

# STOCK OPTION AGREEMENT (Long Form)

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# STOCK OPTION AGREEMENT (Long Form)

STOCK OPTION AGREEMENT, entered into in the City of ....., Province of ....., Canada.

**BETWEEN:** V1 ..... (*corporate name*), a legal person duly incorporated under the ..... Act (*name of statute under which the corporation was incorporated*), with its principal place of business at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ....., (*postal code*), and duly registered under the designating number ..... in accordance with the ..... Act (*name of the applicable statute governing the legal registration of the corporation*);

**V1.1 (Authorized Representative) (to be added after V1, if applicable)**

, represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof, as he/she so declares;

**V1.2 (Authorized Representative by Resolution) (to be added after V1, if applicable)**

, represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as indicated in the resolution of the sole director [OR board of directors], attached hereto as Schedule A;

**OR**

V2 ..... (*common business name*), [a general partnership], OR [a limited partnership represented by ..... (*name of its general partner*), its general partner] OR [an undeclared partnership], OR [a joint venture], OR [a collaboration], OR [a group of persons] exercising an organized economic activity of a commercial nature, duly formed under the [..... Act (*identify applicable statute*)] OR [Civil Code of Quebec] OR [applicable general law], with its head or registered office at ..... (*civic number and street name*), in the City of ..... (*name of city*), Province of ..... (*name of province*), ..... (*postal code*), and duly registered (*as the case may be*) under the designating number ..... in accordance with the ..... Act (*name of the applicable statute governing the legal registration of the corporation*) represented by ..... (*name of representative*), its ..... (*title of representative*), duly authorized for the purposes hereof as he/she) so declares OR [as indicated in the resolution of the partners of the general partnership], OR [as indicated in the resolution of the sole director [or Board of Directors] of the general partner of the limited partnership], OR [as indicated in the resolution of the partners of the undeclared partnership], OR [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the joint venture], OR [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], OR [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

EMPLOYER	EMPLOYEE

# STOCK OPTION AGREEMENT (Long Form)

**HEREINAFTER THE “EMPLOYER”;**

**AND:** ..... *(name of individual)*, ..... *(occupation)*, domiciled and residing at ..... *(civic number and street name)*, in the City of ..... *(name of city)*, Province of ..... *(name of province)*, ..... *(postal code)*, operating as a sole proprietorship under the name ..... *(business name)*;

**HEREINAFTER THE “EMPLOYEE”;**

**HEREINAFTER COLLECTIVELY THE “PARTIES”.**

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## RECITALS

THE PARTIES DECLARE AS FOLLOWS:

- A) The EMPLOYER is engaged in the business of ..... *(identify business activity)*;
- B) On ....., 20..., the EMPLOYER adopted a stock option plan for its employees;
- C) The EMPLOYER wishes to grant the EMPLOYEE options to purchase shares in its share capital as an employee incentive;
- D) The EMPLOYER grants the stock options as a benefit of the employer-employee relationship;
- E) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- F) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

## 0.00 INTERPRETATION

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EMPLOYER	EMPLOYEE

# STOCK OPTION AGREEMENT (Long Form)

## 0.01 Definitions

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement [and in any ancillary or subordinate documentation] will be interpreted as follows:

### 0.01.01 Agreement

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

### 0.01.02 Breach

means, with regard to any representation or warranty or obligation under the Agreement:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any other provision;

### 0.01.03 Claim

means any request, complaint, grievance, legal action, lawsuit, cause of action, order, sentence, judgment, notice, demand letter, legal proceeding, arbitration, audit, hearing, investigation or assessment;

### 0.01.04 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Agreement and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its activities, business strategies and opportunities, finances, Intellectual Property, suppliers, clients or employees, but excludes:

- a) information known to the receiving PARTY prior to the date of its disclosure;
- b) information known by or available to the public prior to the date of its disclosure;
- c) information that becomes known by or available to the public after the date of its disclosure and that does not result from a breach of the confidentiality undertaking by the receiving PARTY;

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EMPLOYER	EMPLOYEE

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- d) information received at any time by a Person who is not bound to one of the PARTIES by a confidentiality undertaking with regard to that information;
- e) information independently produced by the receiving PARTY;
- f) personal information provided by an individual when such information is being used for the purpose for which it was previously disclosed or any other purpose permitted by Law;

## 0.01.05 Dispute

means any problem, difficulty, disagreement or litigation between the PARTIES arising from the interpretation, application, execution or cancellation of the Agreement or related to their legal or business relationship;

## 0.01.06 Employment Agreement

means the employment agreement entered into on ....., 20... between the EMPLOYER and the EMPLOYEE, under which the EMPLOYER confirms that the EMPLOYEE has been hired as a ..... (*job title*);

## 0.01.07 Force Majeure

means any event beyond the control of a PARTY that could not have been reasonably foreseen and against which it could not have protected itself such as any natural disaster, epidemic, fire, accident, act of war (whether declared or not), insurrection, riot, act of terrorism, strike, spontaneous work stoppage or slowdown, lock-out, change in market conditions, power or telecommunications outage (including internet and cell phone services), intervention by civil or military authorities, or compliance with any Law, government decree or order issued by any public authority [**OR** ..... (*identify any other event that is relevant in the context of the Agreement*)];

## 0.01.08 Incentive Plan

refers to the EMPLOYER's incentive stock option plan adopted on ....., 20... for eligible employees, such as the EMPLOYEE, a copy of which plan is attached hereto as Schedule 0.01.08;

## 0.01.09 Intellectual Property

means all the intellectual assets of any PARTY, including:

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EMPLOYER	EMPLOYEE