

PHANTOM STOCK AGREEMENT

Company Name: _____

Participant Name: _____

Recitals:

WHEREAS, the Company desires to provide its employees and other eligible individuals with an opportunity to participate in the economic growth and success of the Company through a phantom stock plan; and WHEREAS, the Participant desires to participate in such plan under the terms and conditions set forth herein.

1. Definitions

For the purposes of this Agreement, the following terms shall have the following meanings unless the context otherwise requires: "Agreement" means this Phantom Stock Agreement, including any schedules and exhibits; "Board" means the Board of Directors of the Company; "Cause" means the Participant's (a) conviction of a felony or any crime involving moral turpitude; (b) willful misconduct or gross negligence in the performance of duties; or (c) material violation of any Company policy; "Company" means the entity identified above; "Participant" means the individual who is a party to this Agreement and eligible to receive phantom stock units; "Phantom Stock Units" means the phantom units granted under this Agreement, representing a right to receive a cash payment based on the value of the Company's common stock or other equity; "Termination Date" means the date on which the Participant's employment or engagement with the Company terminates for any reason.

2. Grant of Phantom Stock Units

Subject to the terms and conditions of this Agreement and the Company's phantom stock plan, the Company hereby grants to the Participant _____ (number) Phantom Stock Units, effective as of the date determined by the Board. Such units represent a right to receive a cash payment as described herein and do not confer any ownership or voting rights.

3. Vesting

The Phantom Stock Units shall vest according to the schedule determined by the Board, which may include time-based, performance-based, or other vesting conditions as set forth in the Company's phantom stock plan or applicable award agreement. Unless otherwise provided, unvested units shall be forfeited upon Termination Date.

4. Payment upon Vesting and Settlement

Upon vesting of Phantom Stock Units and subject to the terms of this Agreement, the Company shall pay to the Participant an amount in cash equal to the Fair Market Value of the vested units on the applicable settlement date, which shall be determined in accordance with the Company's phantom stock plan. Payment shall be made in a single lump sum or installments as designated by the Board.

5. Termination of Employment or Service

If the Participant's employment or service with the Company terminates for any reason, the treatment of Phantom Stock Units shall be governed by the terms of the Company's phantom stock plan and this Agreement, including provisions for forfeiture, accelerated vesting, or continued rights as determined by the Board. For clarity, no payment shall be due

for unvested units unless expressly provided.

6. Non-Transferability

Phantom Stock Units and any rights under this Agreement may not be sold, assigned, transferred, pledged, or otherwise encumbered except by will or the laws of descent and distribution, and are exercisable only by the Participant during his or her lifetime.

7. No Rights as Stockholder

The Participant shall have no rights as a stockholder of the Company with respect to the Phantom Stock Units, including no right to vote or receive dividends, except as expressly provided in this Agreement.

8. Tax Withholding

The Company shall have the right to withhold from any payments under this Agreement any federal, state, local, or foreign taxes required to be withheld pursuant to any applicable law or regulation.

9. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without regard to its conflict-of-law principles.

10. Entire Agreement

This Agreement, together with the Company's phantom stock plan and any related agreements, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings.

11. Amendments and Waivers

Any amendment to or waiver of any provision of this Agreement must be in writing and signed by both the Company and the Participant.

12. Severability

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, it shall be severed from this Agreement, and the remaining provisions shall remain in full force and effect.

13. Arbitration

Any dispute arising out of or relating to this Agreement shall be finally resolved by binding arbitration conducted in accordance with the rules of the American Arbitration Association. The arbitration shall take place in _____, _____, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having

jurisdiction.

14. No Employment Rights

This Agreement does not confer upon the Participant any right to continue in the employ or service of the Company, and the Participant's employment or service is at-will and may be terminated at any time by either party.

15. Confidentiality

The Participant agrees to maintain the confidentiality of all confidential information relating to the Company, its business, and the phantom stock plan, both during and after the term of employment or service.

16. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

COMPANY AUTHORIZED SIGNATURE

PARTICIPANT SIGNATURE

Signature: _____

Signature: _____

Original source of this document:

<https://agreementdocs-us.com/phantom-stock-agreement/>

Did you find this template helpful?

Find more updated templates at:

<https://agreementdocs-us.com/>

[View more templates](#)

This template is intended exclusively for personal, non-commercial use.
If distributed or published, the source must be mentioned.

This template is provided for guidance only and does not constitute legal advice.
It is recommended to consult a legal professional for each specific case.