdivision of any Shares or any reduction or cancellation of share capital (or any similar reorganisation of the capital of the Company), the Board will adjust the number of Options, the Exercise Price, or both to ensure that the economic effect of the Options remains the same, and notify the Recipient of any change.

3.2 **Restructure:** If there is a restructure of the Company, its share structure or its business (including the establishment of a new holding company in New Zealand or overseas for the purpose of procuring investment), the Board may cancel the Options and procure the issue of new options in the Company, a new holding company or any other entity, if the Board acting in good faith considers that the economic effect of those new options remains substantially similar to the Options.

4 TERMS OF ISSUE OF SHARES

4.1 **Rights attaching to Shares:** A Share issued as a consequence of the exercise of an Option will rank for dividends from the date the Option is exercised and will otherwise rank equally in all respects with the other Shares of the Company then on issue. It is acknowledged that the Company may have issued or may in the future issue any other class of shares ranking in any or all respects in priority to the Shares.

4.2 **Tax:** The Recipient will be responsible for any tax arising on exercise of any Options.

5 LEAVERS

5.1 **Leavers:** If the Recipient ceases to be employed by the Company or ceases to provide services as a director or consultant of the Company for any reason:

a all Options that have not Vested as at the date that the Recipient ceases to be employed or provide services to the Company (**Leaving Date**) will be cancelled without compensation on that date; and

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

b [*subject to clause 5.2,*] all Options that have Vested as at the Leaving Date must be exercised during the period of [*3 months*] following the Leaving Date, and any Options not exercised within that period will lapse, unless the Board determines otherwise.

[User note: Include clauses 6.2 to 6.7 if the company would like to have the right to repurchase vested options, or shares that have been issued on exercise of vested options, at an agreed price (which is typically fair market value). This gives the company the ability to remove ex-team members as shareholders and flexibility to reissue more options to incoming employees out of the overall pool. If employees are to retain all vested options and option shares issued, clauses 6.2 to 6.7 can be deleted.]

5.2 [***Call Option:*** *If clause 5.1 applies, the Company will have the option at the sole discretion of the Board to purchase some or all of the Vested Options and/or the Option Shares (if any) held by the Recipient (**Call Option**).*

[User note: A share buy-back is a Companies Act 1993 process. You should seek legal advice on the required procedures.]

5.3 ***Call Exercise Notice:*** *The Company may exercise the Call Option by notice in writing to the Recipient at any time during the period from the Leaving Date to the date that is 60 days following the Leaving Date, specifying the number of Vested Options and/or Option Shares that the Company wishes to purchase (**Call Exercise Notice**).*

5.4 ***Purchase Price:*** *The purchase price for each:*

a *Vested Option that is the subject of a Call Exercise Notice will be the difference between Fair Market Value for the number of Shares equal to those Vested Options and the Exercise Price of those Vested Options; and/or*

b *Option Share that is the subject of a Call Exercise Notice will be Fair Market Value.*

5.5 ***Settlement Date:*** *The date of settlement of any purchase of Vested Options and/or transfer of Option Shares undertaken in accordance with this clause 5 will be the date that is one month from the later of the (i) date of the Call Exercise Notice and (ii) the date the Fair Market Value is determined in accordance with clause 5.6, or an earlier date notified to the Recipient in writing by the Company at least 5 Business Days in advance (**Settlement Date**). On the Settlement Date:*

a *the Vested Options referred to in the Call Exercise Notice will automatically lapse with no further obligations on the Company;*

b *the Recipient must sign any documents or resolutions and do any other thing as may be necessary to transfer the number of Option Shares specified in the Call Exercise Notice from the Recipient to the Company; and*

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

c *the Company must pay to the Recipient the total purchase price for the number of Vested Options and/or Option Shares specified in the Call Exercise Notice.*

5.6 ***Fair Market Value:*** *For the purposes of clause 5.4,* ***Fair Market Value*** *means the fair market value of the Shares determined in accordance with the following principles:*

a *the Board shall determine the Fair Market Value unless the Recipient elects to have an independent expert determine this;*

b *the independent expert will be appointed by the Company and will be either a "big four" accounting firm or the auditor of the Company;*

c *the Company must provide the expert with any assistance that the expert may request to issue his or her opinion;*

d *the expert must not act as a mediator or arbitrator and the Arbitration Act 1996 does not apply;*

e *unless otherwise specified by the expert, the expert's fees must be borne equally between the Company and the Recipient; and*

f *the expert's decision is final and binding on the Company and the Recipient (in the absence of manifest error).*

5.7 ***Tax:*** *The Recipient will be responsible for any tax arising on the purchase by the Company of any Vested Options and/or Option Shares.*]

6 EARLY EXERCISE OF OPTIONS

6.1 **Options Vest on a Liquidity Event:** If:

a the Company enters into a listing agreement with the New Zealand Stock Exchange, or other national stock exchange of similar or better standing;

b a shareholder (or shareholders) of the Company enters into a binding agreement with a third party (or a group of associated third parties) on arms length terms under which the third party is to acquire (other than by way of a subscription for new shares) 50% or more of the voting shares of the Company, and that agreement becomes unconditional;

c the Company enters into a binding agreement to dispose of assets comprising more than half the value of the Company's assets, the shareholders of the Company approve the disposition of those assets, and that agreement becomes unconditional; or

d the Company resolves to amalgamate with any other company (whether or not it is the continuing company), in a transaction that is in substance the same as those in clauses 6.1b and 6.1c above,

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

[User note: This clause provides that all Options immediately vest on a Liquidity Event. This may not be appropriate for all companies, and a lower percentage may be required. As drafted, the Board does also have the ability to specify otherwise.]

