



Phantom Stock Agreement

This **Phantom Stock Agreement** ("**Agreement**") is entered into as of _____ ("**Effective Date**"), by and between the following parties:

Company

Participant

Company and Participant may be referred to individually as a "**Party**" and collectively as the "**Parties.**"

1. Purpose

The purpose of this Agreement is to grant the Participant a contractual right to receive a cash payment equivalent to the value of a specified number of shares of the Company's stock, subject to the terms and conditions set forth in this Agreement. This Agreement does not grant actual ownership of shares or equity in the Company.

2. Grant of Phantom Stock

The Company hereby grants to the Participant [Number of Units] phantom stock units (the "**Units**"), subject to the terms of this Agreement.

Each Unit represents the right to receive a cash payment equal to the value of one share of the Company's stock, as determined under the Valuation clause.

3. Nature of Rights

The Units granted under this Agreement:

- Do not represent actual shares of stock;
- Do not provide voting rights or shareholder rights;
- Do not entitle the Participant to dividends unless expressly provided in this Agreement.

The Participant's rights are purely contractual and unsecured.

4. Vesting

The Units shall vest in accordance with the following schedule:

Vesting Schedule:

Vesting Date	Percentage of Units Vested

Vesting is contingent upon the Participant's continued service with the Company unless otherwise stated.

5. Valuation

The value of each Unit shall be determined based on:

- The fair market value of a share of the Company's stock as of the applicable valuation date; or
- A valuation method determined in good faith by the Company, including internal valuation, third-party appraisal, or valuation tied to a liquidity event.

The Company's determination of value shall be final and binding, provided it is made in good faith.

6. Payment Events

Payment in respect of vested Units shall be made upon the occurrence of one of the following events:

- A liquidity event, including sale, merger, or public offering of the Company;
- Termination of the Participant's service, subject to the Termination clause;
- A fixed payment date specified as _____; or
- Any other event determined by the Company.

Payment shall be made in cash unless otherwise agreed.

7. Termination of Service

If the Participant's service with the Company terminates:

- Vested Units shall remain payable in accordance with the Payment Events clause;
- Unvested Units shall be forfeited immediately unless otherwise determined by the Company.

The Company may, at its discretion, accelerate vesting in whole or in part.

8. Restrictions on Transfer

The Units granted under this Agreement:

- May not be sold, assigned, transferred, pledged, or otherwise disposed of;
- Are personal to the Participant.

Any attempted transfer in violation of this clause shall be void.

9. No Employment Relationship

Nothing in this Agreement shall:

- Be construed as guaranteeing continued employment or service;
- Affect the Company's right to terminate the Participant's employment or engagement at any time.

10. Tax Treatment

The Participant acknowledges that:

- Payments under this Agreement may be subject to applicable taxes;
- The Participant is responsible for any tax obligations arising from the receipt of payments.

The Company may withhold applicable taxes as required by law.

11. Confidentiality

The Participant agrees to keep the terms of this Agreement and any related financial information confidential, except where disclosure is required by law or permitted by the Company.

12. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of _____.

13. Amendments

This Agreement may be amended only by a written document signed by both the Company and the Participant.

14. Entire Agreement

This Agreement constitutes the entire understanding between the parties with respect to its subject matter and supersedes all prior discussions or agreements.

15. Notices

Any notice under this Agreement shall be given in writing and delivered to the addresses set forth above or to any updated address provided by either party.

16. Acceptance

By signing below, the Participant acknowledges understanding and acceptance of the terms and conditions of this Agreement.

Signatures

Company

Participant

Name

Name

Date

Date

Signature

Signature

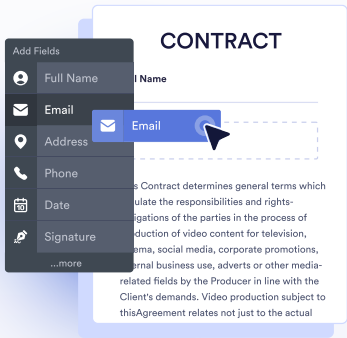


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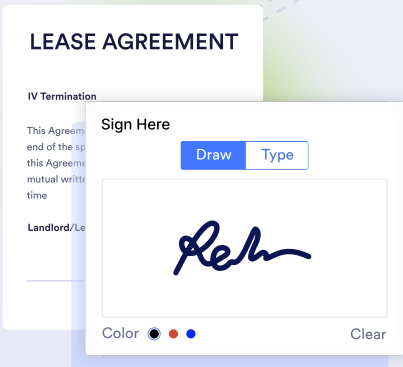
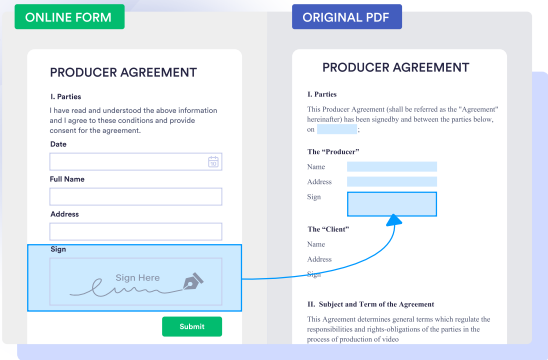
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