(**Liquidity Event**), unless otherwise determined by the Board, all Options:

e immediately Vest to the extent that they have not done so at the date of the Liquidity Event; and

f may be exercised in the period from the date on which the Liquidity Event occurs to the date that the relevant transaction referred to in clause 6.1a to 6.1d above is completed, and any Options not exercised by that date automatically lapse.

6.2 **Options may be cash settled:** If there is a Liquidity Event, the Company may cash settle some or all of the Options by paying the Recipient the difference between the value of the Shares determined by the Liquidity Event for the number of Shares in the Company equal to the Options held by the Recipient and the Exercise Price of those Options. If the Options are cash settled, the Options automatically lapse.

7 MANAGEMENT OF PLAN

[User note: Under these Terms, the plan is to be administered by the Board. Some companies set up a separate committee to run the ESOP, in which case this clause should be amended.]

These Terms will be administered by the Board, who will have absolute discretion and power to:

a make any determination or calculation, or give or withhold any consent, agreement or approval or exercise any right stated in these Terms to be determined, calculated, given, withheld or exercised by a member of the Board;

b determine appropriate procedures for administration of these Terms consistent with these Terms;

c alter, modify, add to or repeal any of these Terms by written notice to the Recipient, even where such alteration, modification, addition or repeal will or may adversely affect, whether materially or otherwise, any existing right or entitlement of a Recipient or otherwise disadvantage an existing Recipient; and

d subject to retaining the spirit and intent of the plan, change the manner of implementation of the Terms for any reason including, as an example, structuring the benefits in a way other than is set out in the Terms because it is more beneficial for tax reasons.

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

8 PROVISION OF INFORMATION

Under Schedule 8 of the Financial Markets Conduct Regulations 2014, before signing their Offer Letter the Recipient has the right to receive from the Company, free of charge, a copy of the following documents on request to the Company:

a a copy of the Company's annual report for the most recently completed accounting period prior to the Issue Date (if any);

b a copy of the Company's financial statements for the most recently completed accounting period prior to the Issue Date; and

c a copy of the auditor's report on those financial statements (if any).

The Recipient may obtain a copy of the documents set out in this clause 8 by emailing the Company at the address specified in the Offer Letter before the Issue Date.

9 GENERAL

9.1 **Confidentiality:** Each party must keep these Terms, and information it receives about the Company and its business in connection with these Terms (**Confidential Information**) confidential, and must not use or disclose that Confidential Information without the prior written consent of the other parties except to the extent that:

a disclosure is required by law;

b the relevant information is already in the public domain other than through the default of that party; or

c it is reasonably required in connection with any proposed:

i financing of that party;

ii sale of that party's interest in the Company; or

iii sale of all or part of the business of, or the shares in, that party,

and the person receiving the Confidential Information has entered into confidentiality undertakings substantially the same as those set out in this clause.

9.2 **Entire agreement:** These Terms contains all of the terms, representations and warranties made between the parties relating to the matters dealt with in these Terms and supersedes and cancels all prior discussions and agreements covering the subject matter of these Terms. The parties have not relied on any representation, warranty or agreement relating to the subject matter of these Terms that is not expressly set out in these Terms, and no such representation, warranty or agreement has any effect from the date of these Terms.

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

9.3 **Priority**: If there is any conflict, ambiguity or inconsistency between a provision in these Terms and the Offer Letter, the Offer Letter will be read subject to these Terms and the provisions of these Terms will prevail to the extent of the inconsistency.

9.4 **Further assurances:** The parties must each sign all further documents, pass all resolutions and do all further things as may be necessary or desirable to give effect to these Terms.

9.5 **Waiver:** No exercise or failure to exercise or delay in exercising any right or remedy will constitute a waiver by that party of that or any other right or remedy available to it.

9.6 **No assignment:** No party may assign any of its rights or obligations under these Terms without the prior written consent of the other parties.

9.7 **Costs:** Except as otherwise provided in these Terms, the parties will meet their own costs relating to the negotiation, preparation and implementation of these Terms.

9.8 **Partial invalidity:** If any provision of these Terms becomes invalid or unenforceable to any extent, the remainder of these Terms and their application will not be affected and will remain enforceable to the greatest extent permitted by law.

9.9 **Governing law and jurisdiction:** These Terms will be governed by New Zealand law, and the parties submit to the non-exclusive jurisdiction of the New Zealand courts.

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0

APPENDIX 1

EXERCISE NOTICE

[*Insert date*]

The Board of Directors
[*insert company name*]
[*insert address*]
New Zealand

Dear Board

EXERCISE OF OPTIONS

I refer to the options granted to me by [*insert name*] Limited (**Company**) under the letter dated [*insert date*] (**Options**).

I give notice that I am exercising [*insert number*] Options on [*insert date*] at the exercise price of $[*insert*] per share. On or before [*insert date*] I will deposit $[*insert*] in cleared funds into the nominated bank account of the Company, being the total exercise price for the shares.

I agree to accept the shares subject to the constitution and the current shareholders' agreement (if any) of the Company.

Yours sincerely

[*Insert name of Recipient*]

Address:

Date:

This template document is provided for guidance purposes only. We recommend you obtain the help of a qualified lawyer to complete it. Use of this document is subject to the terms and conditions linked at https://kindrik.co.nz/resources/.

© Kindrik Partners Limited 2026 V2.0